

THE BUDGET IN BRIEF — FISCAL YEAR 2003

TABLE OF CONTENTS

BUDGET SUMMARY	1
FY 2003 Request — Department of State	5
Part One: Administration of Foreign Affairs	
Overview Table	11
State Programs	
Diplomatic & Consular Programs	13
Worldwide Security Upgrades.....	36
Capital Investment Fund	41
Border Security Program.....	48
Embassy Security, Construction and Maintenance.....	57
Other Administration of Foreign Affairs	
Office of Inspector General	67
Educational & Cultural Exchanges	69
Representation Allowances.....	73
Buying Power Maintenance Fund	75
Protection of Foreign Missions and Officials.....	77
Emergencies in the Diplomatic and Consular Service	79
Repatriation Loans Program Account	83
Payment to the American Institute in Taiwan	85
Payment to Foreign Service Retirement & Disability Fund	89
Part Two: International Organizations and Conferences	
Overview Table	91
Contributions to International Organizations	93
Contributions for International Peacekeeping Activities.....	97

THE BUDGET IN BRIEF — FISCAL YEAR 2003

Part Three: International Commissions

Overview Table	101
International Boundary and Water Commission – S&E	103
International Boundary and Water Commission – Construction.....	105
International Fisheries Commissions	111
International Boundary Commission.....	115
International Joint Commission.....	117
Border Environment Cooperation Commission	121

Part Four: Related Appropriations

Overview Table	123
The Asia Foundation.....	125
National Endowment for Democracy.....	127
East-West Center	129
Eisenhower Exchange Fellowship Program	131
Israeli Arab Scholarship Program	133

Part Five: Foreign Assistance Appropriations

Overview Table	135
Migration and Refugee Assistance	137
Emergency Refugee and Migration Assistance.....	143

Appendix:

Schedule of Fee Collections	147
Explanation of Language Changes.....	149

February 4, 2002

This document is available on-line at www.state.gov

BUDGET SUMMARY

“As long as the United States of America is determined and strong, this will not be an age of terror; this will be an age of liberty, here and across the world.”

President George W. Bush
Address to a Joint Session of Congress and the American People
September 20, 2001

Overview

At the start of last year, we were heavily engaged in the beginnings of not only a new Administration but also a new emphasis on the Department of State regarding what it does for America and the world. In the seven months leading to September, we made good progress in realizing the new emphasis by gaining the increased resources required for our first year and by putting those dollars to work effectively.

Then the tragic events of September 11 changed the world. The counterterrorism campaign that the nation immediately launched upon still demands our attention today – and will continue to do so far into the foreseeable future. In the context of this campaign, the conduct of the nation’s foreign affairs has taken on a heightened sense of urgency while gaining immensely in achieving the increased emphasis we were seeking.

In the months since September, we have had enormous success in the war on terrorism – a new U.S.-Pakistan relationship, a reinvigorated U.S.-India relationship, a new interim authority in Afghanistan, the elimination of the repressive regime of the Taliban, the destruction of al-Qaeda in Afghanistan, the delivery of humanitarian relief to Afghanistan’s citizens, and a strong global coalition of nations at work to disrupt and destroy terrorism worldwide.

The State Department has been at the core of this tremendous effort. The new emphasis on foreign affairs that we sought to build slowly and carefully over several years was amplified immeasurably by the immediate challenge of one tragic day. And because of the dedicated, hard-working people in the Foreign Service, the Civil Service, and the Foreign Service Nationals around the world, we met the challenge. But there is much more work to be done – work associated with the war on terrorism and with our fundamental foreign policy interests – and we continue to need the resources to do it.

What We Have Done

Because the FY 2002 budget request resulted in an increase in resources for State operations, we are implementing our priority initiatives. We broke records in new employment recruits and are busy hiring, training, and putting these men and women to work. Our overseas building program has prospered significantly under new management practices that have cut costs and improved construction times, quality, and security; a more detailed and disciplined construction plan is in place; and new construction proceeds at a brisk pace. Our program to bring state-of-the-art information technology to all of the Department is well underway. Security enhancements –

BUDGET SUMMARY

including new security hiring – are also in process. But more needs to be done and the dollars we are requesting Congress provides us for Fiscal Year 2003 are much needed if we are to continue to bring the State Department into the 21st century.

Details of the FY 2003 Budget Request

The President's \$7.721 billion request for the State Department will allow us to:

- ❑ Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes \$100 million for the next step in the hiring initiative we began in FY 2002. Further information on this hiring initiative can be found on page 32 (State Programs);
- ❑ Continue to upgrade the security of our overseas facilities. The budget request includes over \$1.4 billion to improve physical security, correct serious deficiencies, and provide for security-driven construction of new facilities at high-risk posts around the world. Additional security construction program information can be found beginning on page 57 (Embassy Security, Construction & Maintenance). We are also seeking \$52 million to consolidate the Department's anti-terrorism training programs by establishing a new Center for Anti-Terrorism Security Training (CAST); see page 33 in the State Programs chapter;
- ❑ Continue our program to provide state-of-the-art information technology to our people worldwide. The budget request includes \$177 million to continue projects aimed at extending classified connectivity to every post requiring it and to update desktop access to the Internet for Department employees. Additional information on information technology investments can be found beginning on page 41 (Capital Investment Fund);
- ❑ Prioritize Public Diplomacy resources – \$287 million for FY 2003 – toward new projects to support the war on terrorism. More information on Public Diplomacy programs and activities starts on page 18 (State Programs).
- ❑ Continue and enhance our educational and cultural exchange programs. The budget request includes \$247 million for strategic activities that help build the trust, confidence, and international cooperation necessary to sustain and advance the full range of our interests. Such activities have gained a new measure of importance since the brutal attacks of September. For more information on exchange programs to build mutual understanding and develop friendly relations between America and the people of the world, see page 69 (Educational and Cultural Exchange Programs).
- ❑ Continue to meet our obligations to international organizations – also vitally important as we pursue the war on terrorism to its end. The budget request includes \$891.4 million to fund U.S. assessments to 43 international organizations, active membership of which furthers U.S. economic, political, security, social, and cultural interests. More information can be found beginning on page 93 (Contributions to International Organizations); and
- ❑ Continue to meet our obligations to international peacekeeping activities. The budget request includes \$726 million to allow the U.S. to pay its United Nations peacekeeping assessments –

BUDGET SUMMARY

all the more important as we seek to avoid increased UN arrearages. UN peacekeeping activities allow us to leverage our political, military, and financial assets through the authority of the UN Security Council and the participation of other countries in providing funds and peacekeepers for conflicts worldwide. Additional information is available at page 97 (Contributions to International Peacekeeping Activities).

There is much more as well. We are well underway on our course to a future in which the conduct of the nation's foreign policy is a preeminent feature of our government. More and more Americans have come to realize that diplomacy – the management of international relations – is central to America's success. Whether it is combating international terrorism, improving trade, spreading freedom and democracy, or protecting our citizens overseas – and a host of other activities – the Department of State is essential to the successful pursuit of the nation's interests. America's future is in many ways in our hands.

Fully Accruing Costs of Federal Programs

The President's 2003 Budget corrects a long-standing understatement of the true cost of thousands of federal programs. For some time, the accruing charges of the various federal employees retirement systems has been allocated to agencies' salaries and expense accounts, and the remainder has been charged to centrally held mandatory accounts, distorting the true cost of federal programs

The full cost of accruing benefits should be allocated to the affected salary and expense accounts, so that budget choices for program managers and budget decision-makers are not distorted by inaccurate cost information.

The Budget presents the amounts associated with shifting this cost from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are shown on a comparable basis for program accounts in 2001 and 2002. Agencies will also, for the first time, be charged for the accruing cost of retiree health care benefits for all civilian employees. These are also shown on a comparable basis for 2001 and 2002.

The proposal does not increase or lower total budget outlays, or alter the surplus/deficit since the higher payments will be offset by receipts in the pension and health funds. The shift will reduce reported costs from central mandatory accounts and increase reported costs in the affected discretionary accounts. Consequently, these costs will be properly reported in the budget for the first time and considered as an annual cost of managing these programs, as they should be.

This change in treatment of costs is the first in a series of steps that will be taken to ensure that the full annual cost of resources – including support services, capital assets and hazardous waste – are charged properly in the budget presentation.

Budget Specifics

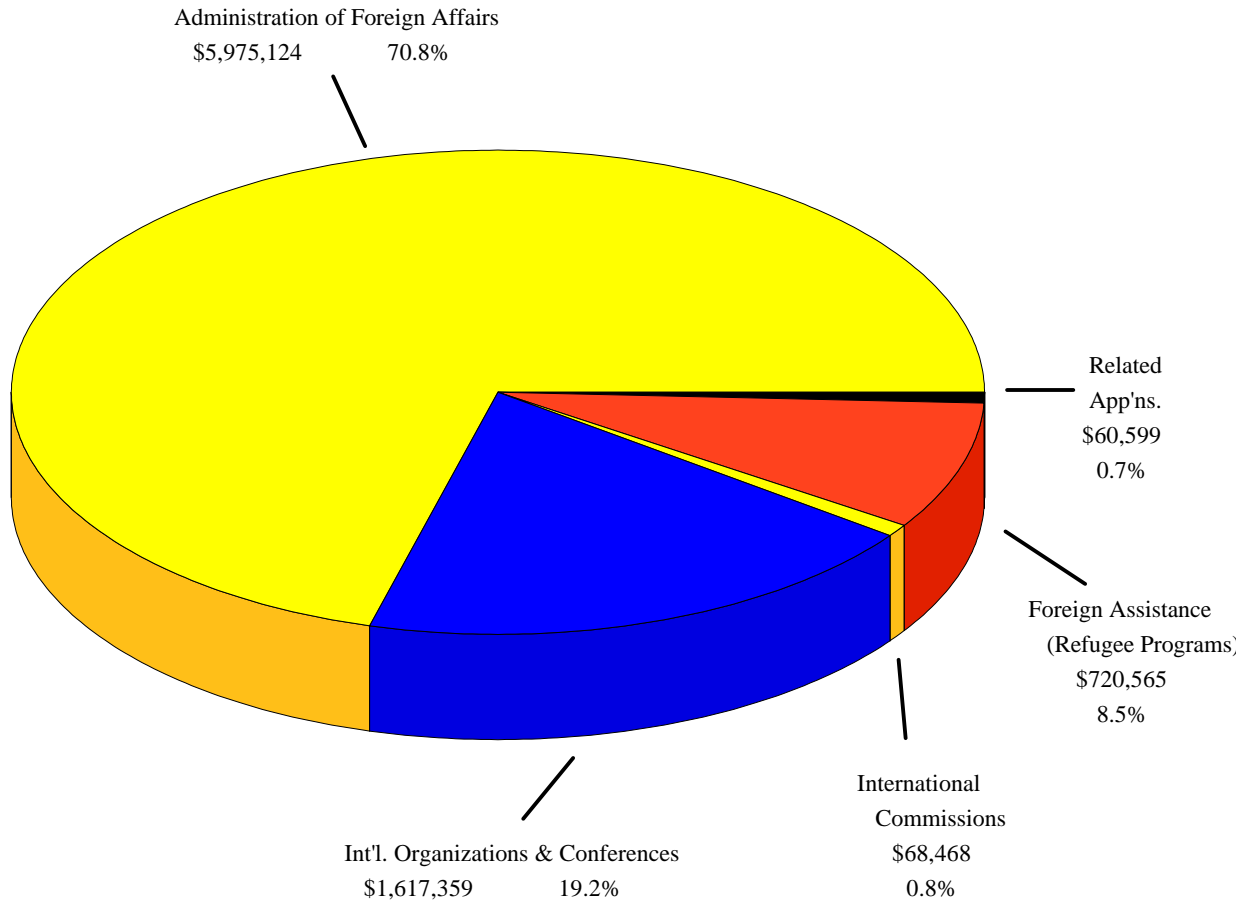
Graphs and tables summarizing the Department's FY 2003 budget request, including funds and positions by appropriation account, appear on the following pages.

BUDGET SUMMARY

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FY 2003 State Department Request Distribution by Title

(dollars in thousands)



Total Request \$8,442,115

SUMMARY OF FUNDS

(Dollars in thousands)

Appropriations	FY 2001 Actual /a	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Administration of Foreign Affairs	\$4,856,112	\$5,633,920	\$5,975,124	\$341,204
State Programs:				
Diplomatic & Consular Programs	\$3,239,620	\$3,708,518	\$4,019,023	\$310,505
Ongoing Operations	2,718,076 /b	3,142,277 /c	3,364,179	221,902
Full Funding of Retirement Costs *	72,446	78,506	81,844	3,338
Pacific Salmon	40,000	--	20,000	20,000
Worldwide Security Upgrades	409,098	487,735	553,000	65,265
Capital Investment Fund	96,787 /d	203,000 /e	177,000	(26,000)
Subtotal, State Programs	3,336,407	3,911,518	4,196,023	284,505
Embassy Security, Construction & Maintenance	1,080,464	1,276,904	1,308,011	31,107
Ongoing Operations	416,059	443,000	500,000	57,000
Full Funding of Retirement Costs *	2,864	2,944	3,011	67
Non-Security Construction	--	15,000	50,000	35,000
Worldwide Security Construction - State	463,867	665,000 /f	608,550	(56,450)
Worldwide Security Construction - AID	50,000	--	[82,000]	--
Compound Security	133,705	136,680	146,450	9,770
Support Costs	13,969	14,280	--	(14,280)
Other Administration of Foreign Affairs				
Office of Inspector General *	29,891	30,503	30,791	288
Educational and Cultural Exchanges *	233,242 /g	238,718	247,063	8,345
Representation Allowances	6,485	6,485	9,000	2,515
Prot. of Foreign Missions & Officials	15,433	9,400	11,000	1,600
Emerg. in the Dipl. & Consular Service	5,465 /h	6,500	15,000	8,500
Repatriation Loans Program Account	1,192	1,219	1,219	--
American Institute in Taiwan	16,309	17,044	18,817	1,773
F.S. Retirement & Disability Fund (mandatory)	131,224	135,629	138,200	2,571
International Organizations	1,713,056	1,694,139	1,617,359	(76,780)
Contributions to Int'l. Organizations	868,917	850,000	891,378	41,378
Contr. for Int'l. Peacekeeping Activities	844,139 /i	844,139	725,981	(118,158)
International Commissions	57,215	61,707	68,468	6,761
Int'l. Boundary & Water Comm.-S&E *	7,233	25,654	28,387	2,733
Int'l. Boundary & Water Comm.-Const, O&M *	23,810	5,562	9,517	3,955
International Fisheries Commissions	19,349	20,480	19,780	(700)
American Sections:	6,823	10,011	10,784	773
Int'l. Boundary Commission *	988	1,002	1,157	155
Int'l. Joint Commission *	3,839 /j	6,969	7,544	575
Border Environment Cooperation Commission	1,996	2,040	2,083	43
Related Appropriations	54,504	57,625	60,599	2,974
The Asia Foundation	9,230	9,250	9,444	194
National Endowment for Democracy	30,931 /k	33,500	36,000	2,500
East-West Center	13,470	14,000	14,280	280
Eisenhower Exchange Fellowship Program	499	500	500	--
Israeli Arab Scholarship Program	374	375	375	--
Subtotal, State Appropriations Act	6,680,887	7,447,391	7,721,550	274,159
Less, Full Funding of Retirement Costs	(79,553)	(85,832)	(89,340)	(3,508)
STATE APPROPRIATIONS ACT	6,601,334	7,361,559	7,632,210	270,651
Foreign Assistance				
Migration & Refugee Assistance *	699,002 /l	705,556 /m	705,565	9
Emergency Refugee/Migration Assistance	14,967	15,000	15,000	--
Subtotal, State Authorizations Act	7,394,856	8,167,947	8,442,115	274,168
Less, Full Funding of Retirement Costs	(542)	(556)	(565)	(9)
STATE AUTHORIZATION ACT	7,314,761	8,081,559	8,352,210	\$270,651

* The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are included on a comparable basis for program accounts in 2001 and 2002. The table "Costs of Fully Funding Pension and Health Costs" shows the amounts included for Fiscal Years 2001, 2002 and 2003.

Additional footnotes are on the page opposite.

Footnotes to the Summary of Funds Table

- /a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001; the mandatory Foreign Service Retirement & Disability Fund was exempt from the rescission.
- /b Reflects \$875,037 transferred to the United States Commission on Holocaust Assets, \$3,375,000 transferred to the Buying Power Maintenance Fund, and \$13,662,000 transferred to the Capital Investment Fund. Does not include \$390,000 transferred from the Emergency Response Fund.
- /c Does not include \$135.6 million transferred from the Emergency Response Fund
- /d Does not include \$7.5 million transferred from the Emergency Response Fund.
- /e Does not include \$7.5 million transferred from the Emergency Response Fund.
- /f Does not include \$52.85 million transferred from the Emergency Response Fund.
- /g In addition to the direct appropriated amounts shown, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracy Act (SEED), Freedom Support Act (FSA), and Economic Support Fund (ESF) activities. In FY 2001, \$135.474 million in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and ESF are anticipated in FY 2002 and FY 2003.
- /h Does not include \$51 million transferred from the Emergency Response Fund.
- /i Assessments for periods up to December 31, 2000, are calculated at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.
- /j \$2.15 million was provided through the Emergency Supplemental Act, 2000 (P.L. 106-246) to initiate, in FY2001, the first year of a five-year bi-national study of the regulation of the Lake Ontario and St. Lawrence River levels and flows. The FY 2002 estimate includes \$3.432 million for the second year of the study.
- /k Does not include \$3.48 million in new budget authority transferred from the United States Agency for International Development (USAID).
- /l In addition, \$21 million in FY 2000 funds was also available.
- /m Does not include \$100 million transferred from the Emergency Response Fund.

SUMMARY OF DIRECT FUNDED POSITIONS

Appropriations	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ Decrease
Administration of Foreign Affairs				
State Programs:				
Diplomatic & Consular Programs	16,264 /a	16,747 /b	16,913 /c	166
Worldwide Security Upgrades	522	911	1,045	134
Subtotal, State Programs	16,786	17,658	17,958	300
Embassy Security, Construction & Maintenance	747	747	787	40
Worldwide Security Upgrades	40	40	--	(40)
Subtotal, Embassy Security	787	787	787	--
Other Administration of Foreign Affairs				
Office of Inspector General	314	314	314	--
Educational and Cultural Exchanges	350	351	351	--
Subtotal, Admin. of Foreign Affairs	18,237	19,110	19,410	300
International Commissions				
Int'l. Boundary & Water Comm.-S&E	82	280 /d	280	--
Int'l. Boundary & Water Comm.-Construction	197	33 /d	33	--
American Sections:				
Int'l. Boundary Commission	8	8	8	--
Int'l. Joint Commission	24	24	24	--
Subtotal, International Commissions	311	345	345	--
STATE APPROPRIATIONS ACT	18,548	19,455	19,755	300
Foreign Assistance				
Migration & Refugee Assistance	130	130	130	--
STATE AUTHORIZATION ACT	18,678	19,585	19,885	300

/a Position levels do not include 2,059 positions being funded by MRV fees in FY 2001.

/b Position levels do not include 2,157 positions to be funded by MRV fees in FY 2002.

/c Position levels do not include 2,488 positions to be funded by MRV fees in FY 2002, including 233 positions that were previously funded in the Diplomatic & Consular Programs appropriation in FY 2002.

/d Reflects the transfer of the Operations & Maintenance (O&M) activity pursuant to the FY2002 appropriation.

COSTS OF FULLY FUNDING PENSION AND HEALTH ACCRUAL COSTS
(\$ in thousands)

	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Amount	FY02 to 03 Incr/(Decr)	
				Amount	Percent
TOTAL, DEPARTMENT OF STATE	\$80,095	\$86,388	\$89,905	\$3,517	4.1%
Administration of Foreign Affairs:	78,440	84,671	88,139	3,468	4.1%
Diplomatic & Consular Programs	72,446	78,506	81,844	3,338	4.3%
Embassy Security Construction & Maint.	2,864	2,944	3,011	67	2.3%
Office of the Inspector General	1,464	1,503	1,527	24	1.6%
Educational & Cultural Exchange Programs	1,666	1,718	1,757	39	2.3%
State Appropriations Act, Function 150	78,440	84,671	88,139	3,468	4.1%
International Commissions (Function 300):	1,113	1,161	1,201	40	3.4%
Int'l Boundary & Water Commission - S&E	107	949	983	34	3.6%
Int'l Boundary & Water Commission - Const.	910	112	116	4	3.6%
<u>American Sections:</u>	96	100	102	2	2.0%
International Boundary Commission	20	13	14	1	7.7%
International Joint Commission	76	87	88	1	1.1%
STATE APPROPRIATIONS ACT, TOTAL	79,553	85,832	89,340	3,508	4.1%
Foreign Assistance					
Migration and Refugee Assistance	542	556	565	9	1.6%
STATE AUTHORIZATION ACT, TOTAL	80,095	86,388	89,905	3,517	4.1%

**SUMMARY OF
EMERGENCY RESPONSE FUND (ERF) TRANSFERS**

(Dollars in thousands)

Appropriations	FY 2001	FY 2002	Total
Administration of Foreign Affairs	\$48,890	\$205,950	\$254,840
Diplomatic & Consular Programs	390	135,600	135,990
Capital Investment Fund	7,500	7,500	15,000
Embassy Security, Construction & Maintenance	-	52,850	52,850
Emerg. in the Dipl. & Consular Service	41,000	10,000	51,000
Foreign Assistance	-	100,000	100,000
Migration & Refugee Assistance	-	100,000	100,000
Total	48,890	305,950	354,840

PART ONE
ADMINISTRATION OF FOREIGN AFFAIRS

OVERVIEW

This section contains the FY 2003 appropriations in the Administration of Foreign Affairs title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2001 Actual /a	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
State Programs	\$3,336,407	\$3,911,518	\$4,196,023	284,505
Diplomatic & Consular Programs	\$3,239,620	\$3,708,518	\$4,019,023	\$310,505
Ongoing Operations	2,718,076 /b	3,142,277 /c	3,364,179	221,902
Full Funding of Retirement Costs *	72,446	78,506	81,844	3,338
Pacific Salmon	40,000	--	20,000	20,000
Worldwide Security Upgrades	409,098	487,735	553,000	65,265
Capital Investment Fund	96,787 /d	203,000 /e	177,000	(26,000)
Embassy Security, Construction & Maintenance	1,080,464	1,276,904	1,308,011	31,107
Ongoing Operations	416,059	443,000	500,000	57,000
Full Funding of Retirement Costs *	2,864	2,944	3,011	67
Non-Security Construction	--	15,000	50,000	35,000
Worldwide Security Construction - State	463,867	665,000 /f	608,550	(56,450)
Worldwide Security Construction - AID	50,000	--	[82,000]	--
Compound Security	133,705	136,680	146,450	9,770
Support Costs	13,969	14,280	--	(14,280)
Office of Inspector General *	29,891	30,503	30,791	288
Educational and Cultural Exchanges *	233,242 /g	238,718	247,063	8,345
Representation Allowances	6,485	6,485	9,000	2,515
Protection of Foreign Missions & Officials	15,433	9,400	11,000	1,600
Emergencies in the Diplomatic & Consular Service	5,465 /h	6,500	15,000	8,500
Repatriation Loans Program Account	1,192	1,219	1,219	--
Payment to the American Institute in Taiwan	16,309	17,044	18,817	1,773
F.S. Retirement & Disability Fund (mandatory)	131,224	135,629	138,200	2,571
Subtotal, Admin of Foreign Affairs	4,856,112	5,633,920	5,975,124	341,204
Less, Full Funding of Retirement Costs	(78,440)	(84,671)	(88,139)	(3,468)
TOTAL, ADMIN OF FOREIGN AFFAIRS	\$4,777,672	\$5,549,249	\$5,886,985	\$337,736

* The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are included on a comparable basis for program accounts in 2001 and 2002. The table "Costs of Fully Funding Pension and Health Costs" shows the amounts included for Fiscal Years 2001, 2002 and 2003.

Over for additional footnotes.

Footnotes to the Summary of Funds Table

- /a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001; the mandatory Foreign Service Retirement & Disability Fund was exempt from the rescission.
- /b Reflects \$875,037 transferred to the United States Commission on Holocaust Assets, \$3,375,000 transferred to the Buying Power Maintenance Fund, and \$13,662,000 transferred to the Capital Investment Fund. Does not include \$390,000 transferred from the Emergency Response Fund.
- /c Does not include \$135.6 million transferred from the Emergency Response Fund
- /d Does not include \$7.5 million transferred from the Emergency Response Fund.
- /e Does not include \$7.5 million transferred from the Emergency Response Fund.
- /f Does not include \$52.85 million transferred from the Emergency Response Fund.
- /g In addition to the direct appropriated amounts shown, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracy Act (SEED), Freedom Support Act (FSA), and Economic Support Fund (ESF) activities. In FY 2001, \$135.474 million in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and ESF are anticipated in FY 2002 and FY 2003.
- /h Does not include \$51 million transferred from the Emergency Response Fund.

STATE PROGRAMS

2003 Overview

Summary Statement

(dollars in thousands)

Appropriation/Fund	2001 Actual ^{d/}	2002 Estimate	2003 Request	Increase or Decrease (-)
Diplomatic & Consular Programs ^{a/}	\$2,830,522	\$3,220,783	\$3,466,023	\$245,240
Full Funding of Federal Employee Retirement, Pension, and Accrual Costs	-72,446	-78,506	-81,844	-3,338
Subtotal, Removing Retirement Accruals	\$2,758,076	\$3,142,277	\$3,384,179	\$241,902
Worldwide Security Upgrades	409,098	487,735	553,000	65,265
Diplomatic & Consular Programs	\$3,167,174	\$3,630,012	\$3,937,179	\$307,167
Capital Investment Fund ^{b/}	96,787	203,000	177,000	-26,000
Total, State Programs Appropriations	\$3,263,961	\$3,833,012	\$4,114,179	\$281,167
<i>Border Security Program/MRV Fees ^{c/}</i>	<i>390,938</i>	<i>465,082</i>	<i>642,731</i>	<i>177,649</i>
<i>IRM Central Fund/Expedited Passport Fees ^{c/}</i>	<i>17,809</i>	<i>63,000</i>	<i>86,000</i>	<i>23,000</i>
<i>IRM Base/Expedited Passport Fees ^{c/}</i>	<i>45,191</i>	<i>--</i>	<i>--</i>	<i>--</i>
<i>Other Fees ^{c/}</i>	<i>10,677</i>	<i>14,562</i>	<i>15,712</i>	<i>1,150</i>
Total	\$3,728,576	\$4,375,656	\$4,858,622	\$482,966

/a FY 2001 includes \$875,037 transferred to the United States Commission on Holocaust Assets, \$3,375,000 transferred to the Buying Power Maintenance Fund, and \$13,662,000 transferred to the Capital Investment Fund. FY 2001 does not include \$390,000 transferred from the Emergency Response Fund. FY 2002 does not include \$135,600,000 transferred from the Emergency Response Fund. Within these amounts is funding for the Pacific Salmon Program of \$40,000,000 in FY 2001 and \$20,000,000 in FY 2003.

/b FY 2001 does not include \$7,500,000 transferred from the Emergency Response Fund. FY 2002 does not include \$7,500,000 transferred from the Emergency Response Fund.

/c The funding for these fee programs represents annual program spending estimates from current collections and carryforward balances, not annual fee collections. This amount does not include Affidavit of Support fees that are pending authorization for FY 2002 and thereafter. An accounting of the total collections received by the Department of State is provided in the Appendix.

/d FY 2001 reflects adjustments for the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

State Programs Summary

The Department of State requires sufficient resources to effectively carry out U.S. foreign policy and protect U.S. national security interests. Sustained and secure U.S. diplomatic presence, on the ground and around the world, provides for U.S. leadership on the political, economic, and global issues that define US national interests. In response to the events of September 11, the U.S. is engaged in a war

STATE PROGRAMS

against global terrorism that requires applying U.S. diplomatic and economic power in an intense and sustained way within an unprecedented worldwide coalition involving nearly every nation. The Department must have the capacity to deliver diplomatic and economic force throughout the world and especially in places where the Department has had limited presence or capacity on the ground.

The events of September 11 make the strongest possible argument yet for the Department's initiatives to hire and retain the right people in adequate numbers, provide security and adequate facilities, and modernize information technology to get the job done. The Department's FY 2003 appropriations request sustains these initiatives for Diplomatic and Consular Programs and the Capital Investment Fund with \$4,114,179,000, plus an additional \$81,844,000 for the proposal for full funding of Federal Retirement, Pension, and Accrual costs. This request will continue initiatives to:

- Recruit, hire, train, and deploy the right work force for the Department now and for the future;
- Upgrade information technology capacity through modern global secure communications networks, infrastructure, systems and tools.
- Maintain adequate and secure Embassy facilities, sustain security readiness, and fulfill the Department's law enforcement mission; and
- Operate and maintain Department of State presence domestically, at overseas missions, in the interagency process, and in international organizations;

The FY 2003 budget request includes increased funding for:

- People.** The FY 2003 request includes increases to continue the Diplomatic Readiness staffing initiative by hiring 399 new Foreign Service and Civil Service staff over attrition, implement the Department's workforce policy on HIV/AIDS, and to increase locally engaged staffing levels at overseas missions in East Asia, the Near East, and South Asia.
- Technology.** The FY 2003 request sustains investment in information technology by maintaining funding for the IRM Central Fund for the Classified Connectivity Project, OpenNet Plus and ALMA Replacement, Foreign Affairs System Integration, Integrated Logistics Management System, and Secure Information Technology operations.
- Security.** The FY 2003 request builds on funding received from Emergency Response Fund transfers for the increased hiring of security agents and for counter-terrorism programs. The request includes increases to enhance the security of our diplomatic facilities and to provide 134 additional security and support professionals to sustain the Department's Worldwide Security Upgrade program. The request supports fielding a new Center for Anti-Terrorism Security Training (CAST).
- Facilities and Overseas Infrastructure.** The FY 2003 request includes increases to support the Department of State costs for building a facility for the United States Mission to the United Nations and to continue to consolidate worldwide financial services within the Charleston Financial Services Center.

STATE PROGRAMS

- ❑ **Foreign Policy Support.** The FY 2003 request includes increased funding for public diplomacy programs supporting the war against terrorism and funding to implement the Pacific Salmon Treaty.

The State Programs appropriations -- Diplomatic and Consular Programs and the Capital Investment Fund -- when combined with Machine Readable Visa, Expedited Passport, and other fees fund the salaries, operating expenses, and infrastructure required to carry out US foreign policy at home and abroad. The Department's network of more than 250 posts not only carries out our diplomatic relations with foreign governments, it also assists American citizens, supports US businesses, conducts public diplomacy, and develops the extensive local contacts that are essential to effective diplomacy. The FY 2003 budget request for State Programs reflects a commitment to modernize and improve Department operations and enable the Department to achieve its strategic and performance goals. The Department of State employs a direct-hire workforce of approximately 28,000 employees with about 60% of those working overseas. These employees, of which about 17,000 are Americans and 11,000 are foreign nationals (FSNs), manage America's overseas diplomatic interests patriotically and professionally.

Highlights of the State Programs budget request by account follow:

Diplomatic And Consular Programs - Ongoing Operations

The FY 2003 request of \$3,466,023,000 for Diplomatic and Consular Programs is a net increase of \$245,240,000 from the FY 2002 appropriation, as adjusted for the impact of the proposal for full funding of Federal Employee Retirement, Pension, and Accrual costs in both FY 2002 and FY 2003. The request provides resources to continue to implement the Department of State's diplomatic readiness hiring initiative; enhance security and infrastructure; fund specific foreign policy enhancements and provide for cost of living, pay raise, domestic and overseas inflation, and other mandatory cost increases.

Worldwide Security Upgrades

The FY 2003 request for worldwide security upgrades is \$553,000,000, an increase of \$65,265,000 above the FY 2002 appropriation, provides funding to continue ongoing Worldwide Security Upgrade programs; continue perimeter security upgrades; add 134 security and support professionals; enhance domestic security; and includes \$30,000,000 for the ongoing costs associated with the additional diplomatic security agent positions funded with Emergency Response Fund resources in FY 2002 in response to the terrorist attacks of September 11.

