

THE SECRETARY OF STATE'S

ADVISORY COMMITTEE ON  
TRANSFORMATIONAL DIPLOMACY





*Secretary Rice and Under Secretary Fore with members of the  
Advisory Committee on Transformational Diplomacy  
2007*



# A CALL TO ACTION

## THE ADVISORY COMMITTEE ON TRANSFORMATIONAL DIPLOMACY

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*“In extraordinary times like those of today, when the very terrain of history is shifting beneath our feet, we must transform old diplomatic institutions to serve new diplomatic purposes. This kind of challenge is sweeping and difficult but it is not unprecedented; America has done this kind of work before.”*

Secretary of State Condoleezza Rice, 2006

## INTRODUCTION

The world is in a state of rapid and accelerating change. To keep pace with this change and to continue to play its leadership role into the 21<sup>st</sup> century, the United States must transform its diplomatic presence and capabilities. While the Secretary of State’s Transformational Diplomacy agenda<sup>1</sup> has begun to move the Department of State in new and important directions, additional effort is needed.

This Call to Action sets out the views of this Committee on the growing demands faced by U.S. diplomacy and the Department of State.<sup>2</sup> It summarizes our unanimous recommendations on the urgent actions needed to position the Department to best promote America’s interests in an ever more complex world. This includes increasing the available financial and human resources, streamlining the organizational structure, embracing new technology, and shifting the organization’s emphasis from one of process to one of results.

Our hope is that these recommendations will form a basis for bipartisan action by the Department of State and the Executive and Legislative Branches to modernize U.S. diplomacy and enable our nation to maintain its leadership role well into the future.

*The United States  
must transform its  
diplomatic presence  
or risk being  
left behind by  
global competitors.*

## THE 21ST CENTURY STRATEGIC CHALLENGE

In the last 20 years, the national security landscape has undergone a fundamental shift from the bi-polar world of the Cold War towards one characterized by the rise of new global powers, notably China and India; the increasing power of non-state actors; and ever more agile and adaptive adversaries.

The Global War on Terror—which will require a sustained diplomatic effort for the foreseeable future—is already overextending available resources and the resulting strain on existing personnel is a major source of strategic risk for the United States. Additionally, the proliferation of weapons of mass destruction adds new complexity to the use of force and places limits upon the strategic value of conventional military power, thus creating new and increasing demands on U.S. diplomacy.

The need for personnel trained in difficult languages—such as Arabic, Farsi, and Chinese—has increased dramatically and will continue to grow. Insufficient funding and the necessary diversion of personnel to Iraq and Afghanistan has limited training opportunities and left many positions unfilled or staffed with under-trained personnel.

Globalization has yielded new economic power centers and vastly expanded the number of important economic actors with whom the U.S. must engage. Representing U.S. commercial and financial interests abroad in this new era is critical to maintaining the nation's global economic leadership. However, the level of American diplomatic representation in many key geographic areas and the number of staff with relevant expertise have not kept pace with the intensifying global competition in this arena.

The United States must lead the formation of new international law, standards, and practices in emerging areas such as climate change, genetics, and nanotechnology. The process by which these new rule sets are formed will be a critical domain of competition for power and influence in the coming century. An active, focused diplomatic corps that can integrate subject matter expertise with experience in international negotiation will be essential to promoting U.S. interests in this vital area.

International diplomacy in the 21<sup>st</sup> century will be increasingly non-governmental in character, due in part to the proliferation of non-governmental organizations (NGOs) in human rights, development, environment and other areas; the rise in charitable giving by foundations and individuals; and the growing role of academia and private business. The involvement of these new actors in what had previously been the domain of the government creates a multitude of opportunities for innovative cooperation to shape the world's development. To do so effectively, the U.S. will require thoughtful and well-resourced diplomatic strategies for engaging with these potential partners.

*“An experience gap at critical posts can severely compromise the department’s diplomatic readiness and its ability to carry out its foreign policy objectives and execute critical post-level duties.”*

– GAO Highlights,  
August 1, 2007

## TRANSFORMING U.S. DIPLOMACY

The scope and complexity of the changes facing the nation demand that the United States transform and strengthen its foreign affairs institutions. Military power is critically necessary, but is insufficient on its own to secure the interests of the American people. The effectiveness of our diplomatic and development capabilities must equal that of our armed forces. In the face of unprecedented strategic and technological changes, the Committee supports an enhanced diplomacy that orchestrates all instruments of national power, engages the full range of international partners and the public, and proactively shapes long-term global conditions in ways consistent with our national interests.