Capital Investment Fund

The FY 2003 request of \$177,000,000 for the Capital Investment Fund sustains the Department's program of investment in information technology. The FY 2003 Information Resource Management (IRM) Central Fund, which includes the Capital Investment Fund combined with \$86,000,000 in estimated Expedited Passport Fees, will provide a total of \$263,000,000 to support the Department's information technology and communications systems initiatives.

STATE PROGRAMS

Border Security Program

The FY 2003 request for the Border Security Program, which is funded entirely by Machine Readable Visa (MRV) Fees, is \$642,731,000, an increase of \$177,649,000 from FY 2002 program levels. This increase amount includes \$100,000,000 in consular costs previously funded by the Diplomatic and Consular Programs appropriation that will be financed by MRV fees beginning in FY 2003. The Border Security Program includes funding to implement a comprehensive strategy to strengthen U.S. Border Security by improving consular systems and programs. The program will continue to provide the technology backbone, personnel and support needed to carry out the functions vital to U.S. border security. Major initiatives funded within the FY 2003 program include: expansion of the Consular Consolidated Database and faster exchange of information on visa applicants; strengthening passport and visa document security; and increasing passport and visa processing capacity.

Other Fees

Diversity Lottery, Fingerprint Fees, and Other Consular Fees - The FY 2003 program includes an estimate of \$4,400,000 for the Diversity Lottery Program. Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 provides that the State Department may collect and retain a fee that ensures the recovery of the cost to the Department of allocating and processing applications for visas to be issued under the Diversity Lottery Program. The Department's fee is imposed on actual diversity visa applicants to ensure that the costs of administering the lottery and allocating diversity visas are recovered from actual users. These fee collections are available to provide consular services and are used to recover the cost to the State Department of the Diversity Lottery Program. In addition, the FY 2003 program includes an estimate of \$1,300,000 for the FBI Immigrant Visa Fingerprint Fee program. The request does not include an estimate for Affidavit of Support fees that are pending authorization for FY 2002 and thereafter.

Defense Trade Control Fees - The FY 2003 program includes an estimate of \$4,000,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic Authorities Act, as amended. These fees are available without fiscal year limitation to pay expenses incurred for specified defense trade control license application processing and other functions.

Commercial Services Fees - The FY 2003 program includes an estimate of \$12,000 for fees charged for the cost of providing commercial services at posts abroad in countries where the Department of Commerce does not perform commercial services for which it collects fees. Pursuant to section 52 of the State Department Basic Authorities Act, as amended, these fee collections are available until September 30 of the fiscal year following the fiscal year in which the funds were deposited.

United States Information and Educational Exchange Fees - As authorized by section 810 of the United States Information and Educational Exchange Act, authority is requested to have not more than \$6,000,000 credited to the Diplomatic and Consular Programs appropriation from fees and other

STATE PROGRAMS

payments received from English teaching, library, motion pictures, and publications programs, and from fees from educational advising and counseling, and exchange visitor programs.

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

Program Descriptions

State Programs funding of \$4,858,622,000 including \$4,114,179,000 from appropriation requests and \$744,443,000 from fee collections plus an additional \$81,844,000 from full funding of Federal Employee Retirement, Pension and Accrual costs, will continue to be directed toward global challenges and opportunities that affect nearly all Department activities. The resources requested to support the activities listed below are critical to the successful conduct of diplomatic and consular relations, public diplomacy, and maintenance of this nation's foreign affairs apparatus.

- ❑ **Policy Formulation and Executive Direction (\$267,330,000)** - Direction, policy formulation, and coordination are provided by the Secretary, the Deputy Secretary, the Under Secretaries, Assistant Secretaries and other bureau heads, chiefs of diplomatic missions, and their immediate staffs. They are assisted by legislative affairs and public affairs staffs who explain to the Congress and the American public the U.S. position on foreign policy issues and interests managed by the Department.

- ❑ **Diplomatic Relations (\$599,115,000 including \$591,743,000 from direct appropriations, \$3,360,000 from Machine Readable Visa Fees, \$4,000,000 from Defense Trade Control Registration Fees, and \$12,000 from Commercial Services Fees)** – A wide spectrum of activities are a part of American diplomacy. Some examples are described below.
 - In-depth knowledge and understanding of political and economic events in many nations are basic requirements of diplomacy. Achieving them requires quality reporting, analysis, and personal contact work at more than 250 missions abroad and by expert staffs in Washington.
 - Management is required of U.S. participation in arms control, non-proliferation, disarmament negotiations, and other verification and compliance activities.
 - International economic and trade diplomacy and in-country services to American businesses have become vital to the health of the American economy. The world continues to become more interrelated economically each year through initiatives such as the North American Free Trade Agreement (NAFTA), the General Agreement on Tariffs and Trade (GATT), and Asia Pacific Economic Cooperation (APEC).
 - Promoting human rights internationally, supporting emerging democracies and economic development, improving the global environment, and meeting humanitarian emergencies that destroy political and economic well-being and stability are vital to America's long-term interest.

STATE PROGRAMS

- There is a continuous need to keep abreast of scientific and technological developments abroad and to assist cooperatively some nations in these fields by aiding two-way exchanges of information and expert personnel.
- **Public Diplomacy (\$293,693,000 including \$287,693,000 from direct appropriations and \$6,000,000 from USI fees)** - Public diplomacy activities of the U.S. Government are intended to understand, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad. In FY 2000, certain public diplomacy activities, formerly carried out by the United States Information Agency, were fully integrated into the Department of State pursuant to the Foreign Affairs Reform and Restructuring Act of 1998. Public diplomacy, within the Department of State, continues to operate under the authority of the Smith-Mundt Act of 1948, as amended, the Fulbright-Hays Act of 1961, as amended, and other statutes.
- Public diplomacy includes information and cultural programs carried out by overseas missions and supported by public diplomacy personnel incorporated into the Department's regional and functional bureaus, as well as the Office of the Coordinator of International Information Programs and the Bureau of Educational and Cultural Affairs. This description excludes educational and cultural exchange programs that are described elsewhere in this document under a distinct appropriation.
 - In recent years, substantial changes have occurred in the way that governments conduct their business, enact policies, and make decisions. Fundamental to that change is the role played by public opinion. Even less democratic governments tend to operate with more of an eye to the public's reaction to their decisions. At the same time, the range of actors engaged in the development and formulation of policy has broadened considerably. Think tanks, non-governmental organizations, religious organizations, and issue-specific voluntary associations, among others, have dramatically increased their influence on the ways and means by which individual governments make policy. Especially in robust, developed democratic nations, the process of making policy is complex, frequently consultative, and responsive to public opinion.
 - To maintain its leadership in that changed international environment, the U.S. must augment and sustain a vigorous program of public diplomacy. Public diplomacy engages influential individuals and organizations from both inside and outside the orbit of government whose work affects the policy-making process. Public diplomacy uses tools such as American speakers, the Internet, Information Resource Centers, and interactive television, among others, to inform targeted foreign publics about U.S. policies and to influence the policy debate abroad. In almost every instance, the odds of achieving support for U.S. policy goals increase substantially when public diplomacy is an integral part of the nation's foreign affairs strategy.
 - Public diplomatists work at American embassies and consulates abroad, developing strategies to build understanding and support for the U.S., its policy objectives, and the values of the American people. Activities and programs are planned and implemented country by country, directed at audiences identified by institutional analyses of each country's political, economic, and societal influence structures, inside and outside of government.

STATE PROGRAMS

- Within the Department, public diplomacy staff craft information products and services for overseas missions and foreign publics. The current catalogue includes: Websites; the Washington File, a daily electronic compilation of U.S. policies and actions; U.S. speakers and specialists; digital video conferences and teleconferences; electronic journals, published policies and materials on issues of importance to embassies abroad; and Information Resource Centers, places which provide reference and information support for U.S. missions worldwide.
- ❑ **Consular Relations (\$650,962,000 including \$65,955,000 from direct appropriations, \$579,307,000 from MRV fees, \$4,400,000 from Diversity Lottery Fees, and \$1,300,000 from FBI Fingerprint Fees)** - People around the world are becoming increasingly mobile, and therefore, the demand for consular services is increasing. International business, tourism, and permanent resettlement — both foreign and American — occur more than ever before across national boundaries. Legal control of increased movements to and from the United States, and the security of our nation's borders, places a heavy demand on State Department operations.
 - Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials require substantial effort at missions abroad. In FY 2002, the Department projects total workload of 8 million non-immigrant visa applications, including issuances and refusals.
 - Growing immigrant visa demands require even more effort to ensure enforcement of U.S. immigration laws. In FY 2002, the Department projects total workload as high as 500,000 immigrant visa applications, including issuances and refusals.
 - Routine and emergency assistance must be provided to American citizens in distress. In FY 2002, the Department projects that it will respond to 2 million citizen services requests worldwide.
 - American travelers and the U.S. travel industry need to be kept aware of dangerous situations abroad. This is done through Consular Information Sheets, Travel Warnings, and helpful tips to travelers through the Consular Affairs World Wide Web Site available at the Internet Web address: <http://travel.state.gov>.
 - Passport applications in the millions must be adjudicated, and passports must be issued or denied for U.S. citizens wanting to travel abroad. In FY 2002, the Department projects over 6.9 million passport applications growing to 8 million applications in FY 2003.
 - The worldwide Border Security Program includes programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training that are required to secure the borders of the United States against travel here by terrorists, international criminals, or persons whose presence in the U.S. would violate United States immigration law. Border Security plans include continuing to enhance and refresh the equipment and systems that support worldwide consular activities; continuing modernization of the hardware and software systems that support visa name checks; implementing the Border Crossing Card Program with Mexico; implementing the Legal Immigration Facilitation and Entry (LIFE) program; implementing photodigitization of all United States passports and modernizing

STATE PROGRAMS

passport processing; strengthening the cooperation between the consular and United States law enforcement and intelligence communities; enhancing American Citizen Services; and providing for the staff and operating costs of the Border Security Program. The Border Security Program relies on dedicated funding from MRV fees.

- ❑ **Supporting Multilateral Diplomacy (\$46,764,000)** - The United States participates in international organizations because we have an interest in working with other nations to maintain stability, uphold laws, facilitate commerce, spur economic growth, maintain a healthy environment, address urgent humanitarian needs, and halt the spread of weapons of mass destruction. Organizations in which we play a leading role include the United Nations, regional bodies such as NATO and the Organization of American States, and a variety of more specialized and technical organizations. The Department monitors and participates in the organizations through both the headquarters staff and its missions to the larger organizations. The increasingly complex nature of world problems makes U.S. involvement in these multilateral organizations even more important to our future. This includes funding for State Department participation in international conferences.
- ❑ **Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Upgrades (\$928,882,000 including \$905,844,000 from direct appropriations (\$352,844,000 for Diplomatic Security/Law Enforcement Cooperation and \$553,000,000 from Worldwide Security Upgrades) and \$23,038,000 from MRV Fees)** - These activities provide resources, allocated by application of risk management principles, necessary to meet security responsibilities, both foreign and domestic. Included in these activities are:
 - protection of overseas U.S. government employees through local guards, residential security measures, and armored vehicles;
 - protection of the Secretary and visiting or resident foreign dignitaries;
 - counter-terrorism policy formulation, coordination, and research and development as well as investigations to detect passport, visa, and federal benefits fraud;
 - management of security operations at missions;
 - protection of information at headquarters through domestic guards and physical security equipment and measures;
 - protection of information abroad through diplomatic couriers, electronic and security equipment, secure conference rooms, development and application of standards for information security, and security protection and inspection of construction property; and
 - counterintelligence investigations, background security investigations, and evaluations.

The State Department is the lead agency in U.S. Government efforts to reduce the terrorist threat to Americans overseas. The tragic bombings in Africa highlight the volatile environment worldwide. As part of efforts to prevent terrorist attacks, the Department works closely with other governments to strengthen international counterterrorism cooperation; sends expert teams to augment U.S. embassies in crisis situations and, identifies physical security vulnerabilities at our diplomatic

STATE PROGRAMS

missions. The security program enhancements funded first by the FY 1999 Emergency Security Supplemental and now with the \$553,000,000 contained in this budget request provide for continuing this program that further strengthens security and continues to correct problems identified at our diplomatic facilities.

- ❑ **Information Resource Management (\$809,554,000 including \$515,695,000 from Diplomatic and Consular Programs, \$177,000,000 from the Capital Investment Fund, \$30,859,000 from MRV Fees, and \$86,000,000 from Expedited Passport Fees)** - This program provides the resources for the effective and efficient creation, collection, processing, transmission, dissemination, storage, and disposition of information required for the formulation and execution of foreign policy and for the conduct of daily business including consular services. The information needs of the President, the Secretary of State, the Department, and its overseas missions, and approximately 100 other government organizations drive the resource requirements. This activity includes:
 - corporate information systems and services such as: core foreign affairs systems supporting the Secretary and principal officers; consular systems for passport and visa issuance and reporting; financial systems; administrative systems for personnel and property; and information services provided by Departmental libraries and publishing, records, Freedom of Information Act, and historical offices;
 - infrastructure systems such as: the Diplomatic Telecommunications System; mainframe computer centers; Automated Data Processing, communication and message centers at headquarters and at missions abroad; mail and pouch services; and special communications support for the Secretary and the White House at meetings abroad; and
 - the development and maintenance of software and hardware for classified and unclassified word processing, electronic mail, spreadsheets, graphics, and data base management.
- ❑ **Training Services (\$109,127,000 including \$102,960,000 from direct appropriations and \$6,167,000 from MRV Fees)** - Professional development (including training) is a continuous process by which the Department ensures that its people — its most important asset — have the skills, experience and judgment to fulfill their functions at all levels. Investments in training are vital to a changing and streamlining organization. Training programs provide the language, area, information technology, consular, and other professional skills needed for the conduct of foreign relations. The Department's training program is the principal responsibility of the Foreign Service Institute, which has an innovative training strategy designed to support directly new and emerging policy and management priorities.
- ❑ **Medical Services (\$23,837,000)** - The Medical Program promotes the health of all under its care by encouraging prevention of illness and facilitating access to health care. This activity encompasses medical programs for the Department of State and the Foreign Service as well as other U.S. Government departments and agencies overseas. Approximately 31,000 employees and their eligible family members receive medical care at about 150 overseas health units overseas and in Washington, DC.

STATE PROGRAMS

- ❑ **Rental Payments to GSA (\$117,785,000)** - GSA finances its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled properties. This funding provides payment for domestic space occupied by the Department.
- ❑ **Overseas Program Support (\$479,355,000)** - This activity includes administrative activities at more than 250 posts abroad, such as overseas administrative support for over 100 U.S. Government organizations; personnel and financial management services; and short-term lease property management and building maintenance staff, shipping and customs clearance, and motor pool services.
- ❑ **Domestic Infrastructure and Program Support (\$385,450,000)** - This activity includes the infrastructure located in the United States that is dedicated to the administrative support of U.S. diplomatic activities and other U.S. Government agencies overseas, such as domestic personnel and financial management services; domestic building operations and routine maintenance; acquisition services; and other general administrative services.
- ❑ **Post Assignment Travel (\$146,768,000)** - Post Assignment Travel funds the cost of travel, transportation, and related items in connection with the appointment, transfer, and separation of the Department's American full-time permanent staff and their families. The Department's general tour of duty policy (with some exceptions) is four years at most overseas posts, and two years at posts with extreme hardship conditions.
- ❑ **Full Funding of Federal Employee Retirement Costs (\$81,844,000)** - The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central Government-wide accounts to affected State Department program accounts, starting in 2003.

STATE PROGRAMS

On the following pages are a series of tables and graphs depicting the distribution by program activity of the FY 2003 requests for Diplomatic and Consular Programs and the Capital Investment Fund.

STATE PROGRAMS

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

Program Activities Summary

Funds				
Summary Statement				
<i>(dollars in thousands)</i>				
Activities	2001 Actual	2002 Estimate	2003 Request	2002/2003 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction.....	208,787	248,202	267,330	\$19,128
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting).....	489,282	512,587	599,115	\$86,528
Public Diplomacy.....	251,074	276,259	293,693	\$17,434
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas).....	482,227	573,580	650,962	\$77,382
Supporting Multilateral Diplomacy.....	41,991	45,114	46,764	\$1,650
Diplomatic Security/Law Enforcement Cooperation.....	287,454	310,233	323,882	\$13,649
Worldwide Security Upgrades.....	409,098	487,735	605,000	\$117,265
Information Resource Management.....	547,837	783,889	809,554	\$25,665
Training Services.....	75,100	85,879	109,127	\$23,248
Medical Services.....	17,352	18,210	23,837	\$5,627
Rental Payments to GSA.....	92,630	93,630	117,785	\$24,155
Overseas Program Support.....	384,843	455,757	479,355	\$23,598
Domestic Infrastructure and Program Support.....	323,104	348,019	385,450	\$37,431
Post Assignment Travel.....	101,318	136,562	146,768	\$10,206
Transfers.....	16,479	0	0	\$0
Subtotal, Removing Retirement Accruals.....	\$3,728,576	\$4,375,656	\$4,858,622	\$482,966
Full Funding of Federal Employment Retirement, Pension & Accrual Costs.....	72,446	78,506	81,844	\$3,338
Total.....	\$3,801,022	\$4,454,162	\$4,940,466	\$486,304

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

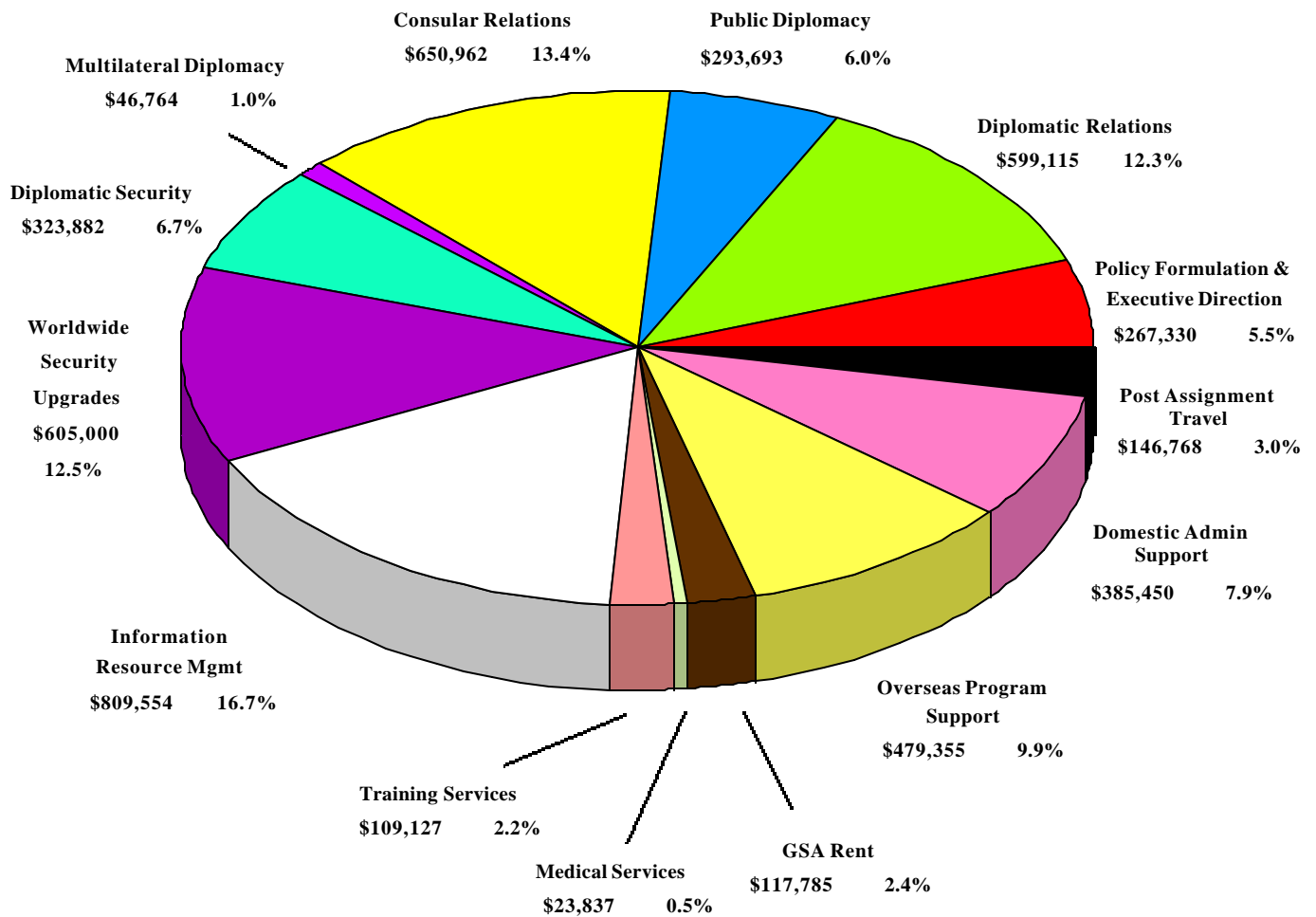
Program Activities Summary

Positions Summary Statement				
Activities	2001 Actual	2002 Estimate	2003 Request	2002/2003 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction.....	1,964	2,021	2,027	6
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting).....	3,506	3,651	3,891	240
Public Diplomacy.....	2,563	2,619	2,619	0
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas).....	3,651	3,756	3,854	98
Supporting Multilateral Diplomacy.....	305	303	304	1
Diplomatic Security/Law Enforcement Cooperation.....	1,679	1,699	1,699	0
Worldwide Security Upgrades.....	522	911	1,045	134
Information Resource Management.....	1,881	1,982	2,027	45
Training Services.....	558	563	663	100
Medical Services.....	66	65	71	6
Rental Payments to GSA.....	0	0	0	0
Overseas Program Support.....	235	251	251	0
Domestic Infrastructure and Program Support.....	1,915	1,994	1,995	1
Post Assignment Travel.....	0	0	0	0
Total.....	18,845	19,815	20,446	631

* Increase of 631 positions includes 399 for Diplomatic Readiness, 134 for Worldwide Security Upgrades, and 98 for the Border Security Program

FY 2003 State Programs Request Program Activities Distribution

(dollars in thousands)



Total Request \$4,940,466

STATE PROGRAMS

STATE PROGRAMS

(Diplomatic & Consular Programs, Worldwide Security Upgrades and Capital Investment Fund)

Highlights of Budget Changes

Summary Statement				
<i>(dollars in thousands)</i>				
	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
FY 2001	2,758,076	409,098	96,787	3,263,961
FY 2002 Appropriation	3,142,277	487,735	203,000	3,833,012
Emergency Response Fund Transfers Carried Forward	10,000	30,000	-	40,000
Worldwide Security Upgrades - Security Agents	-	30,000	-	30,000
Medical Services	4,000	-	-	4,000
Office of Counter-Terrorism	6,000	-	-	6,000
FY 2002 Base	3,152,277	517,735	203,000	3,873,012
Current Services				
Base Adjustments				
Mail and Pouch Program ICASS Transfer	(5,149)	-	-	(5,149)
Local Guard Program ICASS Transfer	-	(7,000)	-	(7,000)
Information Technology - Capital Investment Fund	-	-	(26,000)	(26,000)
MRV Fees: Border Security Staff and Support	(100,000)	-	-	(100,000)
One-Time Hiring Plan Costs	(33,346)	(10,106)	-	(43,452)
Subtotal, Base Adjustments	(138,495)	(17,106)	(26,000)	(181,601)
Annualization of 2002 Requirements				
Annualization of 2002 Hiring Increases	23,290	-	-	23,290
2002 American Cost of Living Adjustments	14,551	473	-	15,024
Subtotal, Annualization	37,841	473	-	38,314
Anticipated 2003 Wage Requirements				
American Cost of Living Adjustment	24,820	1,033	-	25,853
FSN Wage	24,300	-	-	24,300
Subtotal, Wage	49,120	1,033	-	50,153
Anticipated 2003 Price Requirements				
Overseas Price	21,946	588	-	22,534
Domestic Price	13,420	3,494	-	16,914
GSA Rent	24,155	(19,501)	-	4,654
Local Guard Program & Other Global Inflation	3,212	5,785	-	8,997
Workers Compensation	516	-	-	516
Subtotal, Price	63,249	(9,634)	-	53,615
Total Increases	150,210	(8,128)	-	142,082
Net Total, Built-In Changes	11,715	(25,234)	(26,000)	(39,519)
FY 2003 Current Services	3,163,992	492,501	177,000	3,833,493

STATE PROGRAMS

STATE PROGRAMS

(Diplomatic & Consular Programs, Worldwide Security Upgrades and Capital Investment Fund)

Highlights of Budget Changes

Summary Statement				
<i>(dollars in thousands)</i>				
	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
People	108,110	-	-	108,110
Human Resources Initiative - Diplomatic Readiness	99,921	-	-	99,921
HIV/AIDs Policy Implementation and FSN Staffing	3,600	-	-	3,600
East Asia - Locally Engaged Staff	2,289	-	-	2,289
Near East - Locally Engaged Staff	2,000	-	-	2,000
South Asia - Locally Engaged Staff	300	-	-	300
Security	52,000	60,499	-	112,499
Terrorist Response				
Center for Anti-Terrorism Security Training (CAST)	52,000	-	-	52,000
Worldwide Security Upgrades	-	60,499	-	60,499
Facilities and Overseas Infrastructure	34,777	-	-	34,777
New USUN Building (Including IOB Rent Increase)	18,329	-	-	18,329
Charleston Financial Service Center	16,448	-	-	16,448
Foreign Policy Programs	25,300	-	-	25,300
Pacific Salmon Treaty Implementation	20,000	-	-	20,000
Public Diplomacy Programs	5,300	-	-	5,300
Total, Program Increases	220,187	60,499	-	280,686
FY 2003 Request	3,384,179	553,000	177,000	4,114,179
Full Funding of Federal Retiree Costs	81,844	-	-	81,844
FY 2003 Adjusted Request	3,466,023	553,000	177,000	4,196,023

STATE PROGRAMS

Explanation of Current Estimate

The FY 2002 current estimate for State Programs appropriations of \$3,873,012,000 consists of the following amounts:

- ❑ \$3,142,277,000 appropriated for Diplomatic and Consular Programs.
- ❑ \$487,735,000 appropriated for Worldwide Security Upgrades.
- ❑ \$203,000,000 appropriated for the Capital Investment Fund.
- ❑ \$40,000,000 transferred from the Emergency Response Fund in FY 2002 that have continuing funding requirements in FY 2003 and thereafter including \$30,000,000 for Worldwide Security Upgrades supporting increased hiring of 203 security agents, \$6,000,000 for Diplomatic and Consular Programs for the Office of Counter-Terrorism, and \$4,000,000 for Diplomatic and Consular Programs for Medical Services

Explanation Of 2003 Built-In Changes - Decreases

Decreases (non-recurring costs and adjustments) total \$181,601,000 for Department of State Programs appropriations including \$138,495,000 for Diplomatic and Consular Programs, \$17,106,000 for Worldwide Security Upgrades, and \$26,000,000 for the Capital Investment Fund as follows:

- ❑ **ICASS Transfers: -\$5,149,000 for D&CP (Mail and Pouch Program) and -\$7,000,000 for Worldwide Security Upgrades (Local Guard Program).** These decreases reflect the interagency agreement to share certain Local Guard Program costs and Diplomatic Mail and Pouch Services within the International Cooperative Administrative Support Services (ICASS) system beginning in FY 2003. Corresponding increases are to be included within the budgets of affected agencies in FY 2003.
- ❑ **Information Technology/Capital Investment Fund: -\$26,000,000.** This amount reflects a decrease in appropriated funding levels for the IRM Central Fund due to non-recurring investments.
- ❑ **MRV Fees: Border Security Staff and Support: -\$100,000,000.** In FY 2003, the Department plans to shift \$100,000,000 in consular operating expenses, for overseas posts and the Bureau of Consular Affairs, currently funded by the Department's Diplomatic and Consular Programs appropriation to funding by MRV fees within the Border Security Program. This shift will mean that all Consular Relations program activity full-time American positions and nearly all of the Consular Relations program activity costs will be funded by MRV fees.
- ❑ **One-time Hiring Plan Costs: -\$43,452,000 including -\$33,346,000 for D&CP and -\$10,106,000 for Worldwide Security Upgrades.** This amount represents funding for one-time hiring plan costs for 360 new hires under the Diplomatic Readiness Initiative and 51 new hires for the overseas systems administrator program, and the one-time costs and annualization requirements for the 389 new hires under the Worldwide Security Upgrades program (186 requested from the FY 2002 appropriation and 203 security agents funded by the Emergency Response Fund transfer).

STATE PROGRAMS

Explanation Of 2003 Built-In Changes - Increases

The total increases for FY 2003 built-in changes are \$142,082,000. This amount provides for the base adjustments detailed below including a 1.8 percent increase for domestic inflation and an overall average 4.1 percent increase for overseas non-wage inflation. The FY 2003 request reflects the proposed 2.6 percent American pay increase and overall FSN wage increases of 3.6 percent consistent with anticipated rates of overseas consumer price inflation. The breakdown of the total increase is as follows:

- ❑ **Annualization of 2002 Requirements: \$38,314,000** reflects the full-year cost of the following:
 - Annualization of 2002 Hiring Increases: \$23,290,000. This amount represents the additional cost in FY 2003 from FY 2002 for hiring increases for the Department's Human Resources and Secure Operations Initiatives.
 - 2002 American Cost-of-Living Adjustment: \$15,024,000 (\$14,551,000 for Diplomatic and Consular Programs (D&CP) and \$473,000 for Worldwide Security Upgrades (WSU)). Additional funding is required to annualize the FY 2003 cost of the 2002 American Pay Raise.
- ❑ **Anticipated 2003 Wage Requirements: \$50,153,000** is required for the following anticipated wage increases during FY 2003:
 - American Cost-of-Living Adjustment: \$25,853,000 (\$24,820,000 for D&CP and \$1,033,000 for WSU). This amount reflects an anticipated 2.6 percent general American cost-of-living increase in 2003.
 - FSN Wage: \$24,300,000. This increase includes FSN salary adjustments and within grade increases, consistent with local prevailing wage rates, needed to keep the Department competitive with other foreign countries' embassies and private firms in order to retain competent staff and to comply with local law, as required.
- ❑ **Anticipated 2003 Price Requirements: \$53,615,000** is required for the following anticipated price increases during FY 2003:
 - Overseas Price: \$22,534,000 (\$21,946,000 for D&CP and \$588,000 for WSU). This amount will fund an estimated average 4.1 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than experienced in the United States. Our overseas posts purchase a relatively large proportion of items and services on the local economies which trend toward greater price increases for items such as utilities, communications, security, and information services and equipment.

STATE PROGRAMS

- Domestic Price: \$16,914,000 (\$13,420,000 for D&CP and \$3,494,000 for WSU). This amount will fund an estimated 1.8 percent increase in domestic inflation for such items as:
 - GPO and other printing services;
 - Travel and per diem costs;
 - Transportation of equipment and other items;
 - Rents, communications, and utilities;
 - Leasing, service, and maintenance costs primarily in the Department's information management programs;
 - Medical inflation;
 - Payments for transit subsidy;
 - Supplies and materials; and
 - Equipment purchases.
- GSA Rental Payment: \$4,654,000 (\$24,155,000 for D&CP and -\$19,501,000 for WSU). This increase results from estimated increases in rental rates for buildings occupied by the Department. The decrease for WSU reflects \$19,501,000 transferred to the Bureau of Administration GSA rent account for rental costs associated with space added under the Emergency Supplemental Appropriation of 1998 and subsequent Worldwide Security Upgrades appropriations to accommodate increased diplomatic security staffing.
- Local Guard Program and Other Global Inflation: \$8,997,000 (\$3,212,000 for D&CP and \$5,785,000 for WSU). This amount represents the overseas wage and price increases including those required to maintain the Department's numerous contracts for local guard services at overseas posts.
- Workers Compensation: \$516,000. Funding is required to support the increase in the Department's bill from the Department of Labor for Worker's Compensation payments.

Explanation of FY 2003 Program Changes

The FY 2003 request includes \$280,686,000 for high priority initiatives and investments that are critical to maintaining and improving diplomatic readiness and supporting the U.S. diplomatic platform overseas. These increases include the following: \$108,110,000 for People; \$112,499,000 for Security; \$34,777,000 for Facilities and Overseas Infrastructure; and \$25,300,000 for Foreign Policy Programs.

STATE PROGRAMS

People: \$108,110,000

Diplomatic Readiness: 399 Positions and \$99,921,000.

The need for diplomatic readiness is only greater after the events of September 11. One of the core components of America's response to the horrific events is an intensive engagement with other nations to establish a global response consensus. Building this global partnership requires nothing less than obtaining the Department's full diplomatic readiness resource requirements.

The Department's Diplomatic Readiness Initiative provides a comprehensive blueprint -- and a great deal of momentum -- for reforming the Department's recruitment and hiring processes and providing the staffing needed to meet U.S. foreign policy objectives. Under the three-year Initiative, the Department plans to hire 1,158 additional employees to staff overseas positions and to create a personnel "float" needed to meet dynamic training and staffing requirements for the Civil Service, Foreign Service Specialists, and Foreign Service Officers. In addition, the Department has separate initiatives to meet workforce requirements for security and consular needs.

The Diplomatic Readiness Initiative provides for a reinvigorated State Department. The objectives are to create an appropriately sized workforce to meet the diverse challenges of 21st century diplomacy, and start investing seriously in the training and career development of each Department employee.

The Department is in the second year of the three-year plan to meet these staffing requirements. During FY 2002, the initial 360 positions have been directed to fill the most critical hiring needs which are predominately overseas. To do that effectively, we have reengineered the hiring process to reduce the time it takes to hire employees and expanded outreach to attract the talent we need. To realize the full benefit of this initial down payment, we must continue building on this success. The FY 2003 increase of 399 positions will be directed toward meeting the Department's critical workforce needs; doing so will allow us to fill overseas vacancies and reduce staffing gaps, provide more training -- including especially leadership and management training, and respond to crises.

To bring 399 new employees on board in FY 2003 (over attrition), the Department requires an increase of \$99,921,000 to fund salaries and benefits, expedite security and medical clearance processing, and provide training -- including specialized skills training and language training -- to prepare new hires for their new assignments. The Department must also fund the travel to initial posts of assignment as well as routine support costs.

Changes in State's HIV/AIDS Policy: \$3,600,000

The Department depends on the continued support of Foreign Service National employees overseas within the Bureau of African Affairs, many of whom are being infected by the HIV/AIDS virus at an alarming rate as the pandemic rapidly spreads throughout Sub-Saharan Africa. The Department requires increased funding for HIV/AIDS prevention training and for the increased health insurance costs of this epidemic on our existing FSN workforce. The increase of \$3,600,000 will provide funding for HIV/AIDS prevention training to promote HIV/AIDS awareness, medical benefit insurance

STATE PROGRAMS

increases, local insurance increases to implement post-exposure prophylaxis treatment, and increased staffing to provide for an increased absentee rate for the existing FSN workforce.

Locally Engaged Staff Increases for East Asia, Near East and South Asia: \$4,589,000

The Department must increase its locally engaged staff at critical missions to enhance counter-terrorism efforts, assist U.S. citizens, enhance promotion of U.S. interests, expand outreach, improve consular operations, and strengthen administrative support at high priority missions in East Asia (\$2,289,000), the Near East (\$2,000,000), and South Asia (\$300,000). The increased staff positions will allow posts to enhance their political reporting and outreach, advocate more forcefully for U.S. exports and open markets, and improve controls over travel and migration to the United States. The position increases will also address such issues as the environment, anti-narcotics trafficking, trafficking of women and children, and child labor.

Security: \$112,499,000

Center for Antiterrorism and Security Training (CAST): \$52,000,000

The establishment of the CAST training facility dedicated to the Bureau of Diplomatic Security and the Anti-Terrorism Assistance (ATA) program will eliminate a number of negative conditions. Diplomatic Security is dependent on commercial facilities with limited availability to train new agents, provide in-service tactical training and firearms requalification for existing special agents, and provide security training for foreign service personnel. And one important primary provider in the region will soon end operations.

The CAST is needed to help reduce the terrorist and security risk for U.S. personnel and assets, as well as non-official Americans abroad. The necessary facilities are not available commercially and currently there is no single government facility that provides all necessary training in one location. This center will serve to provide a venue for consolidated training of Diplomatic Security (DS) Agents to identify, react to, and prevent terrorist activity. DS agents will have access to state-of-the-art facilities and instructors which will allow them to receive more training hours in an intensive setting in critical aspects of counterterrorism such as defensive driving, "long-weapons" firing, and chemical-biological/explosives detection and handling. Consolidation of training and facilities with Anti-Terrorism Assistance programs results in more effective and efficient use of scarce resources. If a location near Washington, DC is chosen, travel and other costs will be reduced to a greater extent and proximity to Washington, DC will enable greater resource sharing and expertise from various law enforcement agencies to be shared.

The Department has provided anti-terrorism training to over 28,000 foreign law enforcement personnel over the last 17 years, an investment that is proving to be extremely valuable in the War on Terrorism. With CAST, the Department will be able to expand and enhance this training by creating a consolidated training center with greater capacity and a broader curriculum. In the current environment, interest in receiving training is high, but the Department's capacity to provide it is limited by existing facilities that are dispersed among seven separate locations. In addition, the range of courses that can be offered is

STATE PROGRAMS

limited and instruction in critical tactical skills is not available. These skills are an integral part of the total skill package required for foreign law enforcement to effectively prevent and respond to terrorist incidents, including the apprehension and successful prosecution of terrorists. Additional training capacity would reduce the risk for U.S. personnel and assets, as well as non-official Americans abroad. This capacity is not currently available from any source.

Investing \$52 million in the creation of a consolidated antiterrorism training facility will result in a better trained and more effective DS agent force, increase the numbers trained, and expand the network of counterterrorism resources into additional countries.

Worldwide Security Upgrades: \$60,499,000. Justification for these program increases is presented within the Worldwide Security Upgrades section of the Budget in Brief.

Facilities and Overseas Infrastructure: \$34,777,000

United States United Nations (USUN) Mission Building, \$18,329,000.

The new USUN Mission building will provide appropriate workspace that is currently lacking in the present inadequate facility. The construction of a new USUN mission building on the site of the current building at 799 United Nations Plaza was recommended by the General Services Administration (GSA) in 1995 to address the serious space requirements of the USUN mission. In 1997, State accepted a GSA proposal to construct a new building. The new facility will provide 141,307 gross square feet of office and meeting space and will serve current and future requirements. The facility will be a state-of-the-art and a secure environment for employees. The project has been designed as a “showcase” for energy efficiency. Congress approved the design funding for GSA in FY 1999, and GSA is funding the demolition and construction costs of the new building on the same site. GSA and State are planning for occupancy of the new building approximately four years after the demolition of the existing building and construction of the new Mission. The FY 2003 funding increase includes the costs of relocating and housing USUN staff in temporary space and working with GSA on over standard construction and construction oversight.

Charleston Financial Service Center: \$16,448,000

In the next few years, the Department is planning to consolidate certain financial operations from multiple service centers, both overseas and in Washington, into one location at the Charleston Financial Service Center (FSC) to improve financial operations, performance, and management. The \$16,448,000 increase when added to the \$14,857,000 retained in the base from FY 2002 appropriations will provide \$31,305,000 for this project in FY 2003. This funding will be used to renovate and expand the third Charleston Financial Services Complex building and to cover consolidation costs for functions moving from Washington, DC and FSC Bangkok, the cost of domestic parallel operations, and other domestic implementation costs. The expansion and renovation of the third FSC Charleston building (Building C) will house approximately 280 government and contractor personnel. Building C (expansion and renovation) will double the office capacity of FSC Charleston building A and B. FY 2003 project costs include funding for design, human resources costs, computers

STATE PROGRAMS

and other equipment outfitting, domestic consolidation implementation, and building expansion and renovation.

Foreign Policy Program Enhancements: \$25,300,000

Pacific Salmon Treaty Implementation: \$20,000,000.

The Department's FY 2003 request includes \$20,000,000 for the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund (Northern Fund) and the Southern Boundary Restoration and Enhancement Fund (Southern Fund). The Department of State's request of \$20,000,000, together with the Department of Commerce's request of \$20,000,000, will meet the U.S. treaty obligations for the fourth and final year of the 1999 Pacific Salmon Treaty. The remaining obligations for the Northern Fund are \$25,000,000 and for the Southern Fund are \$15,000,000 to which the combined Department of State and the Department of Commerce budget request amounts will be applied.

Public Diplomacy Programs: \$5,300,000.

The Department is engaged in a public diplomacy campaign to educate the foreign public on the war against terrorism and the U.S. commitment to peace and prosperity across all nations. In conducting this campaign, the Department will be enhancing its public diplomacy outreach programs including expanding the use of new technologies. Increased funding will expand the languages covered and the availability of InfoUSA content on the Internet and CD-ROMS and in additional language versions to provide thousands of pages of full text materials detailing U.S. laws, governance, education, society, and culture. Increased funding will also provide for enhancements to the internet website updated daily which offers key U.S. foreign policy announcements on the World Wide Web. These will be translated into Arabic and South Asian languages to make the content more useful to overseas media and local policy makers abroad. Increased funding will expand Office of Broadcasting Services programs including expanded coverage of special international events, remote productions, the TV Co-Operative Program, facilitative assistance efforts, dialogues and Foreign Press Center journalist tours. These programs introduce foreign audiences to American values and culture and leverage existing broadcasting capability as a medium through which U.S. foreign policy messages can be carried globally. The Department also plans to expand polling initiatives including surveys and/or focus groups so public diplomacy messages can be more effectively targeted. In addition, the Department plans to increase local public diplomacy staff worldwide, including at key missions in the Near East, South Asia and East Asia, to improve our communications about the war against terrorism and provide effective support for the global public diplomacy campaign.

STATE PROGRAMS

Worldwide Security Upgrades

(dollars in thousands)

Appropriation/Fund	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Diplomatic and Consular Programs	\$409,098	\$487,735	\$553,000	\$65,265
Emergency Response Fund	--	30,000	--	-30,000

Summary Statement

Terrorist threats remain a constant menace to U.S. diplomatic facilities and the U.S. citizens and foreign nationals serving at those facilities. Recent physical and technical attacks directed at those facilities, some as flagrant as the bombings of two embassies in 1998 and some as subtle as attempts to break into sensitive information systems, clearly demonstrate the continued need for an extensive, well-funded program that will sustain recent improvements and support the expansion of critical security initiatives around the world. The recent terrorist attacks on government and civilian targets in the U.S. demonstrate the need for continuation and expansion of the programs operated with Worldwide Security Upgrades funds and the augmentation of those programs with additional domestic initiatives.

The FY 2003 request of \$553,000,000 is an increase of \$65,265,000 over the \$487,735,000 made available in FY 2002 in the Diplomatic and Consular Programs account. An additional \$30,000,000 was made available through the Emergency Response Fund Transfer in FY 2002 for the addition of 203 special agents.

FY 2002 appropriations financed the continuation of the comprehensive perimeter security enhancement program and an increase in the Department's cadre of security professionals by 186 positions and paid for programs to keep security vulnerabilities low and maintain defensive countermeasures to help thwart attacks or mitigate their effects. In response to the terrorist attacks of September 11, Emergency Response Funds were provided to finance the addition of 203 security agents for deployment around the world.

The FY 2003 request is summarized in the following table:

STATE PROGRAMS

Worldwide Security Upgrades

(dollars in thousands)

	FY 2001 Actual	FY 2002 Estimate 1/	FY 2003 Request 2/
Worldwide Security Upgrades			
Ongoing Security Activities			
Guards – Worldwide Protection	\$133,999	\$139,101	\$137,046
Physical Security Equipment	17,867	18,395	18,912
Technical Support/Infrastructure	67,621	69,313	68,932
Information/Systems Security	24,430	25,109	51,825
Armored Vehicles	10,108	10,320	10,536
Personnel /Training	75,052	80,901	119,780
Chemical/Biological Program	3,830	3,944	4,057
Radio Program	2,191	2,240	7,413
Global Security & Law Enforcement Mission 2/	--	47,265	--
Security Readiness Staffing (186 positions) 2/	--	17,147	--
Subtotal	335,098	413,735	418,501
Perimeter Security Enhancements	74,000	74,000	74,000
Sub-total	409,098	487,735	492,501
Domestic Technical & Physical Security Upgrades	--	--	21,000
Response to Terrorist Attacks	--	--	17,302
Strengthened Security Programs (134 positions)	--	--	22,197
Total – Worldwide Security Upgrades	\$409,098	\$487,735	\$553,000
Emergency Response Funds (203 Agents) 2/	--	30,000	--

1/ FY 2002 includes \$30,000,000 transferred from the Emergency Response Fund for 203 additional diplomatic security agents.

2/ In FY 2003, the program increases funded by the FY 2002 appropriation and the Emergency Response Fund transfer are integrated within the applicable Worldwide Security Upgrades program activities.

Worldwide Security Upgrades Request

Maintaining Ongoing Security Activities: \$418,501,000. The FY 2002 base for the ongoing worldwide security upgrades is \$443,735,000 (\$413,735,000 from the Worldwide Security Upgrades appropriations and \$30,000,000 from Emergency Response Funds). The decrease of \$25,234,000 required for ongoing activities includes adjustments for: one-time costs associated with hiring 389 new security personnel in FY 2002 (-\$10,106,000); the transfer of funds to other Federal agencies to reflect the interagency agreement to share the Local Guard Program costs that are currently fully funded by Worldwide Security Upgrades within the International Cooperative Administrative Support Services (ICASS) system (-7,000,000); the transfer of funding for

STATE PROGRAMS

GSA rent costs for space added since 1999 to accommodate increased diplomatic security staffing from Worldwide Security Upgrades to Diplomatic and Consular Programs to reflect the central payment of these costs (-\$19,501,000), and the increase for ongoing security activities to fund FY 2002 annualized and FY 2003 anticipated wage and price increases (\$11,373,000).

Perimeter Security: \$74,000,000. To address critical vulnerabilities in perimeter security, this funding will be used to continue the multi-year program of perimeter security enhancement initiated under the 1998 Emergency Security Supplemental. The original number of 232 posts has been increased to 243 to include newly identified posts. The Department is seeking a total of \$220,450,000 -- \$74,000,000 in this account and \$146,450,000 in the Embassy Security Construction and Maintenance (ESCM) appropriation -- for technical and physical enhancements in perimeter and compound security. The \$74,000,000 requested here will be used to initiate technical enhancement projects at 65 additional posts. At the end of FY 2001, 45 projects had been completed. In FY 2002, projects at 70 more posts are expected to be finished using funds from this account and the ESCM account with another 71 reaching completion in FY 2003. The remaining 57 posts are projected for completion in FY 2004.

Domestic Technical and Physical Security Upgrades: \$21,000,000. Recent events demonstrate that the Department must strengthen its domestic security posture if it is going to be able to support the worldwide security program essential to our diplomatic mission around the world. Counterintelligence, law enforcement, and other domestic security programs must be included in the overall global security mission.

- Uniformed Protection Officers - \$5,000,000: Additional uniformed security personnel are needed to provide added perimeter patrol, delivery vehicle inspections, evening and weekend coverage, and shuttle bus identification inspection. This will require 19 additional posts staffed on a 24/7 basis and costing \$263,000 per post.
- Security Equipment - \$3,500,000: To maintain order and security during and in preparation for a terrorist assault, our approximately 600 Uniformed Protective Officers nationwide need adequate equipment beyond that required for routine guard duties. That equipment includes helmets, bulletproof vests, gas masks, protective shields, under-vehicle inspection mirrors, hand held mirrors, barricades, traffic cones, flares, disposable blankets, self-contained breathing apparatus, and defibrillators.
- Backup Domestic Guard Command Center - \$1,100,000: Emergency backup is needed for the Security Control Center (SCC) in the Truman building in the event it would become inoperable or inaccessible. This would ensure continuity of operations such as nationwide perimeter control, communication, alarms and access controls.
- Emergency Response Travel - \$1,000,000: This would provide funds for emergency deployments to threatened domestic locations.
- Classified Connectivity Program Certification - \$1,900,000: These funds are needed to meet the requirements of the National Security Telecommunications and Information Systems Security Committee for the conduct of accreditation and

STATE PROGRAMS

certification activities. The Classified Connectivity Program is moving to a new communications protocol creating additional requirements for the protection of National Security Information. A network certification is required to identify and control security risks.

- Explosive Ordnance Disposal - \$1,000,000: This program would provide the Department with an Explosive Ordnance Disposal (EOD) team to conduct random searches and provide emergency response.
- Vehicle Inspection - \$1,500,000: Funding would provide for the purchase and installation of two stationary inspection systems with vehicle cameras and scanners at the C Street and 21st Street entrances to the Truman building. Portable inspection systems would also be procured and deployed throughout the National Capital Region for State controlled facilities and for special events or emergencies.
- Offsite Delivery Inspection - \$1,000,000: This is a cooperative effort with the Department of Defense. The Pentagon currently has a screening area for the inspection of deliveries. In order to protect our personnel and visitors, this funding would provide for the technical screening of all deliveries prior to their arrival at State. This program is already in place for the U.S. Capitol, Department of Defense and the White House. These funds would cover the Department's portion of the cost and enhance physical security by denying unscreened deliveries proximity to the Truman building. Escort needs are included to cover the transport from the Pentagon to the Truman building.
- Emergency Public Address System (Duck and Cover) - \$5,000,000: Recent events underscored the need for public address systems in Department facilities to notify all personnel of a threat and the possible need to evacuate. The current mechanism does not ensure that all personnel immediately know that evacuations are in progress. The proposed system reengineers the notification to sensitive areas, which now cannot be reached through the existing public address system within the Truman building. The proposed system includes audible and visual notification and would allow for immediate notification capability within State controlled facilities nationwide.

Response to Terrorist Attacks: \$17,302,000. In the aftermath of the September 11 attacks, the Department's security resources have been severely taxed. Existing programs are in need of increased funding to meet more pervasive threats and address the terrorists' potential use of weapons of mass destruction. Two specific program areas will be augmented with this increase.

- Chemical/Biological Defense - \$10,800,000: The program would be expanded to provide employees, contractors and service personnel in our domestic facilities with a means to escape a chemical-biological terrorist attack. Similar to the program already underway overseas, this funding would provide 20,000 escape masks (\$4,500,000), decontamination kits and supplies (\$1,300,000), contract instructors and travel (\$600,000), office operations and logistics contractor (\$300,000), and suits and supplies for first-responder guards (\$1,300,000). Also funded is an increase in the

STATE PROGRAMS

overseas Chemical/Biological program to include purchase of readiness kits and necessary replacement of gear used during practice exercises and in the response to anthrax contamination (\$2,800,000).

- Additional Local Guard Requirements - \$6,502,000: Following the attacks, many posts began the process of re-evaluating their protective needs. In a number of cases, it has been determined that increases in guard services such as surveillance detection, perimeter security and residential security are necessary to address the changing threat environment.

Strengthening Security Programs Through Security Staffing: \$22,197,000. The single most important factor in the deterrence of and response to terrorist acts is people. Diplomatic Security Special Agents and other security professionals are on the front lines in the fight against terrorism and the protection of American life and property overseas and domestically. From the Emergency Response Fund, the Department received funds to support the addition of 203 Special Agents. However, this addresses only a portion of the security need. Other security professionals and support staff are critically needed to respond to the deep and pervasive threat of global terrorism. Specifically, security engineers, technicians, and other security professionals are needed to perform crucial substantive work for the Department that affects domestic and overseas security. These professionals would allow the Department to expand:

- criminal investigations;
- protection against emerging cyber security threats;
- protection at 101 domestic State facilities;
- the scope of intelligence and threat analysis; and
- the support functions needed to maintain a strong diplomatic security program.

Security Engineers and Technical Specialists - \$18,872,000: Information Security Technology (42 Security Engineers and 42 Security Technical Specialists). These security engineers and specialists would provide technical expertise and specialized technical surveillance equipment in support of criminal investigations. Not only would they be assigned to Diplomatic Security Field Offices for domestic investigations, but also be based in Washington, D.C. to support worldwide investigations. In addition, a security engineer would be assigned to all high threat protective details and Foreign Emergency Support Teams (FEST) to provide technical support. Finally, these individuals would ensure that technical security programs overseas are adequate to meet continually emerging and changing threats and technology, comply with rigorous standards, and are appropriately maintained.

Civil Servants - \$3,325,000: To shore-up long neglected infrastructure programs and meet new requirements generated by the recent terrorist attacks, 50 new Civil Service positions are required. Most of these positions would perform critical substantive work for the Bureau of Diplomatic Security, while the balance are necessary to provide sustained administrative support. The addition of these new positions would help to address security workload that has exponentially increased as a result of the 1998 embassy bombings and the most recent terrorist attacks.

STATE PROGRAMS

IRM Central Fund Summary Statement

(dollars in thousands)

Appropriation/Fund	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease
Capital Investment Fund	\$96,787	\$203,000	\$177,000	-26,000
IRM Investment/Expedited Passport Fees	17,809	63,000	86,000	23,000
Total, IRM Central Fund	\$114,596	\$266,500	263,000	-\$3,000
Emergency Response Fund	7,500	7,500	--	-7,500

In recent years the Department has strengthened its worldwide Information Technology (IT) infrastructure substantially, following its IT Strategic Plan. The focus of the IT Strategic Plan (ITSP) and the overriding purpose of the Department's IT infrastructure is e-Diplomacy -- the application of modern e-business technologies and approaches to support foreign affairs activities, diplomatic readiness and the underlying business processes required to operate. We also have in place and continue to strengthen the IT capital management processes necessary to ensure that we maintain this infrastructure as our requirements evolve. The Department intends to complete an enterprise architecture to guide IT investments and increase the percentage of projects covered by a central capital planning process. In short, we have the foundation in place for addressing the next set of needs and priorities for e-Diplomacy.

By the time FY 2003 begins we will have made great strides in addressing the three highest priority needs stipulated in last year's budget proposal:

- Replacing obsolete classified IT equipment at Posts through the Classified Connectivity Program (CCP);
- Extending CCP to all posts approved for classified communications; and
- Providing secure Internet access through the OpenNet Plus initiative for employees worldwide.

The successful completion of the CCP and OpenNet Plus programs will provide the underpinnings of the IT infrastructure as spelled out in Goal One of the Department's current ITSP.

Our strategy for FY 2003 is to exploit the capabilities offered by the new IT infrastructure to begin to provide direct support to our global diplomatic priorities. Starting in FY 2003, we will begin to have the necessary IT in place to support the collaborative processing and virtual teaming that modern diplomacy requires. At the same time, we will continue to maintain, manage, and enhance the global IT infrastructure to protect our investment, increase our services, and ensure the infrastructure remains viable to support our evolving mission requirements.

STATE PROGRAMS

- The programs described below were formulated in our IT Strategic and Tactical Plans in FY 2001. The tragic events of September 11 serve to emphasize the importance and urgency of the programs required to improve our voice and data security. During FY 2002, the Department of State will begin the initial work to develop the next IT strategic vision and plan, positioning the department to build on the results of the current ITSP and move into the next planning phase. We anticipate that many ideas will surface in this process to strengthen the global security of the Department and its personnel. These plans will also ensure that the IT databases, tools, and systems needed to support modern diplomatic activities and business processes are in place and available any time, anywhere in the world.

The Central Fund investments planned during FY-2003 will directly contribute to the achievement of the Department's five strategic goals, set forth in its current IT Strategic Plan :

- A Secure Global Network and Infrastructure
- Integrated Messaging – A Modern Worldwide Approach
- Ready Access to International Affairs Applications and Information
- Leveraging IT to Streamline Operations
- Sustaining a Trained Productive Workforce

The focus of the IT Strategic Plan and the overriding purpose of the Department's IT infrastructure is to support foreign affairs activities, either directly or through the diplomatic readiness systems that back up diplomatic activities. IT security will be strengthened to protect critical assets and ensure uninterrupted service. The Department also plans to continue investments in streamlining administrative support systems to make them increasingly responsive to the needs of the Department's foreign affairs activities.

STATE PROGRAMS

The following table summarizes the FY 2003 funding needed by the Department to achieve its strategic IT goals and objectives:

IT Central Fund (dollars in thousands)

Program Initiatives	FY 2001 Actual	FY2002 Estimate	FY2003 Request
Technology Infrastructure	\$62,443	\$263,162	\$188,602
A Secure Global Network and Infrastructure*			
Modernization World-wide IT Infrastructure	28,022	239,960	164,790
<i>OpenNet Plus</i>	366	109,631	36,500
<i>Classified Connectivity Program</i>	3,200	106,600	94,235
<i>Secure Voice Program</i>	434	11,066 ¹	3,960
<i>Post High Frequency Communications</i>	7,500 ²	1,000	5,057
<i>Public Key Infrastructure</i>	310	1,345	7,345
<i>Other IT Infrastructure</i>	16,212	10,318	17,693
Integrated Messaging – A Modern World-wide Approach*	7,516	3,630	4,404
Centrally Managed Infrastructure	26,905	19,572	19,408
Diplomatic Telecommunications Service Enhancements	11,615	-	-
Applications and Software Development	36,968	30,430	56,113
Ready Access To International Affairs and Information*	1,709	5,081	7,835
Leveraging IT*	35,259	25,349	48,278
<i>Integrated Logistics Management System (ILMS)</i>	10,000	14,367	18,878
<i>Regional Financial Management System (RFMS)</i>	7,016	3,635	6,597
<i>Integrated Personnel Management System (IPMS)</i>	9,300	3,000	11,166
Foreign Affairs Systems Integration (FASI)	16,762	650	14,500
Project Management and Training	1,806	3,937	3,785
Sustaining a Trained Productive Workforce*			
Total, IRM Central Fund³	\$129,594	\$298,178	\$263,000

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

/1 \$7,500,000 provided for secure telephones from Emergency Response Fund in FY 2002

/2 \$7,500,000 provided for Post High Frequency Communications (Radios) from Emergency Response Fund in FY 2001.

/3 Totals for FY 2001 and FY 2002 include unallocated carry-forward from prior years.

STATE PROGRAMS

- **Technology Infrastructure - \$188,602,000:** Through the ALMA program, the Department has installed an unclassified IT infrastructure (desktop computers, servers, network equipment, circuits) at overseas posts to support unclassified administrative and consular operations. We plan to replace this equipment on an average four-year cycle as part of the Department's program to maintain the modern level of technology it has now achieved. With FY-02 funding, the OpenNet Plus program will have extended Internet access to all unclassified machines worldwide and brought the domestic unclassified systems under the centralized refresh umbrella. Also, by September 30, 2002, we will have deployed over 45% of the modern classified IT systems worldwide. In FY-03, the Department must maintain a funding base to keep its worldwide computer/communications infrastructure in up-to-date status. Emergency wireless equipment, post telephone equipment, computer servers, and software at hundreds of locations must be updated and maintained in good operating condition. Communications bandwidth and messaging systems must be continually upgraded to support the increasing requirement. As foreign policy work has become increasingly dependent on information technology, it is essential that we continue to make the necessary investments to ensure that the systems and networks are properly maintained and available.

Another technology infrastructure priority for FY-03 is IT security. The Department faces serious challenges in protecting its critical data and equipment assets in over 230 locations around the world. Our embassies are supported extensively by foreign national employees who require selected access to data and systems, but must be restricted from others. In general, we must ensure that only people with a legitimate need to know have access to sensitive information, while at the same time, widely disseminating appropriate information rapidly throughout the Department. This challenge requires sophisticated security and access controls, using suitable technology conforming to applicable government and security standards. We have developed and are currently implementing security corrective action plans. During FY-03 we plan to make significant investments in a public key infrastructure (PKI), a foundational element for controlling access and safeguarding data transmission. We also plan to continue to focus on using IT to help ensure the physical security of our people and physical assets. In this vein, we will continue to strengthen our secure voice systems, emergency communications facilities, and integrate these capabilities into emergency action plans at overseas posts.

- **OpenNet Plus - \$36,500,000:** OpenNet Plus will provide all State Department employees secure access to the Internet. The deployment will be completed in FY 2003, using remaining FY 2002 funding. In FY 2003, funding is required for refresh of equipment and increased circuit capacity (bandwidth), to ensure adequate performance and high levels of availability and reliability.
- **Classified Connectivity Program (CCP) - \$94,235,000:** CCP is planned to be completed in early FY-04 and will require full funding during FY-03 to sustain the momentum gained during FY-02. The Department has long

STATE PROGRAMS

recognized the need to replace the obsolete classified infrastructure. Other major FY-03 initiatives such as replacement of the current cable system cannot be realized without the success of CCP.

- Secure Voice Program - \$3,960,000: The US Government's Secure Voice Program is a mature program that has fielded more than 400,000 STU-IIIs around the world. The STU-III Program has now reached the end of its life cycle. NSA canceled the STU-III procurement program at the end of 1999. The Secure Terminal Equipment (STE) device is the replacement unit for the STU-III. The STE is a secure voice device designed to encrypt voice and data for media transmission. \$7,500,000 from the Emergency Response Fund allowed State to procure STE units to replace most of the overseas units. This request will allow the department to address the domestic inventory of STU-IIIs before the absence of maintenance renders our diplomats unable to communicate securely by voice.
- Post High Frequency Communications - \$5,057,000: High Frequency (HF) radio systems are currently used worldwide for immediate communications during emergency situations such as natural disasters as well as to coordinate evacuation plans with the U.S. military and embassies in surrounding countries. \$7,500,000 from the Emergency Response Fund allowed the Department to make huge in-roads in the procurement of these critical radios. This request will address the remaining locations around the world that are currently inoperable or in need of upgrade.
- Public Key Infrastructure - \$7,345,000: The Department has a requirement to communicate securely with the public, private industry, and other federal agencies via the Internet and Intranets. Public Key Infrastructure (PKI) will support the Foreign Affairs System Integration (FASI) program for interagency secure communications; user authentication to State resources on Class Net and OpenNet Plus to greatly improve IT security against external and internal threats; and to support digital signature requirements enumerated in the Electronic Signatures in National and Global Commerce Act (E-SIGN). PKI also helps satisfy provisions set forth by the Government Paperwork Elimination Act (GPEA) by using digital certificates in electronic transactions, including the Department's 725 internal forms; communication by OBO of embassy construction and contract information; investigative reports by DS, and protection of sensitive and personal medical records required by the Health Insurance Portability and Accountability Act (HIPAA).
- Integrated Messaging – A Modern World-wide Approach - \$4,404,000: The Department depends heavily on its cable and messaging systems to support foreign policy activities on a worldwide basis. Unfortunately, these key systems cannot meet many of the Department's requirements for high-speed information exchange and collaborative processing. The Department is committed to replacing the existing cable system (which operates on WWII era technology) and messaging systems with

STATE PROGRAMS

a modern business-quality collaborative system over the next several years. During FY-02 we will have completed the necessary studies and Business Process Reengineering (BPR) activities required for such a major undertaking. During FY-03 we must implement and demonstrate a prototype messaging system of the future – one that combines the capabilities needed for command and control, personal communications, document archiving, and information exchange.

- ❑ **Centrally Managed Infrastructure – \$19,408,000:** This Department is establishing central network and systems management and major software licensing to provide a modern, highly interconnected global environment that enables diplomatic and consular staff to communicate and exchange information with their counterparts in other locations throughout the world. The Department is committed to evolving this centrally managed infrastructure, making adherence to the Department’s architecture and security standards more assured.
- ❑ **Applications and Software Development - \$56,113,000:** Two of the Department’s IT strategic goals are directed toward the development of software systems that: 1) directly support the Department’s foreign affairs activities, and 2) support diplomatic readiness functions in a more streamlined, consolidated, and cost-effective manner than they do today. During FY 2003 the Department will focus its efforts on three critical administrative systems in the areas of logistics, human resources, and financial management. In addition, initial steps will be taken to expand the direct support for access to critical foreign affairs information -- primarily through the KM initiative noted above.
- ❑ **Foreign Affairs Systems Integration (FASI) -- \$14,500,000:** The September 11th terrorist attacks and America’s war against terrorism reemphasize the need for improved knowledge sharing and collaboration within the U.S. foreign affairs community. To address these issues, a Foreign Affairs Systems Integration unclassified pilot system is planned for deployment and testing FY 2002 by numerous U.S. foreign affairs agencies operating in American diplomatic and consular posts in India and Mexico, and by foreign affairs agencies’ headquarters in Washington, DC. This system will provide a secure, Internet-based collaboration zone to effectively and efficiently coordinate critical foreign policy, crisis management and administrative issues among the entire USG foreign affairs community.