Our proposals for transformational change focus on six broad categories:

- Expand and Modernize the Workforce
- Integrate Foreign Affairs Strategy and Resources
- Strengthen Our Ability to Shape the World
- Harness 21<sup>st</sup> Century Technology
- Engage the Private Sector
- Streamline the Department of State's Organizational Structure

Carrying out these actions will create a foundation for continuing improvement into the future and give the next President an enhanced set of diplomatic capabilities. We would emphasize that for transformation to succeed, it is essential that the Department of State be accountable for tracking and measuring its progress on an ongoing basis, ensuring that course corrections are made as needed.

### EXPAND AND MODERNIZE THE WORKFORCE

Today the Department of State faces shortfalls in critical resources, forcing it regularly to borrow staff and funds from some programs to meet the needs of others. Through the Secretary's "Global Repositioning Initiative,"<sup>3</sup> the Department has transferred nearly 300 diplomats to under-staffed posts in China, India, and elsewhere. This initiative has made a valuable start in ensuring the appropriate level of diplomatic representation abroad and should be sustained. At the same time, however, the Department must urgently secure additional personnel resources to meet its ongoing—and expanding—staffing shortfalls.

An unintended consequence of the staffing shortfalls the Department has faced over the past several years has been the transition of positions once occupied by more senior, seasoned staff to junior Foreign Service officers, many of whom are on their first overseas assignment. While these junior officers may have the necessary technical skills, they often lack the perspective that can only be obtained through experience. The absence

*While training in critically needed languages such as Arabic, Chinese and Japanese has expanded dramatically it is not yet sufficient to meet the demand.*

of sufficient mid-career diplomats to provide the necessary mentoring and guidance that diplomacy often requires is a significant and ongoing challenge.

In the long-term, the challenges of the global operating environment and the implementation of the recommendations in this report will demand even more from our nation's diplomatic personnel and foreign affairs institutions. Among the new requirements outlined in this report are the need for a fully staffed active and civilian reserve corps to support reconstruction and stabilization operations; a significantly increased presence in multilateral organizations such as the United Nations; more robust and strategic engagement with the private sector; additional strategic planning resources in Washington and in the field; an enhanced approach to international law; expanded science, engineering, and technology expertise and presence; and increased training opportunities to meet the needs of transforming the Department of State.

The following recommendations are this Committee's consensus estimates of the personnel increases necessary:

#### DOUBLE THE DEPARTMENT OF STATE'S PERSONNEL

The Department of State should make a sustained, aggressive effort to increase the number of its deployable staff resources by 100 percent *over the next ten years*. If the Department is to be a decisive source of competitive advantage for the nation, it must have sufficient personnel to appropriately staff overseas missions and take advantage of expanded training opportunities. In the immediate term, we recommend that the Department fully endorse the following position requirements:

- Secure an additional 550 training positions;
- Increase surge capacity, rotational positions, and interagency details by 380 positions;
- Add 100 assignments under the National Security Professional Education Consortium.<sup>4</sup>

#### DOUBLE USAID'S PERSONNEL

Urgent needs also require an increase in the U.S. Agency for International Development's (USAID) Foreign Service Officer Corps by 350 positions in the near-term, moving toward a 100 percent increase in deployable staff resources *over the next three years*. As presently structured, staffed, and resourced, USAID has insufficient capacity to manage its existing workload. It has no surge capacity to address crises or opportunities, and limited ability to leverage the activities and funds of other donors. This severe shortage of resources will become increasingly acute given the global health and development challenges anticipated in the future.



## EXPAND TRAINING IN EMERGING HIGH-PRIORITY AREAS OF SKILL AND KNOWLEDGE

As part of the effort to increase efficiency and modernize Department of State practices, training should be broadened to encompass basic business and organizational skills that are common in the private sector, including: project/program management; performance measurement; strategic planning; business analysis/private sector investment modeling; and science, engineering, and technology literacy.

## DEVELOP NEW RAPID DEPLOYMENT MODELS

New models for rapid and time-limited deployment should be developed, consistent with the analysis conducted by the CSIS “Embassy of the Future” project.<sup>5</sup> In particular, we agree that the Department of State should enhance the ability of its diplomats to operate outside the embassy and institutionalize a process for continually assessing and refining the U.S. presence overseas based on emerging requirements.

## FULLY LEVERAGE LOCAL EMPLOYEES

Locally engaged staff (LES) powerfully augment Department of State capabilities. Their unique perspective on events and often invaluable contacts are critical assets and the Department should further leverage LES knowledge of the local environment to advance American interests overseas. The Department should expand LES training, salary, and pensions to assure high-quality performance.