To support the collaboration zone and knowledge management system in FY 2003, the FASI program needs to maintain the existing pilot system in Mexico, India, and Washington, DC. These FY 2003 initiatives constitute a “pre-deployment” phase of this program. Other activities planned during FY 2003 include evaluating the pilot via an independent verification and validation process, implementing recommended improvements based on lessons learned, renewing knowledge management licenses, studying the feasibility of a similar system for classified collaboration, and developing a tactical plan for global deployment in FY 2004.

STATE PROGRAMS

- ❑ **Project Management and Training - \$3,785,000:** An essential element of the Department's IT Strategic Plan is a fully trained and productive workforce. The Department will achieve its IT training objective by building on existing FSI capabilities and making FSI course content available to Department employees on a worldwide basis through computer-based training (CBT) and application of advance technology. During FY 2003 the Department will focus on implementing distance learning facilities to keep its American and Foreign National workforce fully conversant with the modern technology and systems being deployed on a worldwide basis. By exploiting technology to support required worldwide training, the Department will be able to minimize travel costs for training as well as avoid the absence of employees from their places of work.

STATE PROGRAMS

Border Security Program Summary Statement

In the aftermath of the tragic events of September 11, the Department continues to implement its comprehensive strategy to strengthen U.S. border security through improvements in consular systems and programs. The Border Security program is fully funded from the Machine-Readable Visa (MRV) application fee paid by persons seeking nonimmigrant visas. This program serves as one of the key elements in the Department's goal to protect American citizens and safeguard the nation's borders. The program's objectives are as follows:

- ❑ **Information.** Enhance data sharing initiatives with other agencies and increase the effectiveness and efficiency of namecheck systems by providing consular or passport officials responsible for adjudicating passport or visa applications with any relevant information the U.S. holds or receives from other governments regarding that applicant.
- ❑ **Infrastructure.** Strengthen consular and passport services by providing business quality equipment, developing modernized software, implementing an effective equipment replacement program, and instituting a comprehensive program of data replication and data warehousing between overseas posts and the Department of State. Provide American citizens the service they expect and demand by improving facilities and services to meet growing workload and the legitimate demand of our customers. Ensure the redundancy of critical consular systems and infrastructure. Continue to make targeted investments allowing for enhanced support to overseas consular operations from U.S. domestic facilities.
- ❑ **Connectivity.** Provide worldwide and redundant connectivity in support of passport and visa issuance, including sufficient bandwidth to support the Consolidated Consular Database and other data sharing and remote systems management initiatives.
- ❑ **Human Resources.** Meet the growing demand for overseas and domestic consular and passport services, especially in the aftermath of the events of September 11, address seasonal workload peaks, make systematic and major investments in our consular, passport, and support personnel by providing them training on the systems and processes that will support consular operations, including specialized training on the consular namecheck system.
- ❑ **Integrity.** Ensure the integrity of the passport and visa issuance processes and products, through improvements to the documents themselves, enhancements in information storage and retrieval, expanded training of anti-fraud personnel and a comprehensive program to investigate any indications of fraud.

The following chart summarizes the major activities of the Border Security Program.

STATE PROGRAMS

Border Security Program

(dollars in thousands)

Program Activity	FY2001 Actual	FY2002 Estimate	FY2003 Request
CONSULAR PROJECT INITIATIVES			
Overseas Consular Systems Install & Operations	\$30,000	\$32,000	\$33,000
Overseas Consular Systems Modernization & Support	35,725	48,950	55,100
Automated Namecheck Systems: CLASS-E	10,000	19,500	18,000
MRV Support Costs	24,000	35,025	38,275
Public Information Support	5,000	5,000	10,000
Document Integrity/Training/Anti-Fraud Programs	5,282	5,450	9,667
Passport Operations	18,274	29,131	41,237
Passport Facilities	1,912	5,465	17,400
Passport Systems	20,941	22,000	24,500
TIPPOFF-Terrorism and Crime	1,050	4,125	3,360
Visa Processing	9,155	10,729	22,244
American Citizen Services	1,111	2,915	2,000
A Bureau Facilities Management-Processing Center	450	4,456	972
Subtotal, Consular Project Initiatives	162,900	224,746	275,755
Diplomatic Security			
Passport & Visa Fraud Investigative Support/Agency Guards	4,858	7,475	8,994
Technology Backbone - IRM			
Information Resource Management Computer Systems and Operations/Diplomatic Telecommunications Support	17,500	19,910	24,000
TOTAL, PROJECT INITIATIVES	185,258	252,131	308,749
BORDER SECURITY AND STAFF SUPPORT			
Consular Affairs	50,316	55,551	58,767
Information Resource Management	2,657	2,705	2,775
Diplomatic Security	12,615	12,842	13,176
Overseas Staff	72,102	76,733	85,162
Subtotal, Border Security Staff	137,690	147,831	159,880
Consular Affairs	57,783	58,168	67,150
Information Resource Management	4,084	4,084	4,084
Diplomatic Security	868	868	868
Western Hemisphere	5,255	2,000	2,000
MRV Fees: Border Security Staff & Support - D&CP Transfer	--	--	100,000
Subtotal, Border Security Support	67,990	65,120	174,102
TOTAL, BORDER SECURITY STAFF & SUPPORT	205,680	212,951	333,982
TOTAL, BORDER SECURITY PROGRAM			
	\$390,938	\$465,082	\$642,731

Excludes reimbursement to INS for Border Crossing Card Program (\$26.52 million).

STATE PROGRAMS

The Department will pursue the following objectives during FY 2002 and FY 2003 as part of its continuing effort to improve U.S. borders, especially in order to prevent the entry of terrorists or others intending to engage in criminal activity in the United States:

Consular Project Initiatives: \$275,755,000

Overseas Consular Systems Installation and Operations - \$33,000,000:

In FY 2002 and FY 2003, and in response to the evolving domestic and international security situation, we will continue to make systematic investments in consular systems to ensure that our personnel in the field have the equipment and training that they need to serve effectively as the outermost ring of the U.S. border security system.

We will continue our three-year equipment replacement cycle for consular systems, both domestically and overseas. We will provide regular refresher training visits at all Foreign Service posts and appropriate domestic offices. The purpose of this training is to ensure that all consular personnel are knowledgeable and can work effectively with all our consular modernized systems. Refresher training is conducted on a 12 to 18-month cycle. We will also maintain the overseas support desk to serve as an interface between the field and domestic support offices.

We have several new equipment needs coming up in the next two fiscal years, including: scanning equipment and back-up server/workstations for all posts; new computer workstations for the redesigned automated cash register system (ACRS) and equipment to support the back-up namechecking system. Consistent with our commitment to provide highly secure and sophisticated travel documents, we will procure new ink jet printers, as we convert from laser-printed visa foils to a more secure process that relies on inkjet printer technology. In addition, new electronic cameras will be needed as we deal with industry-driven changes and plans to expand the capture of photos to include all nonimmigrant visa cases. To strengthen further U.S. border security, we will begin during FY 2002 to scan the applications of those aliens who are refused U.S. visas. In addition, we will also scan all backup files of those aliens whose visas were refused on the basis of serious ineligibilities (drug trafficking, health, national security, terrorist activities, fraud, etc.). Integrating this information into the Consolidated Consular Database, and taking advantage of continued developments regarding facial recognition, should result in further enhancements to the effectiveness of the U.S. border security system. Finally, we will begin implementation of a system that will provide Americans abroad with photodigitized passports.

Overseas Consular Systems Modernization and Support - \$55,100,000:

This program activity involves providing automation support to all consular systems overseas and domestically, as well as conducting the research and development necessary to keep our systems state-of-the-art and to take advantages of the potential border security implications of newly emerging technologies.

In FY 2002 and FY 2003, we plan to aggressively expand the data in the Consular Consolidated Database (CCD) the value of which has been repeatedly demonstrated in the aftermath of September

STATE PROGRAMS

11. Currently, the CCD contains electronic copies of more than 50 million visas as well as the photographs of some 18 million aliens who received visas. This database is now open for worldwide access and allows for faster exchange of information between Washington and overseas posts. Data from this corporate database is being shared with the Immigration and Naturalization Service (INS). In return, we hope to include case materials and other information relevant to visa processing from these agencies. As a result of the September 11 terrorist attacks, we plan to accelerate research into facial recognition programs and develop the capability to compare photographs of suspected terrorists to those of visa applicants. As part of this effort, we will work with other agencies to expand the pool of photographs available for this use. We are initiating this effort in FY 2002.

As required under the Hague Convention on International Adoptions, we will add additional functionality to existing consular systems to monitor all incoming and outgoing international adoption cases. We also plan to re-engineer the systems that provide support to our American Citizen Services activities. To make existing visa systems and underlying business processes more efficient and effective, we plan to integrate overseas and domestic visa systems in a way that will streamline the process of immigrant visa control and statistical reporting. In addition, we plan to replace the existing Automated Cash Register System (ACRS) with a new system that is fully integrated with other modernized consular applications.

We will continue to ensure that all consular systems are in conformance with the Department's security guidelines. We will have sophisticated testing of the security aspects of our software undertaken by internationally recognized experts such as the Sandia National Laboratories. We will continue to ensure the integrity and quality control of our software development efforts through an independent verification and validation process. We will continue to provide quick resolution to problems of various technical complexity through our operational support and maintenance initiative. To provide the controls necessary for organized systems maintenance, we will continue our configuration management activities. In the next two years, we will continue to provide domestic system support in the areas of computer security, asset management, user support, e-mail, domestic systems modernization and maintenance, and application training.

Automated Namecheck Systems (CLASS) - \$18,000,000:

The Consular Lookout and Support System (CLASS) is the centerpiece of the consular Border Security program. It includes over 5.8 million visa lookout records and over 3 million passport records. In FY 2002, and consistent with the authorities provided by section 403 of the USA PATRIOT ACT, we are prepared to receive another 3 million additional lookout records from the FBI. We also plan to introduce selected photographs into the CLASS database. As a mission critical system, security regarding the transmission of CLASS data and access to CLASS service is a major consideration. Therefore, we will implement a fully redundant CLASS system at a remote location from Washington that will ensure full disaster recovery and systems availability at all times. In addition, we plan to replace a current field back-up system (the Distributed Namecheck System) with a real-time Back-up Namecheck System (BNS). The BNS will use remote telecommunication management tools and

STATE PROGRAMS

techniques that can provide immediate system support when telecommunication lines are down. We will pilot this system in FY 2002.

The CLASS system provides the Department with the ability to perform namechecks using linguistic algorithms. Arabic and Russo/Slavic algorithms are now in place and in FY 2002 we will complete the worldwide deployment of the Hispanic algorithm. Our next focus is to develop an algorithm based on Asian languages.

MRV Support Costs - \$38,275,000:

The Department will continue to use MRV fees to pay for bank charges associated with off-site bank collections and temporary staffing needs (such as temporary duty (TDY) assistance and hiring local personnel) to help posts meet their workload requirements. In FY 2001, the Department funded 33 work years in TDY assistance. As in previous fiscal years, we will support those posts facing major productivity or infrastructure issues by funding limited procurement and installation of furniture and furnishings. In FY 2002 and FY 2003, this budget will continue to pay for the salaries and benefits of consular associates. We will also continue to support consular agents by paying their salaries and benefits, purchasing consular agent "tool kits" (consisting of a personal computer and office equipment, such as a fax machine and cellular phone) and funding such costs as a portion of their health insurance. In addition, we will provide support to Mexico, which has experienced a major workload increase as a result of the Border Crossing Card Program.

Public Information Support - \$10,000,000:

We will strengthen our public information efforts. This initiative will be contractor-operated and will provide improved access to an integrated consular information system that provides information for visas, passports, and assistance in completing affidavit of support forms. It will also provide routine and non-Privacy Act information regarding the safety and welfare of American citizens abroad. This funding will also enhance the operation of the current consular information program by establishing contractor-operated customer contact centers that provide information and respond to public inquiries on various consular matters

Document Integrity, Training and Anti-fraud Programs - \$9,667,000:

The Department of State is committed to producing world-class quality travel documents that are based on fraud-resistant consular processes. In response to the increasing sophistication of the international travel document counterfeiting and forgery industry, the Department plans to establish a forensic laboratory to detect and counter fraudulent U.S. and foreign travel documents. This laboratory will provide an organic forensic document capability to the Bureau of Consular Affairs in support of its international responsibilities.

The Department will also provide training to Foreign Service Nationals (FSN) and Foreign Service Officers (FSO) assigned to fraud prevention units overseas. We will continue to conduct workshops, prepare self-instructional guides, and issue publications. In addition, the National Foreign Affairs Training Center conducts training for consular FSN's, FSO's, consular agents, passport personnel and

STATE PROGRAMS

systems personnel who support consular systems. As a new initiative in FY 2002, we will develop an extensive course on the Namecheck system.

Passport Operations - \$41,237,000:

The Department remains committed to meeting passport workload demand on a timely basis, providing effective agency management and administration, strengthening internal controls and fraud prevention, and ensuring quality customer service. The demand for U.S. passports is affected by many factors, including the strength of the U.S. economy and the perception of travelers about the international security situation. For FY-2002, the Department of State is anticipating a passport workload of up to 6.9 million domestic applications. In FY 2003, we expect this workload to increase to as many as 8 million applications. To meet these increases, we plan to hire additional contract staff, particularly at the Charleston Passport Agency. We will enhance our anti-fraud capabilities, particularly in the area of lost and stolen passports. We will undertake an aggressive public service campaign to make citizens aware of the need to report these passports.

In addition and in response to heightened concerns over the international terrorism situation, we will take a number of steps to enhance the security of the U.S. passport system. In recognition of the value to law enforcement and other users of scanned passport applications, the Department of State will initiate a project to scan passport applications processed prior to the installation of the photodigitization process into our PRISM database. We will also launch a long-term effort to help ensure the security of the documents and processes, including those of acceptance agents, that underpin the adjudication system for U.S. passports. This initiative is designed to strengthen our defenses against the use of fraudulent documents as a basis for obtaining a U.S. passport. Finally, we will explore the potential to shift some overseas passport production back to the United States in order to take full advantage of the security features of the photodigitized U.S. passport.

Passport Facilities - \$17,400,000:

By the end of calendar year 2001, the five year initiative to renovate all passport agencies concluded. All agencies now have modern security and an infrastructure capable of supporting photodigitization technology. To protect this investment, we will establish a schedule to repair, replace, and maintain the infrastructure at our facilities on a regular basis. As in prior years, we will continue to fund the utility and facility maintenance expenses of the Charleston and Portsmouth Passport facilities from this budget. In FY 2002, we will also develop plans for a third passport megacenter to meet expected passport demand in the post 2005 period. We expect to locate that facility in the western region of the U.S. We expect to begin construction of this facility in 2003.

Passport Systems -\$24,500,000:

In FY 2001, nearly 90 percent of all passports were produced using the photodigitization process. In early FY 2002, we completed the rollout of photodigitization to all domestic passport agencies. We plan to maintain this system by introducing a three-year replacement cycle of all passport computer equipment, similar to our current three-year replacement cycle for overseas equipment. In addition, we

STATE PROGRAMS

will install additional equipment at the Charleston Passport Center as part of our overall plan to increase the capacity at that facility.

Modernization efforts in the next two fiscal years will focus on new and emerging technologies in computer, communications, and materials handling environments, including the capture of digital images, and the storing, transporting, and printing of multiple forms of data. Our goals are to maintain our international leadership role in the technologies of producing the most secure travel documents; to exceed security standards in both products and production methodologies; and to meet the production demands of the American public. We plan to improve the image quality of the digitized photo printout, allow for easier retrieval of information from our Consular Lost and Stolen Passport database (CLASP), and make images of passport application records available electronically to overseas posts through the use of the Passport Records Management System (PRISM).

In compliance with electronic and information technology accessibility standards, we plan to introduce new systems capabilities in the photodigitized travel document issuance system that will aid passport employees with disabilities. Using state of the art optical storage technology, we have replaced the antiquated microfilm process that was 20 years old and replaced it with new technology that scans, stores and provides online availability of passport application records, related documentation, and Consular Reports of Birth Abroad. In FY 2002, we intend to make this data available online worldwide through our PRISM system. Finally, we will improve the way we maintain, archive and retrieve all passport lookout files by digitizing the image of all lookout documents. This database would be available throughout the passport files user community.

TIPOFF-Terrorism Crime - \$3,360,000:

The TIPOFF-Terrorism and Crime program is a vital counter terrorism/crime tool that enables the use of sensitive intelligence to detect known persons of concern as they apply for U.S., Canadian or Australian visas. This information is made available to officials adjudicating visa applications overseas or other personnel who serve at U.S. ports-of-entry. In FY 2002 and FY 2003, we will continue to fund the TIPOFF operation and will establish ties to other agencies through the intelligence community's INTELINK system.

Visa Processing - \$22,244,000:

The U.S. visa process has been under intense scrutiny in the aftermath of the terrorist attacks in New York, Washington and Pennsylvania. A key element in strengthening further the visa process is shifting more of the pre-adjudicatory visa process back to the United States where access to corporate databases and other systems can help ensure that our overseas personnel have the best information available as they make decisions on visa applications. For example, making quality decisions on issuing certain employment-related visas may require access to credit databases in the United States or even direct contact with the firm that is sponsoring the immigrant. This access is difficult if the visa is being adjudicated from a location many time zones from the U.S. To help redress this problem, the Department of State plans to shift as much of the administrative work in the visa process as legal and practical limitations will allow to the National Visa Center and Kentucky Consular Center. Specifically, we plan to expand the Kentucky Consular Center and shift work related to the H1-B and student visa

STATE PROGRAMS

programs to that facility. We plan to employ contract staff to help us implement these initiatives and to manage the workload shift. We will also continue to implement the Legal Immigration Family Equity (LIFE) Act passed by Congress on December 15, 2000. This Act created new nonimmigrant V and K visa classifications for which as many as half a million aliens may be eligible.

American Citizen Services - \$2,000,000:

During FY 2002 and FY 2003, we will provide effective and consistent American Citizen Services. Among our initiatives are plans to develop a comprehensive global Voting Assistance Outreach program, to improve the facilities we use to operate Task Forces during a crisis, and to upgrade our crisis management equipment (such as the purchase of laptops that are capable of supporting our modernized crisis management software). We will continue to meet our treaty obligations as the U.S. Central Authority for the Hague Convention on Intercountry Adoption through informational assistance to prospective parents and adoption agencies and by working with INS to track international adoption cases. We also plan to continue our efforts to assist parents whose children have been abducted overseas. Finally, in response to any possible terrorist threats, the Bureau of Consular Affairs will help finance the consular response capability that will allow the Department to maintain crisis management operations.

Facilities Management-Processing Center - \$972,000:

The Bureau of Administration will use Border Security Program funds for facility maintenance and utility expenses at the Kentucky Consular Center. Increased funding will be needed in FY 2002 as we expand the Kentucky Consular Center to accommodate visa work that is shifted from overseas to the U.S.

Diplomatic Security: \$8,994,000

The Bureau of Diplomatic Security (DS) provides the necessary physical security for our passport agencies, the Kentucky Consular Center, and the National Visa Center using Uniformed Protection Officers. As in prior fiscal years, funding will be provided to DS to conduct criminal investigations relating to illegal passport and visa issuance and use, and to continue the Russian Business Investigative Initiative (RBII) which targets Russian organized crime and illegal trafficking in women and children. In addition, funding will continue to be provided for the travel of department personnel testifying at criminal trials. As a new initiative, MRV funds will be used to help to design, develop and implement an integrated worldwide investigations database to manage all DS criminal cases electronically and provide two-way datasharing with CA and other U.S. enforcement agencies.

Technology Backbone: \$24,000,000

This budget provides the necessary funds for mainframe systems support for the CLASS system. Support includes 24x7 operations and maintenance, enhanced connectivity, redundancy and contingency operations and systems upgrades to meet CLASS-E expansion requirements. It also includes support for redundant CLASS and CCD systems, which we will develop in FY 2002. In addition, this budget includes funds for the continued telecommunications support, including circuitry lease costs and other support costs directly related to the Border Security Program.

STATE PROGRAMS

Border Security Staff and Support Costs: \$333,982,000

Border Security Staff - \$159,880,000:

In FY 2002, the Border Security Program will fund the salaries and benefits of 2,157 full time consular, DS and IRM employees, including 98 new consular positions--62 overseas and 36 domestic. Included in the overseas positions are 20 new officer positions to be hired as a result of the September attacks. In addition, we plan to hire 50 new Foreign Service Nationals to support the officer staff. In FY 2003, we propose hiring to fill an additional 98 full-time positions, consisting of 70 overseas positions and 28 domestic positions. To support the overseas officer staff, we will hire 63 new Foreign Service Nationals.

Border Security Support - \$74,102,000:

Direct operating costs associated with passport and visa production are included in this budget. These items include passport books and expendable supplies used in producing a photodigitized passport as well as supplies used in the production of visas. In addition, we provide funds to key bureaus that help us maintain on-going programs that support the Border Security Program. As in prior years, the start-up and recurring costs for new consular positions are included in this program activity, as are direct costs associated with the Border Crossing Card program.

MRV Fees: Border Security Staff and Support - \$100,000,000:

In FY 2003, the Department plans to shift \$100 million in consular operating expenses, for overseas posts and the Bureau of Consular Affairs, currently funded by the Department's Diplomatic and Consular Programs appropriation to funding by MRV fees within the Border Security Program. This shift will mean that nearly all Consular Relations program activity full-time American positions and Consular Relations program activity costs will be funded by MRV fees.

BCC Reimbursement to INS: \$26,520,000

Since FY 1999 we have reimbursed the INS for the cost of producing Border Crossing Cards issued to Mexican nationals. This reimbursement, based on a Memorandum of Understanding between the two agencies, is consistent with the requirements of section 104 of the Illegal Immigration and Immigrant Responsibility Act of 1996. The reimbursement is considered a direct transfer of revenue to INS and is not included in relevant tables and charts that summarize the Border Security Program. In FY 2002 and FY 2003 we plan to reimburse the INS \$26.52 million annually.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Summary Statement of Budget Authority

(dollars in thousands)

Program	2001 Actual	2002 Estimate /b	2003 Request	Increase from FY 02
Worldwide Security Upgrades				
Capital Projects	\$ 513,867	\$ 665,000	\$ 608,550 /c	\$ (56,450)
Compound Security	133,705	136,680	146,450	9,770
Other Security Upgrades/Support Costs	13,969	14,280	-	(14,280)
Total, Worldwide Security Upgrades	661,541	815,960	755,000	(60,960)
Non-Security Construction	-	15,000	50,000	35,000
Operations:				
Planning & Development	-	2,814	6,200	3,386
Real Estate & Property Management	-	3,772	6,000	2,228
Project Execution	90,367	79,515	91,000	11,485
Operations & Maintenance	297,859	310,429	336,300	25,871
Information Management & Support	-	16,893	31,000	14,107
Main State/Domestic Renovations	7,544	24,000	23,000	(1,000)
Subtotal, Operations	395,770	437,423	493,500	56,077
Headquarters	20,289	5,577	6,500	923
Pension/Health Benefits Full Cost Adj. /a	2,864	2,944	3,011	67
Subtotal	\$ 1,080,464	\$ 1,276,904	\$ 1,308,011	\$ 31,107
Pension/Health Benefits Full Cost Adj. /a	(2,864)	(2,944)	(3,011)	(67)
Appropriation Total	\$ 1,077,600	\$ 1,273,960	\$ 1,305,000	\$ 31,040

/a Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

/b FY 2002 enacted amount does not include \$52.85M received in Emergency Response Supplemental Funding.

/c The FY 2003 Worldwide Security Upgrades, Capital Projects does not include \$82.0 million for collocated USAID facilities which is requested in the FY 2003 Foreign Operations Appropriations bill.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Program Summary – The New Overseas Buildings Operations

Even before recent world events highlighted the importance of secure, safe, and functional facilities, the Secretary of State emphasized embassy construction and security as a top priority. With this in mind, the Secretary appointed an experienced and innovative manager to transform the former Foreign Buildings Operations into the “high performance,” fully-accountable Overseas Buildings Operations (OBO).

The OBO mission is to manage the Department of State’s (DOS) real property assets while providing employees at US diplomatic missions with secure, safe, and functional facilities. The challenge facing OBO is completing construction projects on time, at or under cost, and using the most efficient delivery method. As the DOS overseas real property manager, OBO will manage and lead all overseas facility actions, work with key DOS staff and tenants to find practical solutions, and increase internal organizational accountability.

Structural changes were made to transform the organization into a result-based operation. OBO has moved from the Bureau of Administration to a stand-alone entity reporting directly to the Undersecretary for Management in recognition of the importance of this mission. To provide safeguards against voids, conflicts in responsibilities, and to fix accountability, management responsibilities have been assigned to five major offices within the organization: Planning & Development, Real Estate & Property Management, Project Execution, Operations & Maintenance, Resource Management, along with a central support element – Information Management and Support.

Cultural changes are also taking place with a new, significant emphasis on planning. The Long Range Overseas Buildings Plan (LROBP) exemplifies this cultural shift and is the pivotal planning tool that breaks the long standing mindset of “funding drives planning” to a new process where “planning drives funding.” In addition, each project is supported by a sound “business case” analysis, meets acceptable cost parameters, and is linked to the U.S. Government presence in the region.

Due to the organizational changes and new accountability requirements, the budget structure has been modified and includes four major programs:

- Worldwide Security – resources set aside to execute OBO’s commitment to improving the security and safety of US Government personnel and facilities overseas,
- Non-Security (“Regular Capital”) Construction – the regular building program for overseas facilities,
- Operations – the five major offices and the central support element charged with planning, executing, and supporting the OBO program, and
- Headquarters – providing executive direction and resource management support.

FY 2003 Request

The FY 2003 budget request of \$1,308,011,000 for Embassy Security, Construction, and Maintenance (ESCM) is an increase of \$31,107,000 over the FY 2002 level. These funds will support the DOS diplomatic activities by providing for the acquisition, construction, maintenance and repair, and disposal of property and facilities in the OBO inventory, with no

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

increase in staffing levels. Of this increase, \$12,914,000 is to maintain operations at a current services level. In addition, this request includes \$3,011,000 to fully fund Federal Retirement, Pension, and Accrual costs.

Worldwide Security Upgrades - \$755,000,000

The request includes \$608,550,000 to support the next tranche of urgent, security-driven projects as delineated in the LROBP, including the construction of New Office Buildings (NOB) in Astana, Bamako, and Panama City; fitout of newly acquired buildings in Bridgetown and Kingston; design or construction of new annexes in Athens, Moscow, and Tirana; plus the acquisition of sites for future NOB projects. Another project under consideration is in Frankfurt. This request does not include \$82,000,000 that the U.S. Agency for International Development is requesting in FY 2003 for collocated overseas facilities.

In addition, funding is also requested to continue the Department's program of worldwide perimeter and compound security upgrades. The FY 2003 request includes \$146,450,000 to complete the construction of critical perimeter security projects and initiate projects to install, service, and replace forced entry/ballistic resistant roof hatches, vault doors and power-assisted vehicle barriers.

The Department also intends to implement a virtual capital rent-surcharge pilot program in FY 2003. This pilot will test the feasibility of establishing a program that will levy a rent-surcharge on all departments and agencies occupying overseas facilities for the purpose of financing the future construction of new safe and secure office buildings and begin to address residential security.

Non-Security ("Regular Capital") Construction - \$50,000,000

The Non-Security Construction request of \$50,000,000 will provide funding to continue design and pre-construction activities for the new office building project in Beijing.

Operations - \$493,500,000

The Operations request provides funding for four of the major offices and central support element within the Overseas Buildings Operations, all aspects of computer support, centralized administrative services, and renovations at Main State & Other Domestic Facilities. This request streamlines a patchwork of line items submitted in prior year budgets while enhancing financial accountability of OBO managers and employees.

Planning and Development - \$6,200,000

A major theme of the OBO reorganization was an emphasis on planning and development. The Planning and Development Office provides the central focus for major overseas facility planning efforts. It produces the LROBP and provides the detailed space requirements, planning, master planning, and cost engineering necessary to design and construct new facilities or renovate existing ones.

The FY 2003 request will fund the salaries and supports costs of 49 positions in the newly created office and support the annual revision and update of the LROBP.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Real Estate and Property Management - \$6,000,000

Site selection and acquisition is a critical step in the success of any new construction project, but it can be the most difficult to negotiate and complete in a reasonable time frame. With the increased emphasis on efficiently completing projects on time and at or under cost, the OBO reorganization created a separate, stand-alone entity responsible for this critical first step.

The funds for this office have been realigned from the leasehold program and will provide for staff salaries and contract support to carry out this vital function.

Project Execution - \$91,000,000

The focus of the OBO reorganization was to increase accountability while eliminating voids or conflicts in responsibility. The Project Execution (PE) request consolidates several line items, providing a single point of responsibility and accountability for PE issues while capitalizing on operational synergies. The PE request is comprised of several different programs responsible for different aspects of execution.

- ❑ Construction Management - \$21,000,000. This request funds expenses for the domestic and on-site construction management staff that oversees the work of the general contractors building and renovating DOS's overseas facilities. The request reflects the cost of providing required oversight support to projects planned in FY 2003, including an anticipated increase in International Cooperative Administrative Support Services (ICASS) costs associated with on-site OBO personnel.
- ❑ Security Management - \$31,000,000. This program provides security measures that safeguard overseas construction sites and materials from potentially hostile intelligence efforts for functional and non-security construction. The requested funds will be used to support cleared American guards, cleared surveillance technicians, and site security managers required for the increased number of FY 2003 functional projects and procure temporary technical security equipment and contractor support for the over 30 capital projects planned for FY 2003. Included in this request is \$737,000 to cover wage and price inflation.
- ❑ Design and Engineering - \$14,700,000. The Design and Engineering program provides assistance in soliciting and negotiating architectural and engineering services contracts and reviewing project drawings, specifications, and associated documents. The staff resolves design problems and changes during the construction process, and assists with procurement of US Government furnished equipment. In addition to participating in the project planning and programming phases (including project definition and cost engineering support), staff assist the Facility Management Division in determining criteria and standards governing operations, maintenance and repair requirements.

This request includes an increase of \$2,037,000 to establish a program to develop practical and cost effective design solutions and fund 20 new value engineering studies for NOB projects planned in FY 2003.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

- ❑ Energy Conservation - \$3,900,000. Improving energy efficiency and reducing operating costs at DOS facilities overseas is the mission of the Energy Conservation Program and reflects our commitment to become a model of energy efficiency at every facility. The program is pursuing a worldwide plan to increase efficiency by setting ambitious conservation goals for all new major construction projects, implementing projects previously identified by surveys, continuing to survey overseas facilities to identify energy conservation measures for future implementation, and training facility managers to improve operating energy efficiency. The FY 2003 budget reflects inflationary price increases.
- ❑ Interiors and Furnishings - \$11,700,000. This program provides interior planning and design for new office and support buildings, existing office facilities under rehabilitation, and new lease build-outs. In addition, it formulates policy, standards, and procedural guidance for interiors of office facilities and provides for the maintenance and replacement of furniture, furnishings and equipment in representational spaces. The current cycle for refurbishing representational facilities is 16 years, far longer than the 7-year business standard used by the hotel and hospitality industry. This request will accelerate the number of representational residence renovations bringing the Interiors and Furnishings cycle into line with industry practice.
- ❑ Program Management - \$7,500,000. The Program Management staff provides overall project management during the design, construction, and commissioning phases of capital and non-capital projects, including the development and implementation of project execution plans. Also, this program is the primary source of non-project specific funding to obtain from the private sector unusual, specialized, infrequently required skills or services that cannot be performed by the Department. The FY 2003 budget reflects inflationary price increases.
- ❑ Seismic Program - \$1,200,000. This program identifies properties occupied by the US Government that are vulnerable to seismic activity and develops solutions to minimize that risk as required by the National Earthquake Hazards Reduction Act of 1977 (P.L. 103-374). The Seismic Program works in conjunction with the Maintenance of Buildings and Facility Rehabilitation Programs to fund the construction associated with strengthening buildings at risk, and assists in the design of NOBs in seismically vulnerable regions.

A \$503,000 increase is requested to fund initial research establishing a methodology for determining earthquake ground motion as specified in the International Building Code, as well as funds to cover wage and price inflation.

Operations and Maintenance - \$336,300,000

This new office was created to provide a single point of responsibility and accountability for operations and maintenance issues, for US Government-owned or leased structures. This office includes the following program areas responsible for these issues.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

- Facility Management - \$58,000,000. Facility Management provides technical assistance and support to overseas posts in maintaining major building systems. This includes performing maintenance inspections, developing preventive maintenance programs specific to post requirements, and offering hands-on technical support and materials necessary to accomplish maintenance and repair at posts where technical assistance is otherwise not available. Support is provided by the Washington Maintenance Assistance Center (WASHMAC), the Facility Maintenance Specialist (FMS) Program, the Global Condition Survey (GCS) and the Facilities Evaluation and Assistance (FEAP) Programs. The WASHMAC provides hands-on technical support by supplying cleared American personnel to perform repairs, renovations, and systems rehabilitation at overseas posts where no local expertise exists or where security clearances are required for entry. The FMS program provides a cadre of professionally trained and experienced on-site building managers for newly constructed or rehabilitated embassy facilities. These managers are required to meet more complicated needs that exceed the technical abilities of personnel at post. The GCS Program provides survey teams to examine the entire inventory of U.S. Government-owned and long-term leased facilities and develop an assessment of building conditions and a prioritization of the facilities maintenance and rehabilitation workload. The FEAP Program assists posts in developing more effective maintenance management programs.

The increase of \$7,142,000 includes funding to expand WASHMAC contract to include preventative maintenance on Post Communications Centers (PCCs) and Information Processing Centers (IPCs), cover the expense of hazardous material and contamination remediation projects planned for FY 2003, provide support costs for facility maintenance positions, and meet inflationary wage and price increases.

- Facilities Rehabilitation and Support System Replacement - \$40,000,000. This program rehabilitates, upgrades, or replaces worn out building systems that can no longer be physically or economically maintained by routine, preventative, and unscheduled maintenance and repair activities. System rehabilitation, replacement, and upgrade is done to extend the life of the building and ensure continued serviceability, provide a safe and secure environment for US Government employees, and capitalize on efficiencies from new technologies.

This request includes planning and site surveys for 4 new projects, master planning for 1 project, designs for 7 projects, and construction of 10 projects as outlined in the Long Range Overseas Buildings Plan.

- Fire Protection - \$8,500,000. This program performs a variety of services to the Department's overseas posts, including conducting fire inspections, promoting and presenting training programs, installing fire alarm detection systems, and supplying posts with critical fire and life safety equipment. The FY 2003 request will complete the installation of fire alarm detection systems in all office buildings. In addition, the request includes \$168,000 for inflationary wage and price increases.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

- Leaseholds - \$150,000,000. Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease and lease-purchase agreements. The decision to lease or purchase a property is based on an economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, including market assessments, legal expenses, and fee recording. It also provides living quarters allowance payments to Department employees at selected posts where US Government provided housing is not available.

The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) residential and non-residential properties overseas supporting all foreign affairs agencies under the policy direction of the Chief of Mission on a non-reimbursable basis. The Department also funds short-term leased residential and non-residential space for its own personnel. In cases where the Department leases shared office facilities on a short-term basis, the costs for such leases are distributed among all tenant agencies through the International Cooperative Administrative Support Services (ICASS) system. Under a memorandum of agreement with the Department of Defense, the Department is reimbursed for the cost of housing Marine security guards that are deployed overseas.

The request includes an increase of \$5,200,000 for new lease costs associated with the Almaty Annex, Astana IOB, Rio de Janeiro COB, and possibly Paris OECD; and \$3,883,000 for worldwide inflationary increases in lease costs.

- Maintenance and Repair of Buildings - \$68,400,000. The core business of this program is to provide for the upkeep of the Department's existing inventory of US Government-owned and long term leased overseas properties. Proper stewardship of this aging inventory requires a continuing investment in maintenance and repair to retain asset value, retard deterioration, and ensure facilities are an adequate platform for conducting diplomacy.

The Department allocates maintenance and repair of buildings funding by two major activities: Routine Maintenance and Repair and Special Maintenance and Improvement Projects. Routine Maintenance and Repair includes preventive maintenance of building systems, as well as recurring activities such as painting, weather-stripping, termite control, minor repairs, replacement of fixtures, and the acquisition of building supplies used for recurring maintenance requirements. Special Maintenance and Improvement Projects restore, alter, and modernize existing facilities.

The FY 2003 requests an increase of \$3,230,000 to cover inflationary wage and price increases.

In addition, the request reflects \$1,400,000 for the Arts in Embassies Program that administers loans and donations of American works from museums, institutions, corporations, galleries, and individual artists and collectors to communicate American values and cultural diversity through the display of these works at overseas posts.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

- Post Communications - \$8,000,000. The Post Communications Program provides for the life cycle replacement of all telephone systems located in US Government-owned and long term leased non-residential facilities. Currently, 45% of the 260 overseas missions have old, obsolete systems that are no longer supported by their manufacturers. The goal of this program is to replace obsolete telephone systems with modern, reliable, digital systems capable of delivering a full range of services. The FY 2003 request includes funding for ten system replacements and survey/design of an additional ten.

- Safety, Health and Environmental Management - \$3,400,000. The SHEM program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize environmental impact of Department activities, and to provide occupational health and environmental services to Department of State domestic facilities. This is done primarily by providing technical expertise and support to overseas managers in order to help them avoid mishaps, eliminate workplace hazards and environmental contaminants, and comply with Occupational Safety and Health Administration and Environmental Protection Agency requirements. The Department carries out this mission by training and educating managers and employees about hazard identification and abatement, providing on-site technical support and training, performing program evaluations, and administering information systems to identify hazards/risks and provide overall program direction. The vital role of this program has been highlighted recently as the SHEM staff has taken the lead in the Department's efforts to protect its domestic and overseas facilities against chemical-biological attack by reducing vulnerabilities and developing emergency clean-up and decontamination plans.

This request will provide a greater level of onsite technical support to assist posts in implementing report recommendations to eliminate hazards and reduce the risk of safety and health deficiencies identified during SHEM visits. In addition, it includes the implementation of an integrated post management program and funds inflationary wage and price increases.

Information Management and Support - \$31,000,000

The Information Management and Support Office provides all information technology and administrative services to OBO program offices. Prior to the reorganization, these functions were included in the Administration budget line. This budget has been practically frozen, with resources increasing by only \$94 thousand or 0.4% over the last seven years, not even keeping pace with basic inflation.

At the same time, OBO has seen explosive growth in the program this office must support. The addition of the Worldwide Security Upgrade Program doubled the program activity the aging infrastructure must support. The lack of funds severely limits IT professional's ability to plan and implement network infrastructure and desktop upgrades, creating operational difficulties as technologies are applied inconsistently across OBO classified and unclassified systems.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

The FY 2003 request represents a minimum requirement to implement proper planning, institute policy and procedures, and support immediate IT infrastructure requirements, including expanding the number of classified workstations available to handle building design documentation and drawings. The increase is comprised of \$4,000,000 for business solution support and process reengineering; \$5,061,000 to acquire, maintain, and support specialized applications; \$1,700,000 for increases in the seat management contract; \$2,940,000 for basic administrative services (printing, supplies, etc.); and \$406,000 for wage and price increases.

Main State and Other Domestic Facilities - \$23,000,000

The Department of State owns or operates and maintains numerous facilities in metropolitan Washington, D.C. and in other U.S. locales. To protect the real property investment and to ensure adequate working conditions for employees, the Department developed a Capital Improvement Program to upgrade building systems and to correct deficiencies in these facilities.

Within the U.S., the Department operates and maintains the Harry S. Truman Building; Blair House; the Beltsville Information Management Center; annexes in the Washington metropolitan area; the National Visa Center and National Passport Center in Portsmouth, New Hampshire; the Charleston Regional Center in Charleston, South Carolina; the Miami Regional Center in Ft. Lauderdale, Florida; and the Kentucky Consular Center.

The FY 2003 request of \$23,000,000 includes \$19,225,000 for the continuation of phase I of the Harry S. Truman Building renovation, specifically the renovation of the "Old State" portion of the building. The remainder of this request is \$3,775,000 for maintenance and repair projects at domestic facilities, including generator replacement and entrance renovations at the Harry S. Truman Building, roof replacement at the Portsmouth Consular Center, converting the Kentucky Consular Center from septic to city sewer, irrigation and historical renovations at the National Foreign Affairs Training Center, and paving and drainage projects at several facilities maintained by the State Department.

Headquarters - \$6,500,000

This request provides for the salaries and support of executive direction, resources management, and developmental training for the entire OBO staff. Of the request, \$5,212,000 or 80.2% is for personnel compensation and benefits, including three positions realigned into the base from the Worldwide Security Upgrades Program. The request will provide adequate funding to establish an enhanced internal review/audit function, meet planned division training requirements, and cover inflationary wage and price increases.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

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OFFICE OF INSPECTOR GENERAL

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Executive Direction and Policy Formulation	\$1,887	\$1,950	\$1,968	\$18
Inspections, Audits, and Investigations	19,674	20,759	20,948	189
Administration and Staff Activities	6,866	6,291	6,348	57
Pension/Health Benefits Full Cost Adj.	1,464	1,503	1,527	24
Subtotal	29,891	30,503	30,791	288
Less Pension/Health Benefits Full Cost Adj.	(1,464)	(1,503)	(1,527)	(24)
Appropriation Total	\$28,427	\$29,000	\$29,264	\$264

The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

Explanation of 2003 Request

This request funds the activities of the Office of Inspector General (OIG) to include audits, inspections, and investigations, of worldwide operations and programs of the Department of State and the Broadcasting Board of Governors (BBG). The \$288,000 increase requested for FY 2003 funds anticipated wage and price increases.

OIG will focus on evaluating the Department's and BBG's programs and activities in key areas such as the security of the Department's visa processing and name check information technology, BBG television programming, the Department's recruitment, workforce planning, and "up and out" policies for the Foreign Service, the travel card program for both DOS and BBG, the Department's efforts to implement e-government and e-diplomacy as well as selected embassy construction projects and a review of the management of BBG and the board structure.

Purpose Of Program

The OIG's objectives are to:

- improve the economy, efficiency, and effectiveness of Department of State and BBG operations;
- detect and prevent fraud, waste, abuse, or mismanagement;
- assess the implementation of U.S. foreign policy primarily through inspection of overseas posts and domestic offices to assure that their activities are consistent with the goals established by the Secretary of State; and
- independently evaluate the formulation, applicability, and implementation of security standards at all U.S. diplomatic and consular posts and BBG overseas operations that fall under chief of mission authority.

OFFICE OF INSPECTOR GENERAL

Program Description

In support of the Government Performance and Results Act, OIG will focus its work and strategic goals on assisting the Department and, as appropriate, the BBG, to:

- Effectively, efficiently, and economically advance the foreign policy interests of the United States;
- Adequately protect the people, information, and facilities under their control in the United States and abroad;
- Acquire and institute the necessary financial and support systems and controls to meet legal and operational requirements;
- Prevent and detect fraud, waste, abuse, and mismanagement of U.S. Government resources.

These goals provide the framework for specific activities leading to measurable results as reflected in OIG's annual performance plan.

The OIG will focus on conducting audits, inspections, security and intelligence reviews, and investigations consistent with furthering its strategic goals.

Benefits

The Office of Inspector General assists the Department and the BBG in improving the economy, efficiency, and effectiveness of their operations. Additionally, the OIG helps detect and prevent fraud, waste, and mismanagement. OIG assessments of management and operations around the world have enhanced the Department's ability to meet its mandate of managing the foreign affairs of the United States.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Academic Exchanges	\$139,620	\$139,851	\$141,455	\$1,604
Professional/Cultural Exchanges	69,903	76,311	72,961	(3,350)
Exchanges Support	25,076	28,622	30,890	2,268
Total Direct Obligations	\$234,599	\$244,784	\$245,306	\$522
Balances Applied From Prior Years	(10,807)	(7,784)	--	7,784
Balances Carried Forward /a	7,784	--	--	--
Pension/Health Benefits Full Cost Adj. /c	1,666	1,718	1,757	39
Subtotal, Appropriation /b	\$233,242	\$238,718	\$247,063	\$8,345
Less Pension/Health Benefits Full Cost Adj.	(1,666)	(1,718)	(1,757)	(39)
Appropriation Total	\$231,576	\$237,000	\$245,306	\$8,306

/a The carry forward balance excludes \$2,711,510 received in FY 2001 for reimbursement from USAID for the Education for Development and Democracy Initiative (EDDI) funded through ESF. These funds will be obligated in FY 2002 under the Professional/Cultural Exchanges (\$2,429,068) and Exchanges Support (\$282,442).

/b In addition to the direct appropriated amounts shown above, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracy Act (SEED), Freedom Support Act (FSA), and Economic Support Fund (ESF) activities. In FY 2001, \$135,474,785 in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and ESF are anticipated in FY 2002 and FY 2003.

/c The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

Explanation of 2003 Request

The FY 2003 request of \$247,063,000 funds exchange program requirements. The amount reflects a net increase of \$8,345,000 over the appropriated amount in FY 2002. These funds will be used for net built-in requirements to maintain current services, including price increases, full-year and anticipated costs of federal pay raises and annualization of the FY 2002 staffing requirements.

Purpose of Program

The Educational and Cultural Exchange Programs Appropriation supports the exchange of persons and ideas fundamental to the foreign, economic and security policy of the United States as authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended.

Exchanges establish the trust, confidence and international cooperation with other countries that sustain and advance the full range of American national interests. Exchanges provide foreign audiences a context for understanding American policies that might otherwise be misunderstood. The United States engages the leaders of tomorrow through these exchange programs of today.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

These programs affect attitudes over lifetimes and from one generation to the next. Their much-discussed potential to address long-term problems of anti-American sentiment is central to the campaign against terrorism.

This appropriation leverages important support for exchanges from U.S. state and local governments; higher education, business, and non-governmental organizations; allies; and other U.S. government agencies and focuses their participation to promote national interest. Such gross support totals over \$500 million. Development of private and foreign government support for exchanges is dependent upon the availability of U.S. government funding.

Program Description

Exchanges are strategic activities that build corps of internationally informed leaders in the national political, economic and social infrastructures of their respective countries and in the United States. The primary function of exchanges is to establish the trust, confidence and international cooperation that sustain and advance the full range of U.S. national interests.

This appropriation provides funding for programs authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended. These include:

- **Academic Exchanges** – Academic exchanges include the following programs: J. William Fulbright Educational Exchange Program for the exchange of scholars, students, and teachers between the United States and foreign countries; Hubert H. Humphrey Fellowship Program of academic study and internships in the United States for mid-career professionals from developing countries; programs to promote U.S./foreign university partnerships and English teaching abroad and to advise foreign students about educational opportunities in the United States; and the Dante B. Fascell North-South Center.
- **Professional and Cultural Exchanges** – Professional and cultural exchanges include the International Visitor Program which supports travel in the United States by current and emerging foreign leaders to obtain first-hand knowledge about the United States, its people, politics, and culture; the Citizen Exchange Program which awards grants to U.S. non-profit organizations for professional, cultural, non-governmental organizational development and grassroots community exchanges with foreign counterparts; and activities of special Congressional interest such as the Congress-Bundestag Youth Exchange and the Mike Mansfield Fellowship programs.
- **Exchanges Support** – Exchanges support includes staff costs and support for exchange programs management, increasing cooperation among U.S. government agencies that administer international exchange and training programs, and support for the U.S. Cultural Property Advisory Committee that acts on requests from foreign governments to the United States to assist in cultural preservation and the prevention of the theft of cultural heritage material.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Benefits

International relations are no longer defined primarily by ideology, but instead by culture, traditions, values, and beliefs. In an age of global and instant communication, public perceptions of U.S. policies and motivations have a profound impact on the conduct of American foreign policy. International understanding provides a context in which the United States can articulate its intentions and actions abroad. Exchanges promote a better appreciation of the United States abroad and provide a greater receptivity for U.S. policies among foreign publics.

ECA's unique contribution to foreign policy is its ability to engage key individuals and institutions through exchanges that change perceptions and attitudes. These experiences provide all elements of societies firsthand knowledge of American culture, politics, and values and increase U.S. knowledge of the world. To build support for U.S. policy abroad, the United States must go beyond governments to inform people and organizations that influence policy and frame public discussion.

Exchanges entail a broad range of factors affecting how the United States is perceived abroad. How are young people educated? Is there access to reliable information about the United States to counter disinformation, hatred, and sensationalized views presented by mass entertainment? Exchanges help build the long-term trust to counter stereotypes and address political, economic, and social issues that fuel hostility and conflict. Exchanges create opportunities for U.S. and foreign publics to understand each other's societies and cultures directly.

Rarely has the need for a sustained effort to ensure foreign understanding of our country and society been so clearly evident, or as directly related to our long-term national security, as now. This request would provide for the minimum resources necessary to maintain the current level of activity.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

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REPRESENTATION ALLOWANCES

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Appropriation Total	\$6,485	\$6,485	\$9,000	\$2,515

Explanation of 2003 Request

By providing resources for representational events at the more than 250 embassies, missions, and consulates worldwide, the FY 2003 request will support U.S. national interests, economic activities, and other diplomatic functions. The increase of \$2,515,000 will partially restore the buying power that has been lost within this account over the last thirteen years. The Representation Allowances appropriation has lost over 44% of its buying power from 1989 through 2001, after adjusting for the impact of USIA integration and the effect of high rates of overseas inflation. During this same period, the Department opened more than 32 new posts in Eastern Europe, Vietnam, Afghanistan, Canada, France, Africa and Latin America. Most posts have had to cancel or greatly downsize planned events due to insufficient funds. U.S. diplomats have paid for representation events out-of-pocket to further U.S. policy when official funds have not been available. The Department will be able to stage appropriate representational events and better apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests by partially restoring the Representation Allowances appropriation to sufficient funding levels.

Purpose Of Program

This appropriation enables diplomatic and consular personnel to engage in official representational activities overseas and at missions to international organizations.

Program Description

The activities funded by this appropriation typically include:

- promotion of the U.S. national interests through formal and informal interactions with knowledgeable foreign officials and long-term residents, usually at receptions, small working luncheons, and informal dinners;
- protection of U.S. citizens' interests by developing and maintaining personal relationships with foreign officials, which facilitates providing assistance and solving problems of Americans abroad;

REPRESENTATION ALLOWANCES

- ❑ promotion of economic activities by establishing and maintaining relationships with foreign and American officials, business persons, labor leaders, and others who may be helpful in performing duties connected with promoting and protecting American trade;
- ❑ fulfillment of commemorative and ceremonial requirements such as Fourth of July celebrations or the laying of a wreath at the tomb of a local national hero;
- ❑ interaction with influential individuals and organizations, including the local media, key political elites, academics and members of non-governmental organizations to assess the overseas public affairs climate and convey and reinforce acceptance of U.S. policies and values; and
- ❑ promotion of peaceful relations between the U.S. and other countries by fostering mutual understanding through academic, professional, and cultural activities.

Benefits

Activities performed under this appropriation facilitate the effective conveyance of U.S. foreign policy goals and objectives, the gathering of information central to the formulation of our bilateral and multilateral foreign policy, and the cultivation of and support for U.S. policies and values.

BUYING POWER MAINTENANCE FUND

Program Activities Summary

Summary Statement

(dollars in thousands)

Fiscal Year	Opening Balance	Appropriation	Transfers In/Out (-)	Net Cum. Balance
2001	\$13,011	--	\$3,375	\$16,386
2002	16,386	--	--	16,386
2003	16,386	--	--	16,386

Explanation Of 2003 Request

The Department is not seeking additional FY 2003 appropriations for this fund. Note that the FY 2001 balance reflects the transfer of \$3.375 million in exchange rate gains from the Diplomatic and Consular Programs appropriation. While the State Department's Buying Power Maintenance (BPM) account was capitalized at a level of over \$20 million in the mid-1980s, balances were depleted in subsequent years due to the decline in the value of the dollar against the currencies of virtually every major industrialized country. During FY 1995, the Department completely depleted the BPM account by using funding remaining at that time to partially offset: (1) the annualized effects of the dramatic decline in the dollar which occurred in the latter part of FY 1994 (\$5 million); and (2) the continued decline in the dollar during the first half of FY 1995 (\$5 million). Since FY 1997, the Department has been able to build the fund back to its current level through exchange rate gains and the transfer of balances from the Former USIA Buying Power Maintenance Account.

Purpose Of Program

The Buying Power Maintenance Fund provides standby budget authority to sustain approved levels of activities under rapidly changing economic conditions abroad. Situations that can have a direct, adverse impact on the Department of State's overseas budget include inflation on goods and services, local employee wage increases, and exchange rate fluctuations. To the extent that adverse exchange rate fluctuations are experienced, the Department's buying power deteriorates, causing potentially large operating deficits. The Fund is currently limited, by practice, to the following countries where available economic data are most accurate and the impact on our appropriation is likely to be the greatest: Austria, Belgium, Canada, Denmark, Finland, France, Federal Republic of Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

Benefits

When this account has an adequate balance, the Department is able to buffer overseas operations from the adverse impact of exchange rate losses.

BUYING POWER MAINTENANCE FUND

Page not used.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Extraordinary Protection of International Organizations, Foreign Missions & Officials in New York	\$9,147	\$8,100	\$8,700	\$600
Extraordinary Protection of International Organizations, Foreign Missions & Officials Elsewhere in the United States	1,297	1,300	2,300	1,000
Reimbursement to Seattle, Washington	4,989	--	--	--
Appropriation Total	\$15,433	\$9,400	\$11,000	\$1,600

Explanation Of 2003 Request

The FY 2003 request of \$11,000,000 (to remain available for two fiscal years) funds the anticipated requirements for the extraordinary protection of international organizations and foreign missions and officials in the United States. The increase of \$1,600,000 from the FY 2002 estimate reflects the addition of protection requirements across the country following the terrorist attacks of September 11. Additional fixed guard posts with staffing requirements ranging from one guard during working hours to several assigned on a 24/7 basis, will be needed. The number of posts in New York City alone has increased by 12 since the attacks. Additional posts are likely in Chicago and Los Angeles and increased motorcade, demonstration, and protective detail costs are anticipated, particularly in Los Angeles and New York.

Program Description

Under section 214 of the State Department Basic Authorities Act, and 3 USC 202(8), 202(10), and 208, the Department of State provides for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries (under certain circumstances) throughout the United States. The Bureau of Diplomatic Security administers this program in the following manner:

- ❑ **Extraordinary Protection of International Organizations and Foreign Missions and Officials in New York** - Extraordinary protection of foreign missions and officials (including those accredited to the UN and other international organizations), and visiting foreign dignitaries under certain circumstances, is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or in response to a request by state or local law

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other Federal agencies (including the U.S. Marshals Service and the Bureau of Alcohol, Tobacco, and Firearms), contract for the services of private security firms, or reimburse state or local authorities for extraordinary protective services.

- Extraordinary Protection of International Organizations, Foreign Missions and Officials Elsewhere in the United States** - Throughout the rest of the United States, extraordinary protection of international organizations, foreign missions and officials, and visiting foreign dignitaries under certain legally prescribed circumstances, is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or upon a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other Federal agencies (including the U.S. Secret Service and the U.S. Park Police), contract for the services of private security firms, or reimburse state or local authorities for extraordinary protective services.

Benefits

This program is used by the United States Government in fulfilling its obligation under the Vienna Convention and other international treaties to ensure reasonable security for foreign missions and officials in the United States.

Examples of the protection given to foreign missions and officials include:

- permanent protection for certain foreign missions, consulates, and chanceries throughout the United States;
- intermittent protection for certain other consulates in the United States;
- protection for foreign officials and certain other distinguished foreign visitors during the annual United Nations General Assembly; and
- protection of foreign government officials while in the United States to conduct official business with the United States Government and while visiting metropolitan areas where there are 20 or more full-time consular or diplomatic missions.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual ^{a/}	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Emergency Evacuations and Other Activities	\$3,965	\$3,500	\$15,000	\$11,500
Rewards	1,500	3,000	--	(\$3,000)
Appropriation Total	\$5,465	\$6,500	\$15,000	\$8,500

a/ Does not include funds provided under the Emergency Response Fund, totaling \$51 million as of January 1, 2002.

Explanation Of 2003 Request

The FY 2003 request of \$15,000,000 increases overall U.S. support for the Emergencies in the Diplomatic and Consular Service by \$8,500,000 over the FY 2002 funding level. This request will allow for reimbursements for hostage rescue contingencies. Additional funds provided (\$30.25 million for evacuations and other emergencies) under the Emergency Response Fund (P.L. 107-38) are being used for evacuations and other emergencies related to the September 11, 2001, terrorist attacks in the U.S. Additional funds provided (\$20.75 million) under the Emergency Response Fund (P.L. 107-38), are being used for rewards related to the September 11, 2001, terrorist attacks in the U.S. Prior-year carryover funds should be sufficient to support rewards cases in the war crimes and narcotics-related offense programs. These resources will allow the Department to meet emergency requirements, and other needs in the conduct of foreign affairs, including:

- travel, per diem, and other related expenses for evacuation of American government employees and their families from troubled areas to the United States and/or "safe haven" posts;
- allowances granted to State Department employees and their dependents evacuated in such emergencies;
- investigations and apprehension of groups or individuals involved in fraudulent issuance of U.S. passports and visas;
- representation expenses for senior domestic officials related to the conduct of foreign affairs;
- other confidential purposes as authorized under this appropriation

Purpose Of Program

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The Emergencies in the Diplomatic and Consular Service appropriation is a no-year account utilized to meet unforeseen emergencies and other requirements that arise in the conduct of foreign affairs.

Program Description

The appropriation is available to:

- meet emergency situations in the conduct of foreign affairs, such as the evacuation of USG employees and their families from areas of political unrest or natural disaster;
- assist host governments with quick transportation of specialized equipment to locations where American citizens and U.S. interests are in jeopardy due to terrorist incidents overseas. This fund will expedite payments for airlifting specialized equipment to locate hostages.
- pay rewards for information concerning acts of international terrorism, international narco-terrorism, drug trafficking, and war crimes. There are standing offers which cover numerous terrorist incidents such as the Bwindi murder in Uganda; the UTP murders in Karachi; the U.S. Consulate murders in Karachi; the Islamabad rocket attack; the bombings of Pan Am Flight 103, the World Trade Center (1993), and the embassies in Nairobi and Dar Es Salaam; the truck bombing of the U.S. Marine Barracks in Beirut; the bombing of the U.S.S. Cole; the targeting of major international drug lords operating internationally; and the arrest of war criminals in the FRY and Rwanda; and
- support certain representational activities, such as those incurred during visits of official foreign dignitaries and at international summits.
- support reimbursements for hostage rescue contingencies

Benefits

In FY 2001, funds were used to:

- provide for the evacuation and related support of USG employees and their families who were evacuated from Abidjan, Cote d'Ivoire; Monrovia, Liberia; Port-au-Prince, Haiti; San Salvador, El Salvador; Kinshasa, Congo; Baku, Azerbaijan; Sanaa, Yemen; and Skopje, Macedonia. Also supported evacuations from Islamabad, Peshawar, Lahore, and Karachi, Pakistan; Jakarta and Surabaya, Indonesia; Ashgabat, Turkmenistan; and Bishkek, Kyrgyzstan, with funds provided through the Emergency Response Fund.
- provide three reward payments totaling \$1.7 million; to publicize the rewards program overseas for information leading to the apprehension, effective prosecution, and punishment of individuals responsible for terrorist activities; for the prevention of acts of international terrorism outside the territorial jurisdiction of the United States against U.S. citizens or property; and for the initiation of a publicity campaign targeting war criminals in the FRY and Rwanda.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

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REPATRIATION LOANS: SUBSIDY AND ADMINISTRATION

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Subsidy	\$589	\$612	\$612	\$0
Administration	603	607	607	0
Appropriation Total	\$1,192	\$1,219	\$1,219	\$0

Explanation Of 2003 Request

The FY 2003 request will allow the Department of State to subsidize and administer the Repatriation Loans program consistent with the Credit Reform Act of 1990 and at a funding level consistent with historical requirements. This activity is funded as a direct loan program in accordance with the Credit Reform Act. The Department of State receives a limited level of financing for direct loans from the Department of the Treasury in a separate financing account, disburses these funds to U.S. citizens as needed abroad, and repays the Treasury as the repatriation loans are collected from the public.

FY 2003 subsidy request of \$612,000 will provide a loan level of \$765,000. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2002, the Department is requesting continuation of authority within the Emergencies in the Diplomatic and Consular Programs account to allow the transfer of up to \$1 million into this account if loan requirements exceed the requested level.

The FY 2003 administration request of \$607,000 will provide for operation and management of the loan program consistent with the Credit Reform Act. The Department is requesting continuation of authority to transfer the administration portion of this request to the Diplomatic and Consular Programs account. This transfer makes administration of the program more efficient by simplifying financial planning and accounting procedures.

Purpose Of Program

As authorized by section 4 of the State Department Basic Authorities Act, the Department of State's Repatriation Loans program provides emergency loans to assist destitute Americans abroad who have no other source of funds to return to the United States. They include Americans temporarily abroad who are without funds because of unforeseen events such as theft, illness, or accident; individuals suffering from serious physical or mental illness who need to return to the United States for medical care; Americans residing abroad with an alien spouse needing assistance to escape an abusive situation; and individuals caught in a disaster or emergency abroad who need to be removed from harm's way. Approval of a repatriation loan is not based on an applicant's

REPATRIATION LOANS: SUBSIDY AND ADMINISTRATION

credit worthiness but rather destitution. Repatriation loans are provided for temporary subsistence and transportation to the nearest U.S. port of entry.

Program Description

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

Benefits

The Repatriation Loan Program directly benefits American citizens by providing them with the means to return to the United States if destitute or otherwise in need of such assistance. The program also serves U.S. foreign policy interests where exigent circumstances require an individual's return to the U.S. to respect host country laws or preserve public safety. During FY 2001, 749 repatriation loan cases were processed abroad in the following regions: Africa, 88 cases; the Americas, 264 cases; Asia (including Near East, South Asia and Pacific), 183 cases; and Europe 214 cases.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Economic Services	\$933	\$975	\$1,024	\$49
Commercial Services	1,556	1,627	1,708	81
Travel Services	2,334	2,442	2,564	122
Cultural and Information Services	2,023	2,117	2,693	576
Other Services	7,575	7,925	8,682	757
Agriculture Services	438	459	482	23
Washington Headquarters	1,450	1,499	1,664	165
Appropriation Total	\$16,309	\$17,044	\$18,817	\$1,773

Explanation Of 2003 Request

This request funds a contract between the American Institute in Taiwan (AIT) and the Department of State. The additional \$1,773,000 requested in FY 2003 includes \$988,000 to fund American and FSN cost of living adjustments and pay raises, domestic and overseas inflation, and other mandatory cost increases. In addition, the request includes \$225,000 to fund an assistant regional security officer, \$470,000 for the increased rent and relocation costs of the Public Diplomacy staff (CIS) from an unsafe building, and \$90,000 to replace headquarter office furniture.

Funding From Other Sources

The American Institute in Taiwan (AIT), a nonprofit corporation, has historically received reimbursement for other services performed. In FY 2003, AIT anticipates collecting a total of \$14 million. This includes approximately \$6 million in visa processing fees and \$8 million in reimbursements from other agency contracts as well as additional costs associated with supporting the Foreign Service Institute's Chinese Language School. (This assumes no increase in visa fees.) Of the estimated \$6 million in visa processing fees collected, all will be needed to cover direct and indirect operating expenses in addition to the appropriation provided. Historically, visa collections have been in the range of \$12 million annually with approximately \$6 million set aside for the capital projects account. Since September 11, 2001, visa revenues have declined significantly.

Purpose Of Program

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

The American Institute in Taiwan was established in 1979 to carry out the Taiwan Relations Act (Public Law 96-8) by providing economic and commercial services, cultural and information programs, and travel services for Americans and the people on Taiwan. To support U.S. interests in Taiwan, AIT promotes U.S. exports; participates in cultural, scientific, and information exchange programs; analyzes and reports on political and economic events critical to U.S. interests; provides consular and travel-related services; and performs liaison functions on behalf of the Department of State and various U.S. government agencies with its Taiwan counterpart organization.