## INTEGRATE U.S. GOVERNMENT FOREIGN AFFAIRS STRATEGY AND RESOURCES

The Department of State is uniquely responsible for the broad range of U.S. international interests and is accountable to the President for ensuring that all U.S. Government (USG) non-combat efforts overseas support American foreign policy objectives. If the United States is to present a unified face to the world, Department leadership in this area must be clear and recognized. Therefore, the Committee recommends the President make an explicit statement underscoring the Department of State’s role as the lead foreign affairs agency.

Additional action should include the following:

## CREATE A UNIFIED STRATEGIC PLAN AND ASSOCIATED BUDGET

Working closely with the National Security Council (NSC) and the Office of Management and Budget, the Department of State should lead the development of an integrated Foreign Affairs Strategic Plan and present

*A clear and unified  
voice on policy is  
critical for the  
United States  
Government to  
interact effectively  
with the world.*

a corresponding integrated annual Foreign Affairs Budget. The Strategic Plan would allow the NSC to gauge the goals and performance of all agencies against national security objectives. The Foreign Affairs Budget would present a unified view of what the civilian components of the USG are spending to accomplish global objectives. The Committee finds that the absence of such a budgetary view presents a major obstacle to the meaningful strategic integration of resources across agency boundaries.

#### STRENGTHEN COORDINATION WITH THE DEPARTMENT OF DEFENSE

The Department of State should strengthen its coordinating role by leading the development of government-wide regional strategic plans and expanding its senior-level diplomatic visibility. This will require augmenting the planning capacity in regional bureaus in Washington and in the field, as well as creating a new senior level position at each of the Department of Defense's regional Combatant Commands. This individual would serve as the Combatant Commander's senior civilian deputy and be responsible for leading diplomatic interaction and interagency planning for the Department of State at the regional level.

#### CREATE A JOINT NATIONAL SECURITY SUBCOMMITTEE

The Committee believes there is a compelling need for the House and Senate Budget committees to create a joint national security subcommittee. The purpose of the subcommittee would be to set spending targets across all major components of the U.S. national security establishment's budget: defense, intelligence, homeland security, and foreign affairs/development/public diplomacy.

### STRENGTHEN OUR ABILITY TO SHAPE THE WORLD

Providing the United States with the diplomatic and policy tools needed to shape the 21<sup>st</sup> century global environment is the driving purpose of Transformational Diplomacy. The Department of State's ability to deliver meaningful results in this area has been challenged as resources have been stretched increasingly thin. The Committee believes that the following recommendations, if adopted, would help strengthen our nation's ability to "create a more secure, democratic, and prosperous world for the benefit of the American people and the international community."<sup>6</sup>

#### ALIGN DIPLOMACY AND ASSISTANCE

Development will continue to be a major instrument of U.S. foreign policy. Therefore, the Department of State and USAID should bring true strategic and operational alignment to their efforts by integrating their strategic

planning offices and technology infrastructures, co-locating related offices and personnel to minimize redundancy, and increasing reciprocal rotations of staff. These actions would preserve the important differences in perspective and operational flexibility of each organization, while maximizing the nation's ability to advance broad strategic objectives and achieve tangible results on the ground.

#### FOCUSED PUBLIC DIPLOMACY

The United States' ability to communicate its values to the world has never been more critical. At the same time, the spread of global communications and internet-based social networking has made the task of influencing perceptions ever more challenging. New levels of technical ability are now required. It is equally vital that the USG speak with one voice. We believe the full range of USG public diplomacy assets—including Department of State, USAID, Department of Defense, and others as appropriate—should be integrated in one semi-autonomous organization reporting to the Secretary of State. By concentrating public diplomacy expertise and strategic direction within one entity, and emphasizing the capabilities of project management and program leadership, this organization would be capable of delivering programming that more effectively shapes foreign perceptions.

#### ENHANCE RECONSTRUCTION AND STABILIZATION CAPABILITIES

In cases of war, ethnic conflict, failed governments and natural disaster, the United States will continue to be faced with the challenge of reconstructing and stabilizing shattered societies. The Committee believes that the Department of State should establish clear, senior-level responsibility and interagency authority for all reconstruction and stabilization activities. It should have the capacity to develop anticipatory response plans that integrate the resources of the agencies and departments of the USG, partner nations, international organizations, and other non-state actors. In addition, the Department should establish both a standing and reserve cadre of reconstruction and stabilization professionals that can be deployed in a timely manner to respond to disasters and work to mitigate the effects of political, economic, and social instability.

#### ELEVATE ECONOMIC DIPLOMACY

Maintaining U.S. leadership in a rapidly growing and “flattening” global economy will be one of the pre-eminent challenges for U.S. diplomacy in the 21<sup>st</sup> century. The Department of State must increase its focus on economic diplomacy, bolster its capabilities in this area, and bring a forward-looking, strategic unity to USG foreign economic and development policy.

*“A focused and aggressive public diplomacy effort is essential to the achievement of long-term U.S. security objectives.”*

– Heritage  
Foundation Report on  
Public Diplomacy,  
August 5, 2005

## PURSUE PROACTIVE MULTILATERAL LEADERSHIP

The Department of State must strengthen the U.S. presence in multilateral institutions such as the United Nations and the World Bank and develop long term, proactive strategies to influence their agendas. Essential to success will be a substantial rotational program that supports the secondment of Department personnel to the staffs of these institutions for extended tours of duty. For that reason, we believe the Department of State should develop a rolling five-year strategic and resource plan for increased multilateral engagement.

## DEEPEN THE CAPACITY TO BUILD ANTICIPATORY COALITIONS

The Department of State should deepen its institutional ability to develop and manage anticipatory coalitions, in particular its capacity to conduct coalition planning exercises in key political and diplomatic areas, much as the Department of Defense does in military domains. These efforts would facilitate joint-planning and joint-response strategies with both state and non-state actors.

## DEVELOP SOCIAL NETWORKING CAPABILITIES

The personal relationships developed by its staff are one of the Department of State's most valuable assets. The Department needs to more effectively capture this knowledge and create user-friendly tools to access it on an instantaneous, global basis. Use of social networking theory—analysis of the relationships between various individuals or groups of individuals—would enable the Department to identify the global network of “influencers” for any given issue and reach out to the right people at the right time to affect outcomes.

## LEAD THE DEVELOPMENT OF INTERNATIONAL LAW AND PRACTICE

The process by which new laws and rule sets are formed will be a critical domain of competition among nation states in the coming century. The Department of State should strengthen its institutional capacity to monitor and lead the development of international law and practice (particularly in emerging domains) by creating a new office within the Office of the Legal Advisor. This office should focus on identifying key areas in which the Department should lead the negotiation of international law and develop and execute strategies for achieving U.S. objectives in those areas.

## EXPAND EXPERTISE IN SCIENCE, ENGINEERING, AND TECHNOLOGY

The Department of State should expand its investment in Science, Engineering, and Technology (SET) expertise, presence, and global engagement. This includes ensuring baseline SET literacy among all appropriate personnel, increasing the overseas presence of personnel with

*The United States  
must be on the  
offense in  
forming new  
international law.*

significant SET expertise, and expanding the Department's engagement in global SET networks through exchanges, assistance, and joint research activities addressing key issues.

## HARNESS 21ST CENTURY TECHNOLOGY

Technology is the key to transformation. The Department of State is a knowledge-based organization, but it has lagged behind in adopting and integrating Information Technology (IT) into its processes and culture. The ultimate success of Transformational Diplomacy will in large measure depend on the aggressive deployment of IT and the speed and effectiveness with which the Department can acquire, analyze, and respond to the global flow of information. Serious IT transformation and consolidation is an urgent priority that will require a multi-year effort. Leadership at the highest levels and increased budgets must be established now.

### CREATE A STANDARD INFORMATION TECHNOLOGY INFRASTRUCTURE PLATFORM

Consolidating and standardizing the IT infrastructure is essential to increasing the efficiency, effectiveness, and speed of the Department of State's operational and diplomatic capabilities. Therefore, the Chief Information Officer (CIO) should lead an IT transformation effort to consolidate the Department of State's and USAID's technology infrastructure by creating common core platforms and solutions across the organizations. The current fragmentation of infrastructure represents a tremendous obstacle to information sharing, interoperability of systems, and cost efficiency. Although improvements in the global IT infrastructure have been made in recent years, it is now time to make the budgetary and organizational commitment to major transformation and consolidation.

### UNIFY IT LEADERSHIP

The Department of State should fully empower the CIO position and hold the CIO accountable to ensure that technology and information are managed on an enterprise-wide priority basis. The Committee recommends that there be a single CIO with responsibility for the Department, USAID, and all component organizations and bureaus—without exception. The CIO should also oversee the entire portfolio of technology investments on an enterprise level and maintain responsibility for a central IT approval system.