Program Description

Pursuant to Section 6(a) of the Taiwan Relations Act, “Programs, transactions, and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan shall, in the manner and to the extent directed by the President, be conducted and carried out by or through...the American Institute in Taiwan...” Under contract with the U.S. Department of State, AIT is reimbursed for the DOS share of salaries, benefits, rents, representation, and other expenses associated with operations in Taiwan and in the United States. The broad range of contractual responsibilities is described below:

- ❑ Economic Services includes reporting on economic developments in Taiwan, negotiations on trade barriers to U.S. products and services, resolution of trade disputes, and negotiations on trade and investment policy matters. The primary areas covered in bilateral consultations and negotiations include general market access for goods and services, including textiles, telecommunications and financial services, textile and apparel trade, investment, intellectual property rights protection, and environmental issues.
- ❑ Commercial Services activities include a strong trade promotion program providing commercial services to benefit U.S. exporters. These activities include one-on-one counseling on business conditions, the issuance of credit reports on Taiwanese companies, searches for representatives for U.S. business organizations, bulletins on specific export conditions, and market research on generic lines of business. AIT also serves the large resident U.S. business community in Taiwan.
- ❑ Travel Services functions include processing of immigrant and non-immigrant visas, notarial services, reports of births of Americans, interrogatories on behalf of Americans in legal processes, and passport services. AIT assists Americans in cases involving death, arrest, welfare and whereabouts, and voter registration.
- ❑ Cultural and Information Services encompass outreach to Taiwan’s aggressive and influential media, the coordination of visitor programs to the U.S., presentations on American history, culture and society through exhibits and programs, contributions to the Foundation for Scholarly Exchange, and maintenance of an electronic library of English language materials and books.
- ❑ Agricultural Affairs identifies new trade opportunities, analyzes agriculture trade issues, and assists U.S. agriculture exporters, and promotion of sales of American agricultural products and services.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

- ❑ Other Services activities represent a diverse category of functions including: political reporting, support for the defense needs of Taiwan, cooperation to combat international drug trafficking, and administrative support for program activities.
- ❑ The Washington Office carries out the executive, negotiation, and liaison functions between various U.S. Government agencies and the Taipei Economic and Cultural Representative Office (TECRO). The Washington office provides executive and administrative direction for AIT and public affairs programming for business and other interest groups in the United States. In accordance with the AIT-TECRO Agreement on Privileges and Immunities, the Washington office also issues identity cards and tax-exemption cards to TECRO employees and their dependents, and liaises on their behalf with the Department of State and the Immigration and Naturalization Service regarding visas and adjustments of status.

Benefits

Taiwan is the 7th largest export market and 6th largest deficit trade partner of the United States. The trade deficit between the U.S. and Taiwan was approximately \$16 billion in 2001 alone. The activities of AIT preserve and promote the successful commercial, cultural, and other relations between the people of the United States and the people on Taiwan.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

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PAYMENT TO FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Program Activity Summary

Summary Statement

(dollars in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Appropriation Total	\$131,224	\$135,629	\$138,200	\$2,571

Explanation Of 2003 Request

The request for this account represents the cost of sustaining adequate funding of the Foreign Service Retirement and Disability Fund (FSRDF). The FY 2003 increase of \$2,571 is the additional funding required, based on the annual evaluation of the FSRDF performed by the Government Actuaries at the Department of Treasury.

Purpose of Program

The purpose of this appropriation is to maintain the Foreign Service Retirement and Disability Fund (FSRDF). This appropriation is the complementary funding required, as determined by the Treasury Actuary, in addition to the other sources of funding mentioned below. The FSRDF was established to provide pensions to retired and disabled members of the Foreign Service. The Fund includes the operations of two separate retirement systems, the Foreign Service Retirement and Disability System and the Foreign Service Pension System. The appropriation is one of several sources of income to the FSRDF. Funding is maintained through the following:

- contributions by participants;
- matching government contributions;
- special government contributions, including this program;
- interest on investments; and
- voluntary contributions.

Program Description

Payments to the FSRDF are authorized by sections 805 and 821 of the Foreign Service Act of 1980, as amended. Section 821 authorizes payments to be made in 30 equal annual installments to pay unfunded liability costs due to:

- new or liberalized benefits;
- new groups of beneficiaries; and
- salary increases on which benefits are computed.

**PAYMENT TO FOREIGN SERVICE RETIREMENT
AND DISABILITY FUND**

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PART TWO
INTERNATIONAL ORGANIZATIONS
AND CONFERENCES

OVERVIEW

This section contains the FY 2003 appropriations in the
International Organizations and Conferences title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2001 Actual /a	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Contributions to International Organizations	\$868,917	\$850,000	\$891,378	\$41,378
Contributions for Int'l. Peacekeeping Activities	844,139 /I	844,139	725,981	(118,158)
TOTAL, INT'L. ORGANIZATIONS	\$1,713,056	\$1,694,139	\$1,617,359	(\$76,780)

/a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

/I Assessments for periods up to December 31, 2000, are budgeted at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Page not used

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ Decrease (-)
Appropriation Total	\$868,917	\$850,000	\$891,378	\$41,378

Explanation Of 2003 Request

The FY 2003 request of \$891,378,000 represents full funding, consistent with statutory restrictions, of U.S. assessed contributions to the 43 international organizations funded through this appropriation. The request recognizes the United States' international obligations to the UN and other international organizations. The FY 2003 request also includes increases for the U.S. share of estimated costs for the detailed design phase of the UN Capital Master Plan (\$8,140,000), for a task force to monitor the UN renovation project (up to \$1,000,000) and for the OECD headquarters building renovation (\$7,706,000), as part of a multi-year phased funding plan in conjunction with establishing an overall cap on the cost of the project.

Purpose Of Program

This appropriation provides funds for pursuing U.S. foreign policy initiatives and addressing global issues that transcend bilateral considerations, (e.g., human rights, environmental issues, and humanitarian concerns).

Program Description

The various activities under this appropriation include assessed contributions to:

- ❑ the **UN and Affiliated Agencies**, that cover such diverse fields as peaceful uses of nuclear energy, international peace and security, international war crimes tribunals, arms control activities, international agricultural programs, labor, health and medical research, postal services, telecommunications, shipping, civil aviation, meteorology, maritime safety and pollution control, and patent classifications and copyrights;
- ❑ the **Inter-American Organizations** that are involved in matters of democracy and human rights, animal and plant health, international law, eradication of endemic diseases, and cartographic and geophysics surveys in the Western Hemisphere;
- ❑ the **Regional Organizations** that are involved in matters of economic and social development, national security, and consultations with representatives of national legislative bodies in geographic areas of high interest to the United States; and
- ❑ **Other International Organizations** that are mainly concerned with international trade (including a broad range of commodities), the environment, and legal decision making and arbitration through courts and administrative bodies operating at international levels.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Allocation by Organization

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
United Nations & Affiliated Agencies			
Food & Agriculture Organization	\$82,388	\$72,741	\$72,457
Int'l. Atomic Energy Agency	44,755	47,473	52,230
Int'l. Civil Aviation Organization	12,171	12,011	12,464
Int'l. Labor Organization	55,796	55,361	50,333
Int'l. Maritime Organization	1,152	1,209	1,145
Int'l. Telecommunications Union	5,962	5,800	5,937
United Nations – Regular	299,651	266,194	279,327
United Nations - War Crimes Tribunals	20,104	23,990	27,213
Cambodia War Crimes Commission	--	3,000	--
Iraq War Crimes Commission	--	4,000	4,000
UN – Capital Master Plan Assessment	--	--	8,140
UN – Capital Master Plan Task Force	--	--	1,000
Universal Postal Union	1,240	1,295	1,325
World Health Organization	108,109	108,109	93,616
World Intellectual Property Org.	816	823	825
World Meteorological Org.	9,421	8,332	8,359
Subtotal, UN and Affiliated Agencies	641,565	610,338	618,371
Inter-American Organizations			
Inter-American Institute for Cooperation on Agriculture	16,560	16,560	16,560
Organization of American States	54,196	54,196	54,196
Pan American Health Organization	52,258	55,340	56,367
Pan American Institute of Geography and History	324	324	324
Subtotal, Inter-American Organizations	123,338	126,420	127,447

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Regional Organizations			
Asia-Pacific Economic Cooperation	\$601	\$601	\$601
Colombo Plan Council for Technical Cooperation	15	15	15
North Atlantic Assembly	561	563	582
North Atlantic Treaty Organization	40,986	42,502	45,310
Organization for Economic Cooperation and Development	45,482	49,176	58,796
South Pacific Commission	1,055	1,080	1,065
Subtotal, Regional Organizations	88,700	93,937	106,369
Other International Organizations			
Customs Cooperation Council	2,861	2,703	2,794
Hague Conference on Private Int'l. Law	101	102	106
Int'l. Agency for Research on Cancer	1,670	1,649	1,692
Int'l. Bureau of the Permanent Court of Arbitration	18	18	19
Int'l. Bureau for the Publication of Customs Tariffs	89	84	87
Int'l. Bureau of Weights & Measures	743	764	791
Int'l. Copper Study Group	53	54	56
Int'l. Cotton Advisory Committee	222	226	252
Int'l. Center for the Study of Preservation & Restoration of Cultural Property	748	748	748
Int'l. Grains Council	444	429	447
Int'l. Hydrographic Organization	83	77	80
Int'l. Institute for the Unification of Private Law	97	95	99
Int'l. Lead & Zinc Study Group	54	54	56
Int'l. Office of Epizootics	74	90	93
Int'l. Organization for Legal Metrology	86	89	92
Int'l. Office of the Vine & Wine	26	--	--
Int'l. Rubber Study Group	117	120	125
Int'l. Seed Testing Association	6	7	7
Int'l. Tropical Timber Organization	159	159	190
Int'l. Union for the Conservation of Nature & Natural Resources	233	247	259
Int'l. Union for the Protection of New Varieties of Plants	155	161	165

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Other International Organizations (Cont.)			
Organization for the Prohibition of Chemical Weapons	\$13,646	\$13,769	\$17,168
World Trade Organization/General Agreement on Tariffs and Trade	11,077	12,826	13,865
Subtotal, Other International Organizations	32,762	34,471	39,191
Subtotal, CIO Requirements	886,365	865,166	891,378
FY 2000 United Nations Buydown	(32,614)		
FY 2001 United Nations Buydown	15,166	(15,166)	
Appropriation Total	\$868,917	\$850,000	\$891,378

Benefits

Membership in international organizations benefits the United States in the following ways:

- building U.S. coalitions and gaining support for U.S. interests and policies in the UN and its affiliated agencies, and pursuing multilateral programs and activities which advance U.S. interests and democratic principles and fundamental human rights based on the rule of law;
- promoting economic growth through market economies, free trade and investment, and efficient multilateral development assistance;
- settling disputes peacefully and providing an effective means to address our specific national interests in certain geographic areas of the world and strengthening our alliances in these areas;
- encouraging non-proliferation, nuclear safeguards, arms control, and disarmament;
- adopting international standards to facilitate international trade, telecommunications, transportation, intellectual property protection, environmental protection, and scientific exchange; and
- strengthening international cooperation in environment, agriculture, technology, science, health, and drug abuse prevention.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2001 Actual ^{/a}	FY 2002 Estimate ^{/a}	FY 2003 Request ^{/a}	Increase/ Decrease (-)
Appropriation Total	\$844,139	\$844,139	\$725,981	(\$118,158)

^{/a} Assessments for periods up to December 31, 2000, are calculated at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.

Explanation Of 2003 Request

The FY 2003 request provides funds for the United States' share of the expenses of United Nations (UN) peacekeeping operations. The FY 2003 request is \$725,981,000 for funding of projected FY 2003 operations. The FY 2003 budget request reflects lower UN peacekeeping assessment rates, projected termination of operations in Bosnia, anticipated reduction of operations in East Timor and Sierra Leone and the assumption that the statutory 25% peacekeeping cap will be eliminated. The Department requests that 15% of these funds be appropriated as "two-year funds" due to the demonstrated unpredictability of the requirements in this account from year to year and the nature of multi-year operations that have mandates overlapping the United States' fiscal year.

Purpose Of Program

The purpose of this appropriation is to provide funding to make payments toward the U.S. share of assessed UN peacekeeping budgets so as to ensure continued American leadership in shaping the international community's response to developments that threaten international peace and stability. UN peacekeeping activities promote the peaceful resolution of conflict. It is expected that legislation will be enacted in FY 2002 to authorize payments at the UN assessment rates.

Program Description

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

- ❑ **UN Disengagement Observer Force** (UNDOF, initial UN mandate in May 1974) – acts as a buffer between Syria and Israeli troops in the strategic Golan Heights area.
- ❑ **UN Interim Force in Lebanon** (UNIFIL, initial UN mandate in March 1978) – (1) restores international peace and security in southern Lebanon; and (2) restores Lebanese sovereignty in the south of Lebanon.
- ❑ **UN Iraq/Kuwait Observer Mission** (UNIKOM, initial UN mandate in April 1991) – monitors the demilitarized zone between Iraq and Kuwait established in the aftermath of the Gulf War. Kuwait pays for two-thirds of the costs of this force.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

- ❑ **UN Mission in Western Sahara** (MINURSO, initial UN mandate in April 1991) – monitors the cease-fire and assists in conducting a referendum on the future status of the Western Sahara – MINURSO’s original mandate. The focus of this operation will depend upon the continuing efforts of the Secretary General’s special envoy, former Secretary of State James A. Baker, III, to resolve this long-standing dispute.
- ❑ **UN Mission in Kosovo** (UNMIK, initial UN mandate in June 1999) – provides an interim administration for Kosovo while establishing and overseeing the development of provisional, democratic and self-governing institutions in the province. UNMIK also facilitates a safe environment for all people in Kosovo.
- ❑ **UN Force in Cyprus** (UNFICYP, initial UN mandate in March 1964) – halts violence between the Turkish Cypriot and Greek Cypriot communities. UNFICYP helps maintain order on the island. Together, the Greek and Cypriot governments fund more than half of the costs of this force.
- ❑ **UN Observer Mission in Georgia** (UNOMIG, initial UN mandate in August 1993) –monitors compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on May 14, 1994.
- ❑ **War Crimes Tribunals in Yugoslavia and Rwanda** (established for Yugoslavia in February 1993 and for Rwanda in November 1994) – examines war crimes in these areas. Half of each of these tribunals is funded by a special assessment using the UN regular budget scale of assessments (which is paid out of the Contributions to International Organizations account), and the other half is funded using the UN peacekeeping scale (which is paid out of this account).
- ❑ **UN Mission to Sierra Leone** (UNAMSIL, initial UN mandate in October 1999) – assists the Government of Sierra Leone to re-establish its authority and restore law and order throughout this country.
- ❑ **UN Transitional Administration in East Timor** (UNTAET, initial UN mandate in October 1999) – responsible for the administration of the territory of East Timor during its transition to independence, in accordance with the outcome of the popular consultation conducted in August 1999. UNTAET consists of civilian police and civil administrators to assist the fledgling East Timorese government to provide security and develop its civil administration as a self-sufficient independent nation.
- ❑ **UN Operations in the Democratic Republic of Congo** (MONUC, initial UN mandate in August 1999) – covers expenses of UN activities in the Democratic Republic of Congo (DROC). In the wake of progress by most of the parties to implement the Lusaka Accords, MONUC is moving to increase observers and a protection force up to authorized levels.
- ❑ **UN Mission in Ethiopia/Eritrea** (UNMEE, initial UN mandate in July 2000) – In support of the cessation of hostilities and the peace agreements signed by Ethiopia and Eritrea in 2000, UNMEE I observes and provides technical support for delimitation of border areas, redeployment of troops, restoration of civilian administration and the return of civilian populations to disputed areas.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

- ❑ **Completed Missions** – UN Mission in Bosnia and Herzegovina (UNMIBH, initial mandate in December 1995). UNMIBH is projected to terminate in December 2002 and the related mission in Prevlaka may be completed at the same time. The completion of this mission marks a significant milestone in the history of UN operations in the former Yugoslavia.

Allocation by Mission (dollars in thousands)

Activities	FY 2001 Actual ^{/a}	FY 2002 Estimate ^{/a}	FY 2003 Request ^{/a}
UN Disengagement Observer Force (UNDOF)	\$8,029	\$10,435	\$8,365
UN Interim Force in Lebanon (UNIFIL)	59,938	24,963	33,520
UN Iraq/Kuwait Observer Mission (UNIKOM)	4,813	5,336	4,479
UN Mission in Western Sahara (MINURSO)	11,506	13,472	11,792
UN Mission in Bosnia and Herzegovina (UNMIBH), includes UN Mission of Observers in Prevlaka (UNMOP)	48,256	29,572	---
UN Mission in Kosovo (UNMIK)	144,523	122,850	96,534
UN Force in Cyprus (UNFICYP)	5,619	6,709	5,219
UN Observer Mission in Georgia (UNOMIG)	6,325	8,203	6,516
War Crimes Tribunal – Yugoslavia	12,078	17,189	14,656
War Crimes Tribunal – Rwanda	10,767	16,176	12,100
UN Mission to Sierra Leone (UNAMSIL)	96,655	318,000	145,803
UN Transitional Administration in East Timor (UNTAET)	151,454	130,415	58,177
UN Operations in the Democratic Republic of Congo (MONUC)	74,129	83,550	273,226
UN Operations in Ethiopia/Eritrea (UNMEE)	71,300	57,269	55,594
Payment of FY 2000 MONUC Assessment	12,127	---	
UNAMSIL – Held for later payment	48,283	---	
Reserve for Rate Cap lift	78,337	---	
Appropriation Total	\$844,139	\$844,139	\$725,981

^{/a} Assessments for periods up to December 31, 2000, are calculated at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter.

Benefits

United Nations (UN) peacekeeping operations can be an effective means of containing conflict and resolving disputes in support of U.S. national interests. Acting in this way to support U.S. interests through the UN allows the U.S. to share the risks and costs of dealing with international crises with

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

other nations. Deployment of UN peacekeeping operations, and selective U.S. participation in them, is an important tool for advancing U.S. interests and leadership.

Peacekeeping:

- separates adversaries;
- maintains cease-fires;
- facilitates the delivery of humanitarian relief;
- helps create conditions where refugees and displaced persons can return home;
- constrains the forces of opposing parties;
- facilitates peace talks; and
- creates conditions conducive to political reconciliation and the conduct of free elections.

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

PART THREE
INTERNATIONAL COMMISSIONS

OVERVIEW

This section contains the FY 2003 appropriations in the International Commissions title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2001 Actual /a	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
International Boundary & Water Commission:				
Salaries & Expenses *	\$7,233	\$25,654	\$28,387	\$2,733
Construction, Operations & Maintenance *	23,810	5,562	9,517	3,955
Subtotal, International Boundary & Water Commission	31,043	31,216	37,904	6,688
International Fisheries Commissions	19,349	20,480	19,780	(700)
American Sections:				
International Boundary Commission *	988	1,002	1,157	155
International Joint Commission *	3,839 /j	6,969	7,544	575
Border Environment Cooperation Commission	1,996	2,040	2,083	43
Subtotal, American Sections	6,823	10,011	10,784	773
Subtotal, International Commissions	57,215	61,707	68,468	6,761
Less, Full Funding of Retirement Costs	(1,113)	(1,161)	(1,201)	(40)
TOTAL, INTERNATIONAL COMMISSIONS	\$56,102	\$60,546	\$67,267	\$6,721

* The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are included on a comparable basis for program accounts in 2001 and 2002. The table "Costs of Fully Funding Pension and Health Costs" shows the amounts included for Fiscal Years 2001, 2002 and 2003.

/a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

/j \$2.15 million was provided through the Emergency Supplemental Act, 2000 (P.L. 106-246) to initiate in FY2001 the first year of a five-year bi-national study of the regulation of the Lake Ontario and St. Lawrence River levels and flows. The FY 2002 estimate includes \$3.432 million for the second year of the study.

**INTERNATIONAL BOUNDARY & WATER COMMISSION,
UNITED STATES & MEXICO - SALARIES & EXPENSES**

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**INTERNATIONAL BOUNDARY & WATER COMMISSION,
UNITED STATES & MEXICO - SALARIES & EXPENSES**

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Administration	\$4,930	\$5,375	\$6,162	\$ 787
Engineering	2,196	2,131	2,205	74
Operations and Maintenance	--	17,199	19,037	1,838
Pension/Health Benefits Full Cost Adj.	107	949	983	34
Subtotal	7,233	25,654	28,387	2,733
Pension/Health Benefits Full Cost Adj.	(107)	(949)	(983)	(34)
Appropriation Total	\$7,126	\$24,705	\$27,404	\$2,699

The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

Explanation Of 2003 Request

The FY 2003 request provides \$28,387,000 for Administration, Engineering, and Operation and Maintenance (O&M) activities for the International Boundary and Water Commission, a net increase of \$2,733,000 over the FY 2002 appropriation. Increased needs in Administration to maintain operations at a current services level include wage and price increases (\$260,000); financial management services procured through the Department of the Interior's National Business Center (\$219,000); and institution of a 4-year replacement cycle for IT hardware and software (\$308,000). Increased needs in Engineering include wage and price increases (\$74,000). The FY2003 request for the O&M activity is \$19,037,000, an increase of \$1,838,000 over FY 2002 to fund mandatory wage and price increases (\$769,000); increased electricity costs at the South Bay International Wastewater Treatment Plant due to deregulation (\$500,000); and environmental regulatory compliance and safety activities (\$569,000). In addition, this request includes \$983,000 to fully fund Federal Retirement, Pension, and Accrual costs.

Purpose Of Program

The mission of the international Boundary & Water Commission (IBWC) is to:

- apply the rights and obligations which the governments of the United States and Mexico assumed under numerous boundary and water treaties and related agreements;
- improve the water quality of the boundary rivers (the Rio Grande and Colorado) and resolve border sanitation problems;
- distribute boundary rivers' water to both countries at agreed-to proportions;
- operate the international flood control projects along the boundary rivers;
- operate the international reservoirs for the conservation of Rio Grande water and for hydroelectric generation;

INTERNATIONAL BOUNDARY & WATER COMMISSION, UNITED STATES & MEXICO - SALARIES & EXPENSES

- establish and maintain the boundary in the international rivers (the Rio Grande, Colorado, New, and Tijuana Rivers);
- maintain and demarcate the land boundary; and
- operate and maintain international wastewater treatment facilities.

Program Description

The IBWC Salaries and Expenses appropriation ensures that the rights and obligations of treaties and agreements between the United States and Mexico are met through administration, engineering, and operation and maintenance activities using funds appropriated to IBWC. O&M activities, funded through IBWC-Construction in FY 2001, will continue to be performed at two international wastewater treatment plants, two international dams and power plants, five diversion dams on the Rio Grande, and numerous smaller in-river structures, such as weirs and grade-control structures. Additionally, the USIBWC is responsible for the O&M of six flood-control projects with over 550 miles of levee and related structures. These flood control projects protect approximately 3 million residents and 1.5 million acres of adjoining farmland in the U.S. and Mexico. Program stability in this activity is vital to continue to operate and maintain aging structures along the entire 1,952-mile border and to accomplish necessary studies and special maintenance requirements.

In addition, the Commission will:

- implement joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of international river waters;
- ensure compliance with National Pollution Discharge Elimination System (NPDES) permits for the Nogales International Wastewater Treatment Plant, located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant, located in San Ysidro, California;
- design water conveyance structures for the new higher capacity American Canal, including box culverts, wasteways, and transition structures; and design of operation and maintenance facilities for flood control, hydrologic, groundwater, sanitation (water quality), and boundary demarcation and preservation projects;
- conduct various planning (pre-design) and environmental studies to address a variety of border issues, including surveys, environmental investigations, water quality, and other possible small-scale pre-design studies required prior to design and construction, and ultimately, border sanitation and boundary preservation studies; and
- investigate and report on the most feasible measures for solving border sanitation problems along the U.S.-Mexico border.

Benefits

The work of the IBWC facilitates the solution of international boundary and water problems, which benefits populations on both sides of the boundary and improves relations between the two countries. Particular emphasis is placed on the resolution of critical environmental issues.

**INTERNATIONAL BOUNDARY AND WATER COMMISSION,
UNITED STATES & MEXICO – CONSTRUCTION**

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or (Decrease)
Boundary Wide Construction	\$2,420	\$2,156	\$2,475	\$319
Facilities Renovation	424	656	725	69
Heavy Equipment Replacement	998	500	500	--
Land Mobile Radio Systems Replacement	499	500	750	250
Hydrologic Data Collection System Rehab.	499	500	500	--
Rio Grande Construction	2,679	2,954	3,426	472
Rio Grande American Canal Extension	200	250	476	226
Rio Grande Canalization	200	800	800	--
Rio Grande Flood Control System Rehab.	1,282	1,150	1,150	--
Safety of Dams Rehabilitation	997	754	1,000	246
Western Boundary Construction	1,302	340	3,500	3,160
Colorado River Boundary & Capacity Preservation	803	340	500	160
Tijuana River Diversion	499	--	--	--
Secondary Treatment of Tijuana Sewage	--	--	3,000	3,000
Operations & Maintenance	16,499	--	--	--
Pension/Health Benefits Full Cost Adj.	910	112	116	4
Subtotal, Construction, O&M	23,810	5,562	9,517	3,955
Less Pension/Health Benefits Full Cost Adj.	(910)	(112)	(116)	(4)
Appropriation Total	\$22,900	\$5,450	\$9,401	\$3,951

The Pension/Health Benefits full cost adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

Explanation of 2003 Request

The FY 2003 request for Construction is \$9,517,000, an increase of \$3,955,000 over the FY 2002 appropriation. The FY 2003 request reflects funding needs for on-going construction projects and includes one new project for the South Bay International Wastewater Treatment Plant (SBIWTP). This request also includes \$116,000 to fully fund Federal Retirement, Pension, and Accrual costs.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES & MEXICO – CONSTRUCTION

Explanation of Projects

The FY 2003 request permits program support at levels consistent with overall foreign policy objectives. Following is the status of the major projects and activities in FY 2003:

Boundary-Wide Construction (\$2,475,000)

- **Facilities Renovation** (\$725,000) -- Originally funded in 1992, this project continues a multi-year program of renovations to rehabilitate and modernize deteriorated USIBWC facilities along the U.S.-Mexico border region. For FY 2003, scheduled work includes the continuation of structural and mechanical upgrades and spill prevention countermeasures.
- **Heavy Equipment Replacement** (\$500,000) -- Started in FY 2001, this project funds the replacement of existing deteriorated and obsolete heavy construction equipment. This equipment (such as bulldozers, scrapers, cranes, front-end loaders, etc.) is critical during flood events and other emergencies in which protection of lives and property is necessary.
- **Land Mobile Radio (LMR) Systems Replacement** (\$750,000) – This FY 2003 request will fund required upgrades to the USIBWC’s LMR system. Through this project initiated in FY 2001, the USIBWC will meet the requirements promulgated by the Department of Commerce’s National Telecommunications and Information Administration. Extremely important, the new LMR system will provide reliable radio communications during routine operations or emergencies. In FY2003, work will include the procurement of radio equipment for six of the field offices.
- **Hydrologic Data Collection System Rehabilitation** (\$500,000) -- This request will continue a project started in FY 2001 to help renovate gaging stations and replace existing deteriorated telemetry systems for the Rio Grande, Colorado, and Tijuana Rivers. These instruments gather river flow data critical to control operations during flood flows along the Colorado, Tijuana, and the Rio Grande rivers. The 1944 Water Treaty also requires the USIBWC to provide flood control protection, execute water accounting, and determine international ownership of waters occurring in the international reaches of these rivers.

Rio Grande Boundary Construction (\$3,426,000)

- **Rio Grande American Canal Extension** (\$476,000) -- Started in FY 1991, this project is authorized by the Rio Grande American Canal Extension Act of 1990 (Public Law 101-438) to extend the existing canal that the USIBWC built in 1935. This Act authorizes \$42 million for the design and construction of an extension of the American Canal that allows U. S. farmers and U. S. water utilities to receive more water and prevents Mexico from diverting more water than their allotment under the 1906 Water Treaty. The project includes pumping plants, waste-ways, measuring devices, and other facilities needed to connect such extension with existing irrigation systems in El Paso, Texas. In FY 2003, the USIBWC plans to complete the final design for the reconstruction of the original American Canal (from the

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES & MEXICO – CONSTRUCTION

American Dam to International Dam), and then award a construction contract for the first phase of a two-phase final portion of the project.

- **Rio Grande Canalization** (\$800,000) -- Started in 1993, new FY 2003 funds will be used to stabilize the Rio Grande channel between the Caballo Dam in New Mexico and the American Dam in El Paso, Texas. The Act of August 29, 1935 (49 Stat. 961) authorizes the USIBWC to facilitate water deliveries to Mexico under the 1906 Convention and protect against Rio Grande floods. Scouring has exposed the foundations of structures within the Rio Grande channel, jeopardizing their structural integrity. The U.S. Section will construct necessary features to control the scouring process throughout the channel. Failure of these structures could affect the delivery of water to Mexico as required by the 1906 Water Treaty. In FY 2003, the USIBWC will continue work on the Environmental Impact Statement for the stabilization of the Rio Grande channel between the American Dam and the Caballo Dam. In addition, the USIBWC will work on erosion protection to three irrigation structures.
- **Rio Grande Flood Control System Rehabilitation** (\$1,150,000) -- FY 2003 funds will allow the USIBWC to continue boundary mapping and demarcation efforts along the Rio Grande between El Paso, Texas and the Gulf of Mexico. Boundary mapping is needed to identify any changes in the river's course and flood control system. Project planning studies are needed to evaluate the Rio Grande flood control system against the design flood and to identify and incorporate necessary improvements into the system design. The project, begun in FY 2001, includes reconstruction of 380 miles of the levee system, preservation of the river channel and flood plain and production of areal maps. In FY 2003, the USIBWC will investigate possible efforts to reestablish part of the international boundary along the Rio Grande flood control system. The planning investigations consist of aerial mapping of the Rio Grande boundary; a sediment transport study at the Riverside dam site in El Paso, Texas; and geotechnical and environmental studies in the Rectification Project segment from El Paso to Fort Quitman, and Presidio, Texas.
- **Safety of Dams Rehabilitation** (\$1,000,000) -- This request continues a variety of rehabilitation projects recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. This project, begun in FY 2001, consists of major rehabilitation work at Amistad and Falcon International Dams, with moderate work at Anzalduas, Retamal, International, and American Dams. The work includes sinkhole treatment and re-grouting; rehabilitation of dam gates, spillway expansion joints, and electrical and mechanical dam apparatuses/equipment; resurfacing of dam roadways; replacement of erosion control rip-rap; and resolution of other safety issues identified in the five-year Safety of Dams inspection. FY 2003 funds will be used to continue crucial rehabilitation work at Amistad and Falcon International Dams.

Western Boundary Construction (\$3,500,000)

- **Colorado River Boundary and Capacity Preservation** (\$500,000) -- Originally funded in FY 1998, FY 2003 funds for this multi-year project will be used to prepare environmental

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES & MEXICO – CONSTRUCTION

documentation and to continue studies concerning the flow capacity of the international segment of the Colorado River. Minute 291 calls for improvements to the carrying capacity of the international segment of the Colorado River, ensuring compliance with the 1944 Water Treaty. The project will include surveying, mapping, vegetation management, channel alignment excavation and protection, and revision of international flow standards. The project will also include work to restore and maintain the international boundary and lands in the U.S. and Mexico.

- **Secondary Treatment of Tijuana Sewage** (\$3,000,000) -- New in FY 2003, this request will begin initiation of requirements needed for construction of new facilities in both the United States and Mexico, that result from on-going negotiations to amend Minute 283 with the Government of Mexico. Public Law 106-457, the “Tijuana River Valley Estuary and Beach Sewage Cleanup Act of 2000,” authorizes negotiations related to the construction of an aerated pond facility to be located in Tijuana, Mexico with associated facilities in the United States including a force main, return-flow pipeline, and a Pump Station to be located on the existing SBIWTP site. An alternative consideration for accomplishing this work may be a 25 MGD Activated Sludge Secondary Treatment facility in the United States to complete Clean Water Act section 510 works.

Purpose of Program

The purpose of the IBWC-Construction program is to investigate, design, construct, operate, and maintain joint construction projects independent of or with Mexico that will address boundary demarcation, border sanitation, trans-boundary groundwater, and flood control problems. This appropriation ensures that the rights and obligations of treaties and agreements between the United States and Mexico are met through construction and O&M activities using funds appropriated to the USIBWC. In addition, the Commission will:

- implement joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of international river waters;
- promote successful resolution of a broad range of trans-boundary environmental issues;
- ensure compliance with National Pollution Discharge System (NPDES) permits for the Nogales International Wastewater Treatment Plant (NIWTP) located in Nogales, Arizona, and the South Bay International Waste Water Treatment Plant (SBIWTP) located in San Ysidro, California;
- design, construct and maintain water conveyance structures, and operation and maintenance facilities for flood control, hydrologic, groundwater, sanitation (water quality), and boundary demarcation and preservation projects;
- investigate and report on the most feasible measures for solving border sanitation problems along the U.S.-Mexico border; and

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES & MEXICO – CONSTRUCTION

- conduct various planning (pre-design) and environmental studies for flood control, hydrologic, groundwater, border sanitation (water quality), and boundary demarcation and preservation programs.

Benefits

Benefits of this appropriation include:

- implementing boundary preservation, flood control, and sanitation projects consistent with treaty obligations between the Governments of the United States and Mexico, and various Acts of Congress;
- promoting successful resolution of a broad range of trans-boundary environmental issues;
- maintaining the natural boundary between the United States and Mexico;
- preventing potentially destructive flooding in towns along the boundary; and
- preserving the water quality for human and other use on both sides of the boundary.

**INTERNATIONAL BOUNDARY AND WATER COMMISSION,
UNITED STATES & MEXICO – CONSTRUCTION**

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INTERNATIONAL FISHERIES COMMISSIONS

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request	Increase or Decrease (-)
Inter-American Tropical Tuna Commission	2,514	2,300	2,100	(200)
Great Lakes Fishery Commission	11,660	12,948	12,248	(700)
Pacific Salmon Commission	2,150	2,193	2,225	32
Inter Pacific Halibut Commission	1,881	2,100	2,180	80
Other Marine Conservation Orgs.	1,144	939	1,027	88
Appropriation Total	19,349	20,480	19,780	(700)

Explanation Of 2003 Request

The FY 2003 request provides \$19,780,000 for U.S. support for the International Fisheries Commissions, a \$700,000 decrease from the FY 2002 appropriation.

A decrease of \$200,000 for the Inter-American Tropical Tuna Commission reflects the staged implementation of a negotiated reduction in the U.S. Government's contribution to the Commission's expenses. A decrease for the Great Lakes Fishery Commission of \$700,000 reflects anticipated Commission needs in FY 2003. There is an increase of \$80,000 requested for the International Pacific Halibut Commission (IPHC) which will provide for research on halibut stock depletion and for the development of electronic data on capture and monitoring systems for the IPHC. Due to its growth, this Commission will be reflected as a separate program activity starting in FY 2003; this Commission was previously reflected under Other Marine Conservation Organizations. An additional \$32,000 is requested for the Pacific Salmon Commission (PSC) to cover wage and price increases.

The requested increase of \$88,000 for the Other Marine Conservation Organizations will provide for the estimated U.S. contribution for the Inter-American Sea Turtle Convention (\$20,000); and an anticipated increase in the U.S. assessment under a revised funding formula for the International Whaling Commission (\$20,000). For all the remaining fish commissions (\$48,000 increase), the request covers inflation and exchange rate fluctuations to sustain ongoing activities at existing levels for scientific research, monitoring, and implementation of conservation and management measures for fisheries and fish habitats, as well as the commissions' administrative costs.

INTERNATIONAL FISHERIES COMMISSIONS

Purpose Of Program

The purpose of these international fisheries organizations is to secure and maintain access to the U.S. share of fisheries resources, while strengthening regional economic stability, and securing a sustainable global environment by:

- conducting continuing scientific studies on marine resources for which they are responsible; and
- recommending conservation and management measures to member governments based on study results.

Program Description

The International Fisheries Commissions appropriation provides for:

- the U.S. share of operating expenses of nine international fisheries commissions and organizations, one sea turtle convention, the International Whaling Commission and two international marine science organizations;
- travel expenses of U.S. Commissioners and their advisors; and
- compensation payments to non-government employees of the Pacific Salmon Commission for days actually worked as U.S. Commissioners, panel members, advisors, and/or alternates.

Benefits

Membership in these organizations produces the following benefits to the United States:

- management and conservation of commercial and recreational fisheries which contribute a net economic benefit of over \$5 billion to the U.S. economy;
- continuation of efforts to eradicate sea lampreys in the Great Lakes and their tributaries;
- assurance that U.S. fishermen have the opportunity to harvest an equitable share of fish in international fisheries;
- protection against the depletion of fishery resources;
- assurance of the protection of whale stocks pursued through the International Whaling Commission;
- a means by which the United States can achieve important conservation goals through international cooperation (e.g., dolphin protection pursued through the Inter-American Tropical Tuna Commission); and
- fora for discussion of problems of mutual interest between the United States and other fishing nations.

INTERNATIONAL FISHERIES COMMISSIONS

Other Marine Conservation Organizations

Request by Commission

(dollars in thousands)

Activities	FY2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
International Whaling Commission	154	90	110	20
North Pacific Anadromous Fish Commission	263	99	101	2
International Commission for the Conservation of Atlantic Tunas	123	121	160	39
Northwest Atlantic Fisheries Organization	139	146	151	5
Commission for the Conservation of Antarctic Marine Living Resources	102	70	72	2
North Atlantic Salmon Conservation Organization	22	27	27	0
International Council for the Exploration of the Sea	128	120	120	0
North Pacific Marine Science Organization	60	66	66	0
Inter-American Sea Turtle Convention Commission	50	100	120	20
Expenses of the US Commissioners	103	100	100	0
Other Marine Conservation Orgs. Total	\$1,144	\$939	\$1,027	\$88

INTERNATIONAL FISHERIES COMMISSIONS

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INTERNATIONAL BOUNDARY COMMISSION

Program Activity Summary

Summary Statement

(dollars in thousands)

	FY2001 Actual	FY2002 Estimate	FY2003 Request	Increase or Decrease (-)
Subtotal	988	1,002	1,157	155
Pension/Health Benefits Full Cost Adj	(20)	(13)	(14)	(1)
Appropriation Total	\$968	\$989	\$1,143	\$154

The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

Explanation Of 2003 Request

The FY 2003 request provides resources required for the U.S. Government to meet treaty commitments with Canada to maintain a clearly-defined and demarcated boundary line between the two countries. These treaty obligations generate the need for the U.S. Section to operate at least three separate boundary maintenance projects, of at least five months' duration each, headed by a permanent International Boundary Commission (IBC) employee assisted by a crew of temporary employees. The IBC has been unable to place 3 fully operational maintenance crews in the field for most of the last 15-year cycle of maintenance along the boundary, thereby creating significant backlog. IBC estimates show that it is 6 summer field seasons behind on its 15-year cycle of boundary maintenance.

The FY 2003 request of \$1,157,000 reflects a \$155,000 increase over the FY 2002 estimate. The requested amount will enable the International Boundary Commission to engage two fully operational crews in field projects for the necessary five months and 50 percent operation for a third project. No new initiatives or program expansions are proposed. The Chairman of the International Joint Commission (IJC) has in the recent past served as Commissioner of the IBC without compensation.

Purpose Of Program

The United States and Canada are obligated by treaty to maintain an "effective" boundary line between the two countries. The bilateral International Boundary Commission is charged by the governments of both countries with executing treaty requirements. The treaty specifies that, to be effective, the boundary line must be well-demarcated with stable, readily-identifiable monuments and offer a 20-foot wide clear line-of-sight (i.e., "vista") from one boundary monument to the next along the entire 5,525 mile U.S.-Canada border.

INTERNATIONAL BOUNDARY COMMISSION

Program Description

Although the boundary was surveyed, cleared, and marked years ago, a cyclical maintenance program is necessary to preserve an effective boundary line. The funds requested will enable the U.S. Section of the Commission to continue to:

- clear the 20-foot wide border vista of new timber and brush growth;
- maintain boundary monuments in good repair;
- establish new boundary monuments and related markers where necessary;
- regulate construction which crosses or is adjacent to the boundary in order to preserve the integrity of the vista; and
- provide boundary-related positional/cartographic data to the public and private sectors.

In FY 2003, the U.S. Section of the IBC will conduct three boundary maintenance operations:

- the first year of a three-year project to determine, survey, and mark turning points along the St. Francis River segment of the Maine-Quebec, and New Brunswick border, that now fall on land
- continue boundary monument maintenance and vista clearing on a limited basis, along a section of the Washington-British Columbia boundary.
- continue work involving both boundary monument maintenance and Global Positioning System (GPS) surveys along a segment of the Montana-Alberta/British Columbia boundary scheduled to be completed in two years.

Benefits

An ambiguous boundary line would needlessly complicate and disrupt the business of government and private industry as well as the lives of the people living and working along it.

A well-marked and maintained boundary also allows federal, state and local law enforcement agencies to accomplish their duties more effectively, especially with the tightening of our borders in the aftermath of the September 11th terrorist attacks.

Maintaining and preserving an effective boundary line between the United States and Canada ensures the sovereignty of each nation over its territory by clearly establishing where one's rights and responsibilities end and the other's begins, thus virtually eliminating the potential for serious and costly boundary disputes.

INTERNATIONAL JOINT COMMISSION

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
U.S. Section ^{a/}	\$3,288	\$6,362	\$6,922	\$560
Special & Technical Investigations by U.S. Geological Survey	475	520	534	14
Pension/Health Benefits Full Cost Adj.	76	87	88	1
Subtotal	3,839	6,969	7,544	575
Less Pension/Health Benefits Full Cost Adj.	(76)	(87)	(88)	(1)
Appropriation Total	\$3,763	\$6,882	\$7,456	\$574

a/ \$2,150,000 was provided through the Emergency Supplemental Act, 2000 (P.L. 106-246) to initiate, in FY2001, the first year of a five-year bi-national study of the regulation of the Lake Ontario and St. Lawrence River levels and flows. The FY 2002 estimate includes \$3,432,000 for the second year of the study.

The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

Explanation Of 2003 Request

The FY 2003 request of \$7,544,000 reflects an increase of \$575,000 over the FY 2002 appropriation. The requested increase supports full funding of ongoing and planned IJC studies (\$400,000) and wage and price increases (174,000). The total FY 2002 request provides \$2,294,000 for the third year costs' of the five-year bi-national study by the IJC, federal agencies and experts of the regulation of Lake Ontario-St. Lawrence River levels and flows. The request also provides \$1,210,000 for the U.S. share of the costs to initiate an Upper Great Lakes Study examining the regulation of Lake Superior outflows and their influence on Lakes Superior, Huron, Michigan and Erie.

In FY 2003, the IJC proposes to continue the study to determine changes required in the Orders of Approval for operation of structures on the St Lawrence River (New York, Ontario and Quebec) and initiate a similar study of the Orders of Approval that influence flows and levels on the upper Great Lakes (Ohio, Illinois, Pennsylvania, Indiana, Michigan, Wisconsin, Minnesota, New York and Ontario). The orders governing the St. Lawrence are nearly a half-century old and the orders for the Upper Lakes are nearly 25 years old. Neither takes into consideration the protection of the environment, the needs of other interests that have grown in the region over time nor the potential changes in timing and volume of water supplies. Given the current significant economic and social impacts of the continuing drop in water levels on the Upper Lakes and the forecast drop on Lake Ontario as well as the ongoing Federal Energy Regulatory Commission (FERC) re-licensing action on the St Lawrence control facility, continuation of the Lake Ontario - St. Lawrence study and initiation of the Upper Lakes Study is imperative.

INTERNATIONAL JOINT COMMISSION

Major projects in the Lake Ontario - St. Lawrence Study will include finalization of shoreline erosion studies, continuation of studies of wetland habitat and recreational boating uses, application of hydrologic and hydraulic regulation models to evaluate potential alternative regulation approaches, and continuation of public involvement activities. Major efforts in the Upper Lakes Study include development of common data through initiation of topographic and bathymetric surveys, development of evaluation models, establishment of a public involvement program and initiation of environmental studies. Work on the Upper Lakes study will draw heavily on the knowledge developed in the Lake Ontario - St. Lawrence Study.

Purpose Of Program

The IJC's mission is to develop and, where appropriate, administer programs to assist the governments of the United States and Canada to address water quality and quantity issues and air pollution problems along the U.S./Canadian border through the implementation of the provisions of the Boundary Waters Treaty of 1909 and related international agreements. In addition, the United States' share (approximately 50 percent) of the Commission's Great Lakes Regional Office, created by the U.S.-Canada Great Lakes Water Quality Agreement, is funded through this account.

Program Description

The IJC performs the following activities:

- approves (licenses) projects affecting the levels and flows of boundary waters and, in some cases, transboundary rivers;
- oversees the operation of 19 boundary water control structures;
- issues reports to the U.S. and Canadian governments on referred matters regarding water quality and quantity and air pollution;
- apportions water between the U.S. and Canada in selected rivers; and
- monitors progress of the U.S. and Canadian governments in achieving the purposes and objectives of the Great Lakes Water Quality Agreement.
- monitors boundary water and air related human and ecosystem health conditions.

During FY 2003, the IJC will continue to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. Continued unpredictable water supplies occasioned by a fourth extremely dry winter period, and greater demands on the resource, especially in the Western border region will draw further attention to water level issues along the 5,000-mile boundary.

INTERNATIONAL JOINT COMMISSION

The IJC will continue work on references issued to it by the two governments over the past two fiscal years and those expected to be issued during FY 2003 and will carry out its responsibilities under the Great Lakes Water Quality Agreement. These activities include:

- development of international watershed boards in the U.S.-Canada border region, for the purpose of improving cross-border communication, promoting an ecosystem approach and facilitating local and regional problem solving;
- an analysis of common groundwater and climate change issues in boundary areas outside the Great Lakes Basin and initiation, at the request of the governments of the U.S. and Canada, of a review of state and federal actions in response to the IJC 2000 report, *Protection of the Waters of the Great Lakes*.
- assessments of progress in remediating clean-up of areas of concern designated under the Great Lakes Water Quality Agreement, conduct of a biennial Great Lakes Forum and initiation of work on its 12th Biennial Report on progress under the Agreement.
- subject to the receipt of referrals from governments, assessment of potential transboundary effects of a proposed emergency outlet from Devil's Lake in North Dakota and assessment of a proposed mine on the Taku River in British Columbia that may pose a risk of substantial damage to the salmon fishery in Alaska; and
- support for the U.S. Government's program to monitor water levels and flows in several boundary and transboundary rivers and to meet apportionment requirements. This work is accomplished through an interagency agreement with the United States Geological Survey (USGS).

Benefits

The quality and quantity of boundary waters, including the Great Lakes, are maintained and monitored to ensure that millions of Americans and Canadians will not lose the economic, recreational and aesthetic benefits that they now derive from the boundary waters nor suffer from damages to the resource. The prompt and effective prevention and/or resolution of potential environmental or other disputes ensures the maintenance of the strong relationship that exists between the Canada and the United States.

INTERNATIONAL JOINT COMMISSION

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BORDER ENVIRONMENT COOPERATION COMMISSION

Program Activity Summary

Summary Statement

(dollars in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Appropriation Total	\$1,996	\$2,040	\$2,083	\$43

Explanation Of 2003 Request

The \$2,083,000 request for FY 2003 is the U.S. contribution to the Border Environment Cooperation Commission (BECC), an increase of \$43,000 over FY 2002. BECC is a bi-national institution, jointly funded by the United States and Mexico. The FY 2003 contribution will enable the BECC to continue assisting border communities in coordinating, developing, and designing border environmental infrastructure projects that will be considered for financing by the North American Development Bank (NADB) or by other lending or granting institutions. Border communities have a great need not only for infrastructure but also for resources to develop that infrastructure properly. Through an effective partnership, the EPA has provided \$30,500,000 in funds to the BECC that are used to provide technical assistance to communities to develop and design water and wastewater projects. Solid waste and expanded mandate projects are funded through BECC's operating funds. Expanded mandate projects include hazardous waste, air quality, public transportation, clean and efficient energy, and improvement of municipal planning development and water management. The FY 2003 request includes an increase of \$43,000 for wage and price increases.

Purpose of Program

Established and authorized under a side agreement to the North American Free Trade Agreement (NAFTA), the BECC's central objective is to assist states, local communities, private industry, and non-governmental organizations in developing effective solutions to environmental problems along the U.S.-Mexico border. The BECC provides technical and financial planning assistance and certifies environmental infrastructure projects.

Program Description

The BECC assists states, localities, and private investors that propose environmental infrastructure projects by providing technical support--such as engineering analysis, project development and design, environmental assessment and sustainable development, and public participation--to border communities seeking to develop environmental infrastructure projects. The BECC reviews, develops, and certifies environmental infrastructure projects, focusing primarily on the areas of wastewater treatment, water pollution, and municipal solid waste, and expanded mandate projects. Under the BECC's public participation program, the BECC notifies the public about specific projects and receives comments from affected communities to ensure extensive public involvement and support in the policies and decisions of the Commission.

BORDER ENVIRONMENT COOPERATION COMMISSION

By the end of FY 2002, the BECC is projecting 100 environmental infrastructure projects will have been certified with an estimated investment of \$1.6 billion. The process of identifying potential new projects and developing these projects has matured into a comprehensive system well integrated with the NADB and involved federal agencies in both countries. In CY 2003 the BECC projects it will receive 25 applications that satisfy the BECC basic criteria as follows: (a) location within the 100 kilometer boundary zone, (b) solving an environmental or human health issue, and (c) constituting a water, wastewater, or solid waste initiative. BECC's mission continues to be the improvement of quality of life for the more than 10 million residents residing within the 100 kilometer boundary zone.

Members of the BECC Board of Directors are appointed by the President of the United States and the Secretariat of Environmental and Natural Resources for Mexico. The Administrator of the Environmental Protection Agency and the U.S. Commissioner of the International Boundary and Water Commission are ex-officio members of the Board, as are their Mexican counterparts. The other six members are representatives of border states, communities, and the public at large.

Benefits

The benefits of the BECC include:

- assistance for states and localities and other public entities and private investors in:
 - coordinating environmental infrastructure projects to address serious environmental degradation problems along the 2,000 mile U.S.-Mexico border;
 - developing, implementing, and overseeing environmental infrastructure projects in the border region, including the development, design, and other technical aspects of such projects;
 - analyzing the financial feasibility and/or the environmental and sustainable development aspects of environmental infrastructure projects in the border region;
 - evaluating social and economic benefits of environmental infrastructure projects in the border region; and
 - organizing, developing, and arranging public and private financing for environmental infrastructure projects in the border region;
- certification of applications for financing to the NADB for environmental infrastructure projects in the border region;
- innovative approaches to address common environmental infrastructure needs along the international border; and
- a forum for public input into critical decision making on the development and implementation of infrastructure projects.

PART FOUR
RELATED APPROPRIATIONS

OVERVIEW

This section contains the FY 2003 appropriations in the Related Appropriations title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2001 Actual /a	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
The Asia Foundation	\$9,230	\$9,250	\$9,444	\$194
National Endowment for Democracy	30,931 /k	33,500	36,000	2,500
East-West Center	13,470	14,000	14,280	280
Eisenhower Exchange Fellowship Program	499	500	500	--
Israeli Arab Scholarship Program	374	375	375	--
TOTAL, RELATED APPROPRIATIONS	\$54,504	\$57,625	\$60,599	\$2,974

/a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

/k Does not include \$3.48 million in new budget authority transferred from the United States Agency for International Development (USAID).

THE ASIA FOUNDATION

Page not used.

THE ASIA FOUNDATION

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Operating Activity Expenses	\$1,292	\$1,296	\$1,322	\$26
Program Grants and Services	\$7,938	\$7,954	\$8,122	\$168
Appropriation Total	\$9,230	\$9,250	\$9,444	\$194

Explanation Of 2003 Request

The FY 2003 request will provide funding for The Asia Foundation at \$9,444,000, which provides an increase of \$194,000 to fund wage and price increases. The FY 2003 request for program grants and services will be used to develop stronger, more effective open market economies; support the adoption of sound governance practices; strengthen open democratic institutions, the rule of law and human rights; increase access to judicial institutions; assist the development of non-governmental organizations (NGOs) as independent citizen organizations; promote women's political participation; and encourage U.S.-Asian dialogue, on important issues such as human rights. In light of the attacks of September 11, the Foundation will expand activities that contribute to the stability of key countries in the region, reduce the threat of extremism and strengthen U.S. Asian relations. These include increasing existing Foundation programs with moderate Muslim religious leaders and organizations in the predominantly Muslim countries; creating jobs and strengthening opportunities through small and medium enterprises; expanding programs to improve the performance of government; building credible institutions of governance to provide for peaceful political competition and effective management of disputes; and facilitating bilateral and regional security dialogues to broaden understanding of the dynamics of U.S. foreign policy and American society. The request for operating activity expenses is the current indirect cost rate negotiated between the Department of State and The Asia Foundation, which is 14% of the appropriation total. The Foundation will continue to increase fund-raising efforts in the private sector and expects to raise \$4.0 million in project funds in FY 2003. Appropriated funds are critical to the Foundation's ability to attract private and other funds. In FY 2001, approximately \$3.5 million was raised from private sources. The Foundation will also receive in-kind contributions, notably books and software, which are distributed through its Books for Asia program.

Purpose Of Program

As a non-governmental grant-making organization, active in Asia for nearly 50 years, the Foundation plays a complementary role in advancing U.S. interests in the region. The Foundation's goals are to build leadership and strengthen institutions to foster more open political systems characterized by effective governance and legal systems, an engaged and responsible civil society, and open markets. Through its programs and presence in the region, the Foundation assists in strengthening U.S.-Asian relations. The Foundation also plays an important facilitative role in Asia, where problems of governance have become more complex,

THE ASIA FOUNDATION

and Asian non-governmental actors are increasingly engaged in working to solve public policy problems. Foundation programming draws on an essential combination of strengths, including a depth of understanding of local and regional political, economic and related issues; broad governmental and non-governmental contacts; the ability to identify and develop timely program responses to key foreign policy issues and opportunities; and proven capacity as a private grant maker and program manager. Recent events show that, such programs serve a vital U.S. interest in building the capacity of reformers, and maintaining linkages with those who share our views of democracy, rule of law, tolerance and economic opportunity, as a part of the comprehensive long-term struggle against extremism and terrorism in all forms.

The Asia Foundation plays an important role in helping the U.S. Government attain its goals in Asia and the Pacific. It is able to achieve results on issues that may be difficult for the U.S. Government to address directly, and operates in locations where the U.S. government no longer maintains a development assistance presence. The U.S. Government receives a high return on its investment in the Foundation, both with respect to the Foundation's results-oriented role in advancing national foreign policy interests, and its efficient use of resources, flexibility and rapid response and ability to leverage additional funds to broaden the impact of U.S. contributions.

Program Description

The Asia Foundation is primarily a grant-making organization with 14 small offices in Asia and the Pacific. Through support for innovative program activities, education, public dialogue, research, human resource development, technical assistance, and institutional strengthening, the Foundation contributes to U.S. and Asian interests in the following ways:

- strengthening key democratic institutions such as legislatures and courts, professional organizations, citizen advocacy and human rights groups, promoting religious tolerance and conflict management; and building constituencies that promote legal reform and represent the public interests;
- supporting Asia-Pacific efforts to shift from centrally planned to open market economies and to liberalize trade and investment policies, and strengthening key financial institutions and policies to prevent future economic crises;
- promoting leadership development through professional training and study tours for staff members of grantee institutions; and facilitating U.S.-Asian dialogue on political, economic, and security issues affecting U.S. interests in the region; and
- managing the Books for Asia program, which annually distributes over half a million American books, journals and computer software throughout Asia.

Benefits

The Asia Foundation's programs advance long-term U.S. interests and address immediate needs in Asia and the Pacific, strengthening democracy and human rights, expanding regional trading opportunities, and encouraging cooperation in the region. The Foundation strives to be a model for public-private partnership in addressing the challenges facing the Asia/Pacific region.

NATIONAL ENDOWMENT FOR DEMOCRACY

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual <i>a/</i>	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Appropriation Total	\$30,931	\$33,500	\$36,000	\$2,500

/a Excludes \$3,480,000 in new budget authority transferred from the United States Agency for International Development (USAID).

Explanation Of 2003 Request

The FY 2003 request will provide funding for the National Endowment for Democracy (NED) at \$36,000,000, which represents an increase of \$2,500,000 above the FY 2002 level. The increase will be used to enhance programs in the Muslim world. As a whole, this level will support the Middle East, Africa, Asia, the Newly Independent States, Central/Eastern Europe, Latin America, and multi-regional programs to sustain the following activities:

- ❑ support countries in transition to more open democratic systems, through measures that strengthen the institutions of governance and the rule of law, protect individual liberty, and foster social pluralism;
- ❑ foster liberal democracy by strengthening civil society, including assisting the development of emerging non-governmental organizations (NGOs), and strengthening independent trade unions, political parties, free communications media, and domestic election monitoring organizations that not only discourage electoral fraud but also mobilize citizens to participate in the political process;
- ❑ encourage free market reforms and develop institutions that promote political accountability, economic transparency and responsible corporate governance;
- ❑ strengthen civil society in the Islamic world, including the Arab Middle East, South, Central and East Asia, and North Africa, by supporting moderate Muslim groups that promote modernism, pluralism and respect for human rights;
- ❑ engage new democracies in Central Europe to advance pluralism and democratic change throughout the former Soviet bloc, including strengthening counterpart groups in the Balkans, Belarus, the Caucasus, and Central Asia;
- ❑ provide assistance to democratic activists in authoritarian countries such as China, Cuba, North Korea, Congo, and Sudan;
- ❑ provide democratic activists with access to new information and communication technologies; and
- ❑ develop strong regional networks that bring together democratic leaders in Africa, Latin America, the Middle East, Asia, and the former Soviet Bloc for mutual collaboration and assistance.

NATIONAL ENDOWMENT FOR DEMOCRACY

Purpose Of Program

NED is a private, non-profit organization created in 1983 to strengthen democratic institutions around the world through non-governmental efforts. An independent, bi-partisan board of directors governs the Endowment. With its annual federal grant, NED makes hundreds of grants each year to support pro-democracy groups in Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and the countries of the former Soviet Union. The mission of the Endowment is to support peaceful and stable transitions to more open political and economic systems characterized by effective governance and legal systems, an engaged and responsible civil society, and open markets.

Program Description

The National Endowment for Democracy is primarily a grant-making organization. Programs in the areas of labor, open markets, and political party development are funded through four core institutes: the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI), and the National Democratic Institute (NDI). NED also annually funds scores of programs in the areas of human rights, civic education, independent media, rule of law, strengthening non-governmental organizations, and other aspects of democratic development.

Benefits

The National Endowment for Democracy's programs advance long-term U.S. interests and address immediate needs in strengthening democracy, human rights, and the rule of law. NED's support for free market reforms encourages regional trading opportunities and helps foster economic growth. Promoting democracy through the National Endowment for Democracy is vital to U.S. national security since democracies typically do not sponsor terrorism, proliferate weapons of mass destruction, or create destabilizing flows of refugees.

EAST-WEST CENTER

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Appropriation Total	\$13,470	\$14,000	\$14,280	\$280

Explanation of 2003 Request

The FY 2003 request of \$14,280,000 funds the Center for Cultural and Technical Interchange Between East and West. This represents an increase of \$280,000 over the FY 2002 estimate to fund wage and price increases.

Private agencies, individuals, corporations, and foreign governments provide additional support. In FY 2001, such support is projected to total \$9,825,000. Federal funding leverages this other support for East-West Center (EWC) research and education programs designed to:

- build an Asia-Pacific community in which the United States is a natural, valued and leading partner;
- advance collaborative research on issues of contemporary significance;
- construct a peaceful, prosperous, and just Asia-Pacific community; and
- prepare Americans for an era in which the Asia-Pacific region is increasingly important to the United States.

Purpose of Program

Congress established the East-West Center in Hawaii in 1960 as a national education and research organization to promote U.S.-Asia-Pacific relations and understanding through cooperative study, training, and research. The center's program is directed toward a region with more than 50 percent of the world's population.

Program Description

The EWC is a public, non-profit institution chartered by the State of Hawaii with an 18-member international board of governors. Some 1,500 scholars, government and business leaders, educators, journalists, and other professionals from throughout the region work through the EWC annually. By bringing such individuals together for collaborative projects, the EWC projects U.S. values, ideas, and interests into the region. The EWC is positioning itself as a public-private partnership activity.

Programs include:

EAST-WEST CENTER

- ❑ Research – The EWC Research Program conducts multidisciplinary research on issues of contemporary significance. It investigates the nature and implications of key changes and transitions in the region in order to assist in the development of appropriate policy responses. Specifically, EWC research contributes to: (1) the strengthening of regional, sub-regional, and national institutions for governance; (2) the promotion of mutually beneficial growth that is equitable and sustainable; and (3) the management and resolution of critical regional problems as well as significant issues of common concern at the national level.
- ❑ Education, Training and Seminars – The EWC offers a wide range of educational opportunities for students and professionals specializing in Asia and the Pacific. These include support for undergraduate and graduate study, visiting fellowships, and special programs for Pacific Islanders and East Timorese, among others. The Asian Studies Development Program (ASDP) has developed relationships with approximately 300 colleges and universities in 48 states in reaching American college students to expand their knowledge about Asia and the Pacific. ASDP now has 17 regional centers at selected colleges to serve as mentors for other institutions and local communities. The EWC also provides opportunities for kindergarten through twelfth grade educators to increase awareness and knowledge about Asia and the Pacific. Through its Seminar Program, the Center seeks to become a major venue for productive policy and results-oriented seminars on issues relating to Asia-Pacific community building. Seminars for political, corporate and academic leaders in several areas of thematic emphasis are offered throughout the year.
- ❑ New Initiatives – In the past two years, the center has developed a number of new initiatives including: the Obuchi Okinawa Education and Research Program, a U.S.-Japan project to promote U.S.-Okinawa understanding of regional issues; the Asia-Pacific Leadership Program, an innovative certificate program designed to meet new educational and human resource needs of the Asia-Pacific region during a time of increasing regional interdependence; corporate-oriented policy seminars; a national unity dialogue in Fiji; and projects to promote responsible journalism.

Benefits

The EWC advances long-term U.S. interests and addresses multilateral needs in Asia and the Pacific, including fostering mutual understanding, strengthening democracy and human rights and encouraging global growth and security. Presidents, prime ministers, ambassadors, scholars, business executives, and journalists use the EWC as a forum to advance international cooperation. The EWC is one of the most active U.S. organizations engaged in the Pacific Islands region, bringing heads of government annually to the U.S. Among its resources is a network of some 47,000 alumni around the world.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Appropriation Total	\$499	\$500	\$500	--

Explanation of 2003 Request

The FY 2003 request seeks appropriation authority to spend \$500,000 in estimated interest and earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

- increasing educational opportunities for young international leaders in preparation for and enhancement of their professional careers; and
- advancing peace through international understanding.

Purpose of Program

The Eisenhower Exchange Fellowship Program (EEF) promotes international understanding and economic productivity through the exchange of information, ideas, and perspectives among emerging leaders throughout the world.

Program Description

The EEF was created in 1953 to honor President Eisenhower. The Eisenhower Exchange Fellowship Act of 1990 authorized a permanent endowment for the program and established a trust fund for this purpose. The 1992 Department of State and Related Agencies Appropriations Act provided an endowment of \$5 million with interest and earnings to be appropriated to Eisenhower Exchange Fellowships, Inc. The 1995 Department of State and Related Agencies Appropriations Act provided an additional payment of \$2.5 million to the endowment.

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

- Multi-Nation Program (MNP) – Provides two-month U.S. fellowships for an Eisenhower Fellow from each of 24 to 27 countries;
- Single Nation or Single Area Program (SNP) – Provides two-month U.S. fellowships for 15 to 22 Fellows representing a range of professions from a single country or area;

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

- ❑ USA Program (USA) – Sends 10 to 15 Americans abroad, for one to three months, to countries where their fields can be enriched by persons, organizations, and institutions encountered there; and
- ❑ The Eisenhower Fellowships network links alumni Fellows worldwide, enabling Fellows to collaborate on projects, extend and strengthen relationships, and develop international links. Numbering more than 1,200 active alumni in 100 countries, the network is enlarged each year by new MNP, SNP and USA Fellows.

Benefits

EEF exchanges strengthen democratic development and international peace and create opportunities for emerging U.S. and foreign leaders to understand each other's societies and cultures directly.

ISRAELI ARAB SCHOLARSHIP PROGRAM

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Appropriation Total	\$ 374	\$375	\$375	--

Explanation of 2003 Request

The FY 2003 request seeks appropriation authority to spend \$375,000 in estimated interest and earnings of the Israeli Arab Scholarship Fund. The funding will be applied to:

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

Purpose of Program

The Israeli Arab Scholarship Program (IASP) fosters mutual understanding between Arab citizens of Israel and the United States through international exchange and training activities.

Program Description

The IASP was created by the Foreign Relations Authorizations Act for Fiscal Years 1992 and 1993. A permanent endowment of \$4,978,500 was established in 1992 with funds made available under Section 556(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990 (as amended by Section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1991).

Benefits

The income and earnings generated from this endowment are used to provide scholarships for Israeli Arab students to study in the United States. IASP exchanges strengthen international peace and create opportunities for understanding each other's societies and cultures directly.

ISRAELI ARAB SCHOLARSHIP PROGRAM

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PART FIVE
FOREIGN ASSISTANCE

OVERVIEW

This section contains the FY 2003 State Department Appropriations authorized in the State Department Authorization bill, but appropriated in the Foreign Operations bill.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2001 Actual	/a	FY 2002 Estimate	FY 2003 Request	Increase/ (Decrease)
Migration & Refugee Assistance *	\$699,002	/l	\$705,556	\$705,565	\$9
Emergency Refugee/Migration Assistance	14,967		15,000	15,000	--
Subtotal, Foreign Assistance	713,969		720,556	720,565	9
Less, Full Funding of Retirement Costs	(542)		(556)	(565)	(9)
TOTAL, FOREIGN ASSISTANCE	\$713,427		\$720,000	\$720,000	--

* The Budget presents the amounts associated with shifting the true costs of accruing pension and health benefits from central accounts to affected program accounts, starting in 2003. The amounts associated with the proposal are included on a comparable basis for program accounts in 2001 and 2002. The table "Costs of Fully Funding Pension and Health Costs" shows the amounts included for Fiscal Years 2001, 2002 and 2003.

/a FY 2001 amounts reflect the 0.22% Government-wide rescission required by Section 1403 of the Consolidated Appropriations Act, 2001.

/l In addition, \$21 million in FY 2000 funds was also available.

/m Does not include \$100 million transferred from the Emergency Response Fund.

MIGRATION AND REFUGEE ASSISTANCE

Page not used

MIGRATION AND REFUGEE ASSISTANCE

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request	Increase or Decrease (-)
Overseas Assistance	\$531,270	\$537,000	\$524,000	(\$13,000)
Africa	190,900	195,600	195,600	--
East Asia ^{/a, c}	21,223	15,800	15,500	(300)
Europe ^{/a, c}	104,153	88,000	77,000	(11,000)
Near East	106,959	103,400	103,400	--
South Asia ^{/a, c, d}	35,840	45,500	45,500	--
Western Hemisphere	13,626	15,000	14,700	(300)
Multiregional Activities ^{/a, c}	58,569	57,700	56,600	(1,100)
Migration ^b	--	16,000	15,700	(300)
Refugee Admissions ^{/a, c}	92,854	92,000	105,000	13,000
Refugees to Israel	59,868	60,000	60,000	--
Administrative Expenses	14,469	16,000	16,000	--
Pension/Health Benefits Full Cost Adjustment ^{/e}	542	556	565	9
Subtotal	\$699,002	\$705,556	\$705,565	\$9
Less Pension/Health Benefits Full Cost Adjustment ^{/e}	542	(556)	(565)	(9)
Appropriation Total	\$698,460	\$705,000	\$705,000	--

/a In addition to the \$698.5 million appropriated in FY 2001, \$21 million in FY 2000 funds was also available. These funds were obligated as follows: Overseas Assistance in East Asia (\$1 million), Overseas Assistance in Europe (\$3.6 million), Overseas Assistance in South Asia (\$250,000), Multiregional Activities (\$1.48 million), and Refugee Admissions (\$14.7 million). These funds are not included above.

/b In FY 2001, funds for Migration activities (\$14.5 million) were included within the individual Overseas Assistance regions. Beginning in FY 2002, they were combined into a new Overseas Assistance category.

/c Of the \$698.46 million appropriated in FY 2001, \$6.9 million was carried forward into FY 2002 as follows: Overseas Assistance East Asia (\$771,000), Overseas Assistance Europe (\$256,000), Overseas Assistance South Asia (\$2.7 million), Multiregional Activities (\$390,000), and Refugee Admissions (\$2.8 million). These funds are included in the FY 2001 column of the chart above.

/d In addition to the \$45.5 million appropriated for South Asia in FY 2002, \$100 million was available from the Emergency Response Fund (P.L. 107-38).

/e The Pension/Health Benefits Full Cost Adjustment amounts for Fiscal Years 2001 and 2002 are shown for comparison purposes only.

Explanation of 2003 Request

Humanitarian Response is one of the seven U.S. national interests outlined within the United States International Affairs Strategic Plan (IASP). Among the Department's principal funding components for

MIGRATION AND REFUGEE ASSISTANCE

achieving several elements of this goal are the Migration and Refugee Assistance (MRA) appropriation, together with the United States Emergency Refugee and Migration Assistance (ERMA) Fund for unforeseen, urgent refugee and migration needs. Either directly or through contributions to international organizations such as the UN High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), and the International Committee of the Red Cross (ICRC), these funds support programs for the protection of refugees and conflict victims; the meeting of basic needs to sustain their life and health; and the resolution of refugee problems through voluntary repatriation, local integration, or permanent resettlement in a third country, including the United States, as well as efforts to manage international migration flows humanely and effectively. The following areas have been identified as specific goals for MRA funding:

- **Assistance, Protection, and Durable Solutions** – Maintain viable and efficient international humanitarian response mechanisms at internationally accepted standards, promote equal access to effective protection and first asylum to refugees and conflict victims, and support voluntary repatriation of refugees, providing a catalyst for their sustainable reintegration in the country of origin.
- **International Migration** – Support efforts to manage international migration flows humanely and effectively.
- **Resettlement** – Provide resettlement opportunities to refugees and encourage other countries to do so.

The FY 2003 request of \$705 million for MRA will be used to fund: (a) overseas assistance activities, which support the first two goals outlined above; (b) the admission of refugees to the United States, supporting the resettlement goal; (c) a grant to support migrant resettlement in Israel, supporting the international migration goal; and (d) the majority of administrative expenses of the Bureau of Population, Refugees, and Migration (PRM).

Overseas Assistance

The FY 2003 request for Overseas Assistance is \$524 million, a decrease of \$13 million from the FY 2002 estimate. This decrease primarily reflects a continued downsizing of MRA funding for the Balkans. Policy priorities in FY 2003 will include:

- assuring that basic international life-sustaining **standards of care** and protection are provided across geographic regions, particularly in Africa.
- working with other governments, international organizations, and NGOs to enhance **international protection** for vulnerable groups and address the physical security of refugees, conflict victims, and humanitarian workers;
- supporting **voluntary repatriation** solutions that ensure safety and dignity and provide support to communities of return; and

MIGRATION AND REFUGEE ASSISTANCE

- ❑ expanding the Department's **consultation and coordination** with other donors and the international organizations to ensure that the collective international effort meets critical humanitarian needs.

To accomplish these objectives, this request supports the programs of the UN High Commissioner for Refugees (UNHCR), the emergency appeals and headquarters budget of the International Committee of the Red Cross (ICRC), the requirements of the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), refugee-related activities of the World Food Program (WFP), and other international organizations and non-governmental organizations that carry out refugee relief services overseas. This request also supports the headquarters and programs of the International Organization for Migration (IOM), as well as other international migration activities. Requirements by region include:

- **Africa - \$195,600,000.** Over 3.5 million of the world's refugees are spread across the African continent. While there have been some significant organized repatriations (e.g., to northern Somalia and Eritrea), and a large number of Sierra Leonean refugees fled home owing to insecurity in their countries of asylum (Guinea and Liberia), ongoing warfare in such places as Angola, Burundi, the Central African Republic, Congo, Liberia, Senegal, Somalia, and Sudan have displaced hundreds of thousands of people and underscored the need for continued humanitarian assistance. Moreover, humanitarian assistance has not always been up to basic international standards in such life-sustaining sectors as health, nutrition and water/sanitation. Funds for Africa will support IO and NGO programs, the largest being in Ethiopia (Sudanese and Somali refugees) Guinea (Sierra Leonean and Liberian refugees), Kenya (Sudanese and Somali refugees), Tanzania (Burundi and Congolese refugees), Uganda (Sudanese refugees), and Zambia (Angolan and Congolese refugees).
- **East Asia - \$15,500,000.** Burmese refugees in Thailand and Bangladesh constitute the largest groups of refugees requiring support in this region. Funds will also be dedicated to reintegration needs of those who return to Burma.
- **Europe - \$77,000,000.** Funds for European assistance will be used primarily for minority returns and stabilization for refugees and displaced persons from the Kosovo conflict. Activities will also focus on providing humanitarian assistance to refugees and displaced persons, and support migration and refugee program capacity building in the countries of the former Soviet Union.
- **Near East - \$103,400,000.** The majority of funds requested for this region will support the programs of UNRWA. UNRWA provides education, medical assistance, and relief and social services, to approximately 3.6 million Palestinian refugees – the world's largest registered refugee population.
- **South Asia - \$45,500,000.** Funds primarily will support IO and NGO programs providing humanitarian assistance to Afghan refugees in neighboring countries and those returning to Afghanistan, with a special focus on the needs of women and girls. ICRC will address life-support needs inside Afghanistan while UNHCR will aid returning refugees and some internally displaced persons (IDPs). Funds will also be used to assist the internally displaced and repatriate populations in Sri Lanka, as well as Tibetan and Bhutanese refugees.

MIGRATION AND REFUGEE ASSISTANCE

- **Western Hemisphere – \$14,700,000.** Among the programs funded, UNHCR will focus on capacity building with governments in the region. In addition to its regular activities, ICRC will provide direct assistance to internally displaced persons in Colombia.
- **Multiregional Activities - \$56,600,000.** Funds will support the multiregional activities of UNHCR and other humanitarian international and non-governmental organizations. Ongoing initiatives will be continued in policy areas such as emergency preparedness and refugee women. Funds will also provide a contribution to the ICRC headquarters budget and the U.S. assessment to IOM.
- **Migration - \$15,700,000.** Funds will support efforts to promote orderly migration and to provide protection to vulnerable migrants, including victims of trafficking. Special emphasis will be placed on migration management through participation in regional migration dialogues, including the Regional (North and Central American) Conference on Migration. Funds will go primarily to IOM. (Beginning in FY02 this category under Overseas Assistance consolidates funds for migration activities that were previously reported in the regional and multi-regional categories).

Refugee Admissions

The FY 2003 request for Refugee Admissions is \$105 million. This is a \$13 million increase over the FY 2002 level; however, it reflects the reduced number of anticipated arrivals in FY 2002 as a result of the events of September 11. The FY 2003 admissions numbers and regional ceilings will be set by a Presidential Determination after the Congressional consultations process later this fiscal year.

Refugee Admissions

Region	FY 2001 Actual	FY 2002 Ceiling
Africa	19,011	22,000
East Asia	3,725	4,000
Former Yugoslavia	15,774	9,000
NIS/Baltics	15,257	17,000
Latin America/Caribbean	2,973	3,000
Near East/South Asia	12,056	15,000
Total	68,796	70,000

Refugees to Israel

The FY 2003 request for Refugees to Israel (\$60 million) is straight-lined from the FY 2002 appropriation. The request will provide a grant in support of humanitarian migration to Israel.

Administrative Expenses

MIGRATION AND REFUGEE ASSISTANCE

The FY 2003 request of \$16,565,000 for administrative expenses includes full funding for the Federal Retirement, Pension, and Accrual costs. The FY 2003 request will finance the salaries and operating costs in the Bureau of Population, Refugees, and Migration. This staff, both overseas and domestic, manages the resources and array of issues for which PRM is responsible. The overseas staff manages important humanitarian and refugee responsibilities. Domestic staff direct diplomatic initiatives and policy development, address program design, monitor and evaluate operational activities, and maintain an equally important policy liaison role, supporting other parts of the State Department in integrating refugee and humanitarian issues into broader regional foreign policy concerns. Costs related to the small staff dedicated to international population activities are included in the Department of State's Diplomatic and Consular Programs account.

Purpose Of Program

UNHCR estimates that there are just under 12 million refugees worldwide; an additional 3.6 million Palestinian refugees are registered with UNRWA. In addition, there is a similar number of returnees, displaced persons, conflict victims and others of concern to UNHCR and ICRC. The United States contributes toward the needs of refugees and conflict victims both through international and non-governmental organizations, programs of overseas assistance and by admitting refugees of special humanitarian concern for resettlement in the United States. Central to these efforts is a recognition that refugee problems are matters of international concern, requiring multilateral solutions.

Accordingly, the focus of U.S. humanitarian foreign policy is:

- providing life-sustaining protection and relief for persons who have fled from persecution and conflict;
- obtaining effective and timely responses from the international community to assist refugees and displaced persons;
- seeking solutions to the origins of refugee problems; and
- supporting repatriation, reintegration, and resettlement.

Program Description

Overseas assistance is carried out through voluntary contributions to:

- The United Nations High Commissioner for Refugees (UNHCR);
- The International Committee of the Red Cross (ICRC);
- The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);
- The International Organization for Migration (IOM);
- The World Food Program (WFP);

MIGRATION AND REFUGEE ASSISTANCE

- Other international organizations (e.g., UNICEF, WHO); and
- Non-governmental organizations.

Refugee admissions are supported through funding to:

- Private voluntary agencies that conduct refugee processing and cultural orientation overseas, as well as agencies that provide initial reception and placement services in the United States; and
- IOM, which provides transportation, refugee processing, medical screening services, and cultural orientation for refugees coming to the United States.

The Refugees to Israel program is implemented through a grant to the United Israel Appeal.

Benefits

Migration and Refugee Assistance funds continue to:

- maintain U.S. global leadership in humanitarian affairs and international refugee and migration policy;
- help preserve first asylum in countries that might otherwise close borders to refugees;
- provide for the protection of and direct humanitarian assistance to refugees and conflict victims according to established standards;
- support refugee repatriation and reintegration when political conditions allow;
- develop multilateral support and burden-sharing for refugee needs; and
- bring refugees to the United States who are of special humanitarian concern.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2002 Opening Balance	FY 2003 Request
ERMA Fund	\$93,277 ^{/a}	\$15,000

/a Of this amount, \$78,276,659 are deferred funds carried forward from FY 2001 and \$15,000,000 appropriated in FY 2002. The Fund also includes \$11,747,944 in funds previously drawn down, including a \$5,000,000 Urgent Response Capacity drawdown.

Explanation of FY 2003 Request

A \$15,000,000 replenishment of the United States Emergency Refugee and Migration Assistance (ERMA) Fund is requested to preserve the President's ability to respond to unforeseen and urgent refugee and migration needs worldwide.

Purpose of Program

The ERMA Fund is a no-year appropriation that is drawn upon to meet unexpected, urgent refugee and migration needs whenever the President determines that it is important to the national interest to do so.

Program Description

Pursuant to the Migration and Refugee Assistance Act of 1962, as amended, the President authorizes drawdowns from the ERMA Fund when unexpected refugee and migration needs require immediate financial support for programs sustaining life or providing other vital services. In FY 2001, and through the first four months of FY 2002, a total of \$107 million was drawn down from the ERMA Fund. Included in this figure is \$25 million for the Afghan crisis that, while approved in FY 2001, was not drawn down until the beginning of FY 2002. As of January 31, 2002, \$68,276,659 remains in deferral. Draw downs in FY 2001 and thus far in FY 2002 were for the following needs:

AFRICA

- Presidential Determination 2001-22: \$12,000,000**
On July 26, 2001, for urgent and unexpected needs associated with the crises in Guinea and Sierra Leone.
- Presidential Determination 2001-22: \$3,500,000**
On July 26, 2001, for urgent and unexpected needs associated with the repatriation of Eritrean refugees from Sudan to Eritrea.
- Presidential Determination 2001-05: \$5,000,000**
On December 15, 2000, for urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in Guinea.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE

- Presidential Determination 2001-05: \$10,000,000**
On December 15, 2000, for urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in the Democratic Republic of the Congo.

EUROPE

- Presidential Determination 2001-10: \$20,000,000**
On January 17, 2001, for urgent and unexpected needs of refugees, displaced persons, victims of conflict and other persons at risk in the Balkans.
- Presidential Determination 2001-05: \$3,200,000**
On December 15, 2000, for urgent and unexpected needs of refugees, displaced persons, victims of conflict and other persons at risk in the North Caucasus.
- Presidential Determination 2001-05: \$5,000,000**
On December 15, 2000, for urgent and unexpected needs of refugees, displaced persons, victims of conflict and other persons at risk in Serbia.

NEAR EAST

- Presidential Determination 2001-05: \$8,800,000**
On December 15, 2000, for urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in the West Bank and Gaza.

SOUTH ASIA

- Presidential Determination 2001-30: \$25,000,000**
On September 28, 2001, to meet urgent and unexpected refugee and migration needs of a new exodus of refugees from Afghanistan. (Note that while the Presidential Determination was signed in FY 2001, funds were not drawn down until FY 2002.)
- Presidential Determination 2001-22: \$6,500,000**
On July 26, 2001, for unexpected needs of displaced Afghans, who are fleeing persecution, conflict, and drought in their home country.
- Presidential Determination 2001-10: \$2,000,000**
On January 17, 2001, for urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the crisis in Nepal.
- Presidential Determination 2001-05: \$1,000,000**
On December 15, 2000, for urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the Afghan crisis.

URGENT RESPONSE CAPACITY DRAWDOWN

- Presidential Determination 2001-22: \$5,000,000**
On July 26, 2001, in order to allow for immediate United States response to unexpected urgent refugee and migration needs.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE

Benefits

The ERMA Fund provides the President with the flexibility to respond on a timely basis to emergency refugee and migration crises around the world.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE

Page not used

Department of State
Fee Collection
(Dollars in Thousands)

Revenue Source	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Machine Readable Visas Processing Fees			
Carryforward Allocations	18,541	21,928	-
Prior Year Collections Unallocated	120,474	137,693	89,727
Current Year Collections Projected (Net)	393,986	408,960	596,960
Total Collections Available	533,001	568,581	686,687
Carryforward Allocations Planned	4,370	13,772	-
Current Year Allocation Plan	390,938	465,082	642,731
Total Allocations	395,308	478,854	642,731
Carryforward Allocations Returned	14,171	8,156	-
Unallocated Collections	123,522	81,571	43,956
Ending Unallocated Collections	137,693	89,727	43,956
Expedited Passport Fees			
Carryforward Allocations	11,195	-	-
Prior Year Collections Unallocated	10,609	14,413	14,413
Current Year Collections Projected (Net)	66,518	63,000	86,000
Total Collections Available	88,322	77,413	100,413
Carryforward Allocations Planned	10,909	-	-
Current Year Allocation Plan	63,000	63,000	86,000
Total Allocations	73,909	63,000	86,000
Carryforward Allocations Returned	286	-	-
Unallocated Collections	14,127	14,413	14,413
Ending Unallocated Collections	14,413	14,413	14,413
Commercial Service Fees			
Current Year Collections Projected (Net)	6	12	12
Total Collections Available	6	12	-
Current Year Allocation Plan	6	12	12
Total Allocations	6	12	12
Unallocated Collections	-	-	-
Ending Unallocated Collections	-	-	-
Visa Fingerprint Fees			
Carryforward Allocations	48	560	-
Prior Year Collections Unallocated	999	1,180	1,740
Current Year Collections Projected (Net)	350	350	1,300
Total Collections Available	1,397	2,090	3,040
Current Year Allocation Plan	217	350	1,300
Total Allocations	217	350	1,300
Carryforward Allocations Returned	48	560	-
Unallocated Collections	1,132	1,180	1,740
Ending Unallocated Collections	1,180	1,740	1,740

Department of State
Fee Collection
(Dollars in Thousands)

Revenue Source	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
Affidavit of Support Fees			
Prior Year Collections Unallocated	-	1,914	1,914
Current Year Collections Projected (Net)	1,914	-	-
Total Collections Available	1,914	1,914	1,914
Current Year Allocation Plan	-	-	-
Total Allocations	-	-	-
Unallocated Collections	1,914	1,914	1,914
Ending Unallocated Collections	1,914	1,914	1,914
Diversity Lottery Fees			
Carryforward Allocations	351	58	-
Prior Year Collections Unallocated	1,181	1,984	2,242
Current Year Collections Projected (Net)	3,651	4,400	4,400
Total Collections Available	5,183	6,442	6,642
Current Year Allocation Plan	3,199	4,200	4,400
Total Allocations	3,199	4,200	4,400
Carryforward Allocations Returned	351	58	-
Unallocated Collections	1,633	2,184	2,242
Ending Unallocated Collections	1,984	2,242	2,242
Defense Trade Control Fees			
Prior Year Collections Unallocated	426	12	12
Current Year Collections Projected (Net)	1,868	4,000	4,000
Total Collections Available	2,294	4,012	4,012
Current Year Allocation Plan	2,282	4,000	4,000
Total Allocations	2,282	4,000	4,000
Unallocated Collections	12	12	12
Ending Unallocated Collections	12	12	12
Sec. 810 USI & EE Act Fees *			
Carryforward Allocations	1,151	-	-
Prior Year Collections Unallocated	1,543	3,526	3,526
Current Year Collections Projected (Net)	5,805	8,000	8,000
Total Collections Available	8,499	9,526	9,526
Current Year Allocation Plan	4,973	8,000	8,000
Total Allocations	4,973	6,000	6,000
Carryforward Allocations Returned	1,151	-	-
Unallocated Collections	2,375	3,526	3,526
Ending Unallocated Collections	3,526	3,526	3,526

* Includes USI and EE fees collected under both D&CP and ECE appropriations

APPENDIX

Explanation of Language Changes

This section explains those changes in the text of appropriations language other than changes in dollar amounts or fiscal year designations. Proposed deletions are denoted by enclosures in brackets [] and strikethrough text. Proposed insertions are denoted by ***bold italics***.

APPENDIX

DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948, as amended; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, [~~\$3,142,277,000~~] \$3,466,023,000: *Provided*, That, of the amount made available under this heading, not to exceed \$4,000,000 may be transferred to, and merged with, funds in the “Emergencies in the Diplomatic and Consular Service” appropriations account, to be available only for emergency evacuations and terrorism rewards: [~~*Provided further*, That, of the amount made available under this heading, \$270,259,000 shall be available only for public diplomacy international information programs: *Provided further*, That of the amount made available under this heading, \$694,190,000 shall be available only for information resource management.~~] *Provided further*, That notwithstanding section 140(a)(5), and the second sentence of section 140(a)(3), of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, fees may be collected during fiscal [~~years 2002 and 2003~~] **years 2003 and 2004**, under the authority of section 140(a)(1) of that Act: *Provided further*, That all fees collected under the preceding proviso shall be deposited in fiscal [~~years 2002 and 2003~~] **years 2003 and 2004** as an offsetting collection to appropriations made under this heading to recover costs as set forth under section 140(a)(2) of that Act and shall remain available until expended: *Provided further*, That, of the amount made available under this heading, **in fiscal year 2003** [~~\$1,800,000 shall be available for a grant to conduct an international conference on combating sex trafficking: *Provided further*, That no funds may be obligated or expended for processing licenses for the export of satellites of United States origin (including commercial satellites and satellite components) to the People’s Republic of China unless, at least 15 days in advance, the Committees on Appropriations of the House of Representatives and the Senate are notified of such proposed action.~~] **\$20,000,000 shall be available to implement the 1999 Pacific Salmon Treaty Agreement.**

In addition, not to exceed \$1,343,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act, as amended; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities.

APPENDIX

In addition, for the costs of worldwide security upgrades, [~~\$487,735,000~~] \$553,000,000, to remain available until expended. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

1. The first deletion eliminates two earmarks (for public diplomacy and information resource management). These provisos unduly restrict the Department's flexibility to allocate resources within D&CP, and are unnecessary in view of congressional notifications on the levels of spending in these two areas.
2. The second deletion eliminates two provisos. The first is a one-time grant for an international conference on combating sex trafficking. The second is an inappropriate congressional notification requirement prior to spending funds on processing certain licenses.
3. This insertion is requested in order to make \$20 million available for the implementation of the Pacific Salmon Treaty.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, [~~\$29,000,000~~] \$30,791,380, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980, as amended (Public Law 96-465), as it relates to post inspections. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized, [~~\$237,000,000~~] \$247,063,000, to remain available until expended: *Provided*, That not to exceed \$2,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, educational advising and counseling programs, and exchange visitor programs as authorized. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-300), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, [~~\$458,000,000~~] \$553,011,000, to remain available until expended as authorized, of which not to exceed \$25,000 may be used for domestic and overseas representation as authorized: *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies. In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, [~~\$815,960,000~~] \$755,000,000, to remain available until expended. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

APPENDIX

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, ~~[\$850,000,000:]~~ \$891,378,000, ***of which up to \$1,000,000 may be available for a United States government interagency task force to examine, coordinate and oversee U.S. participation in the United Nations headquarters renovation project:*** *Provided*, That any payment of arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: *Provided further*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings: ~~[*Provided further*, That, of the funds appropriated in this paragraph, \$100,000,000 may be made available only pursuant to a certification by the Secretary of State that the United Nations has taken no action in calendar year 2001 prior to the date of enactment of this Act to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations to exceed the budget for the biennium 2000-2001 of \$2,535,700,000: *Provided further*, That if the Secretary of State is unable to make the aforementioned certification, the \$100,000,000 is to be applied to paying the current year assessment for other international organizations for which the assessment has not been paid in full or to paying the assessment due in the next fiscal year for such organizations, subject to the reprogramming procedures contained in section 605 of this Act:]~~ *Provided further*, That funds appropriated under this paragraph may be obligated and expended to pay the full United States assessment to the civil budget of the North Atlantic Treaty Organization.

1. The first insertion is requested to permit up to \$1 million to be made available for a U.S. interagency task force to examine, coordinate, and oversee U.S. participation in the UN headquarters renovation project.
2. The deletion is requested because the Secretary has already made such budget certifications in prior fiscal years and they are no longer necessary.

APPENDIX

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed \$6,000 for representation; as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, ~~[\$24,705,000]~~ \$28,387,037. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, ~~[\$5,450,000]~~ \$9,516,858, to remain available until expended, as authorized. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided, for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103-182, ~~[\$9,911,000]~~ \$10,784,291, of which not to exceed \$9,000 shall be available for representation expenses incurred by the Inter-national Joint Commission. (Department of State and Related Agency Appropriations Act, 2002; ***additional authorizing legislation required.***)

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, ~~[\$705,000,000, which shall remain available until expended]~~ \$705,565,000: *Provided*, That not more than ~~[\$16,000,000]~~ \$16,565,000 may be available for administrative expenses ~~[: *Provided further*, That funds appropriated under this heading may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines (and so reports to the appropriate committees of the Congress) that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement:~~

APPENDIX

Provided further, That not less than \$60,000,000 of the funds made available under this heading shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel]. (Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002; *additional authorizing legislation required.*)

General Provisions – Department of State and Related Agency

SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of title 5, United States Code; for services as authorized by 5 U.S.C. 3109; and for hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the Broadcasting Board of Governors in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided further*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. None of the funds made available in this Act may be used by the Department of State or the Broadcasting Board of Governors to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

SEC. 404. Hereafter, none of the funds appropriated or otherwise made available for the United Nations may be used by the United Nations for the promulgation or enforcement of any treaty, resolution, or regulation authorizing the United Nations, or any of its specialized agencies or affiliated organizations, to tax any aspect of the Internet or international currency transactions.

~~[SEC. 405. Funds appropriated by this Act for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and section 15 of the State Department Basic Authorities Act of 1956, as amended.]~~

~~[SEC. 406. The Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.) is amended by adding at the end the following new section:
“SEC. 114. ALLOCATION OF FUNDS TRANSFERRED TO THE BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.~~

APPENDIX

~~“Of each amount transferred to the Bureau of Educational and Cultural Affairs out of appropriations other than appropriations under the heading ‘Educational and Cultural Exchange Programs’ for support of an educational or cultural exchange program, notwithstanding any other provision of law, not more than 7.5 percent shall be made available to cover administrative expenses incurred in connection with support of the program. Amounts made available to cover administrative expenses shall be credited to the appropriations under the heading ‘Educational and Cultural Exchange Programs’ and shall remain available until expended.”.]~~

~~[SEC. 407. (a) Section 1334 of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted in division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277 and amended by section 404(a) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001) is amended by striking “October 1, 2001” and inserting “October 1, 2005”.~~

~~(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001.~~

~~(c) The provisions of law repealed by section 404(c) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (section 404(c) of division A of H.R. 3427, as enacted into law by section 1000(a)(7) of Public Law 106-113; appendix G; 113 Stat. 1501A-446) are hereby reenacted into law.~~

~~(d) Notwithstanding any other provision of law, any period of discontinuity of the United States Advisory Commission on Public Diplomacy shall not affect the appointment or terms of service of members of the commission.]~~

~~[SEC. 408. (a) Section 303 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1988 (as enacted into law by section 101(a) of Public Law 100-202) is amended in the first sentence by striking “\$440,000” and inserting “\$620,000”.~~

~~(b)(1) Section 2(2) of the joint resolution entitled “Joint resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization”, approved July 11, 1956 (22 U.S.C. 1928b) is amended—~~

~~(A) by striking “\$100,000” and inserting “\$200,000”; and~~

~~(B) by striking “\$50,000” each of the two places it appears and inserting “\$100,000”.~~

~~(2) Section 2 of the joint resolution entitled “Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico”, approved April 9, 1960 (22 U.S.C. 276i) is amended—~~

~~(A) by striking “\$80,000” and inserting “\$120,000”; and~~

~~(B) by striking “\$40,000” each of the two places it appears and inserting “\$60,000”.~~

~~(3) Section 2 of the joint resolution entitled “Joint resolution to authorize participation by the United States in parliamentary conferences with Canada”, approved June 11, 1959 (22 U.S.C. 276e) is amended—~~

~~(A) by striking “\$70,000” and inserting “\$150,000”; and~~

~~(B) by striking “\$35,000” each of the two places it appears and inserting “\$75,000”.~~

APPENDIX

~~(4) Section 109(b) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 276 note) is amended by striking “\$50,000” and inserting “\$100,000”.
(c) Notwithstanding any other provision of law, whenever either the House of Representatives or the Senate does not appoint its allotment of members as part of the American delegation or group to a conference or assembly of the British American Interparliamentary Group, the Conference on Security and Cooperation in Europe (CSCE), the Mexico United States Interparliamentary Group, the North Atlantic Assembly, or any similar interparliamentary group of which the United States is a member or participates and so notifies the other body of Congress, the other body may make appointments to complete the membership of the American delegation. Any appointment pursuant to this section shall be for the period of such conference or assembly and the body of Congress making such an appointment shall be responsible for the expenses of any member so appointed. Any such appointment shall be made in the same manner in which other appointments to the delegation by such body of Congress are made. This title may be cited as the “Department of State and Related Agency Appropriations Act, 2002”.]~~

1. The first deletion assumes that there will be a Foreign Relations Authorization Act, FY 2002 and 2003. In the event there is not an authorization act, a waiver of section 15 of the State Department Basic Authorities Act will be necessary.
2. The second deletion is requested because the provision amended permanent law, and there is no need to repeat it.
3. The third deletion is requested because the Administration is not seeking a further extension of the Advisory Commission on Public Diplomacy.
4. The fourth deletion is requested because the provision is not necessary.