### BECOME A WORLD-CLASS KNOWLEDGE MANAGER

Given the centrality of knowledge to the Department of State's mission, it should undertake an aggressive plan to become a world-class knowledge management organization, incorporating best practices from the private sector and other government agencies as appropriate. This effort should include the following:

*Technical innovation  
is moving at a  
rapid and  
accelerating pace.*

*Innovation is a prerequisite for success – and perhaps even survival... The biggest barriers to organizational innovation are insufficient resources and the absence of a formal strategy for innovation*

–2006 STUDY BY THE  
AMERICAN MANAGEMENT  
ASSOCIATION

- CHIEF KNOWLEDGE OFFICER  
Establish a Chief Knowledge Officer (CKO) function responsible for maximizing the value of the Department’s knowledge assets. The CKO would serve as the chief advocate for knowledge management activities in the Department of State and head the effort to effectively use all knowledge resources. The CKO should report directly to either the Deputy Secretary of State or the Under Secretary of State for Management, while maintaining a close working relationship with the CIO.
- INTEGRATED KNOWLEDGE MANAGEMENT  
Build a unified, 21<sup>st</sup> century real-time knowledge management and presentation capability comparable to the ‘knowledge wall’<sup>7</sup> construct implemented by DOD. This would support improved decision-making by senior U.S. officials in Washington and overseas through the aggregation of prioritized information in highly usable forms, leveraging advances in data fusion and visualization.

#### INNOVATE

The Department of State should create an innovation-friendly culture. Such an atmosphere would accelerate the broad deployment and use of existing technology solutions while encouraging technology innovation on a continuing basis. This effort should include the following:

- CLEARINGHOUSE FOR INNOVATION  
The CKO should establish and lead a standing clearinghouse to align and maximize the synergies among the technology innovation efforts of various elements of the Department of State and USAID.
- RESEARCH AND DEVELOPMENT COUNCIL  
The Department of State should create a small staff to internally drive and prioritize Research & Development (R&D) efforts across the Department. This staff would coordinate with other USG R&D entities, particularly in the defense, intelligence, and homeland security communities and the private sector.

Other recommendations discussed more fully in the individual working group reports include proposed investments in a number of innovative existing and new tools including: Virtual Presence Posts; Communities at State; Diplopedia; Employee Profile Plus;<sup>8</sup> secure mobile information and communication tools; and enhanced communications, to include media monitoring and response capabilities.

## ENGAGE THE PRIVATE SECTOR

The importance of non-traditional actors will continue to rise. From the proliferation of NGOs, to the kind of private philanthropy exemplified by the Gates Foundation, to increased engagement by corporate, business, and academic entities, 21<sup>st</sup> century diplomacy must adapt to the presence of these non-traditional actors in the foreign affairs domain. To be relevant and effective, the USG must strengthen its ability to engage these organizations and leverage their growing resources and capabilities.

For the Department of State, this will require the following components:

### CREATE RESULTS-ORIENTED PARTNERSHIPS WITH PRIVATE ACTORS

The Committee encourages the establishment of a Global Partnership Center within the Department of State. We believe that such an office would bolster the creation of results-oriented partnerships between the Department and corporations, NGOs, foundations, and academic institutions. The Center should include an analytic capacity for identifying opportunities to tap the energy and resources of the private sector and enlist their support for desired outcomes.

Consistent with the recommendations of the Committee, the Center can serve as the mechanism for sharing partnership data across the Department of State and develop training and tools for practitioners, including a range of models and best-practices for forming strategic partnerships. The Center would be a platform from which the Department can fund and promote strategic, replicable partnerships. It would facilitate information sharing with leaders from the business, foundation, and NGO communities, and reach across sector stovepipes to promote a broader view of partnership activities and increase partnership opportunities.

Building on the Global Partnership Center and USAID's Global Development Alliances, the Committee further recommends the creation of an integrated interagency entity with the expanded mission of creating multi-sector, international partnerships across USG agency boundaries.

### IMPROVE PARTNERSHIP CULTURE AND COMMUNICATION

Led by the Global Partnership Center, the Department of State should cultivate an atmosphere that promotes partnerships by holding chiefs of mission, assistant secretaries and others in leadership positions accountable for creating partnerships. These partnerships should factor into both strategic plans and budgets. Ambassadorial selections should give weight to business and NGO leadership experience.

*Of the \$122.8 billion of foreign aid provided by Americans in 2005, \$95.5 billion, or 79 percent, came from private foundations, corporations, voluntary organizations, universities, religious organizations and individuals.*

*- Annual Index of Global Philanthropy*

*The Department of State's organizational structure should be one that favors results over process.*

The Department of State should reward skilled and accomplished partnership practitioners through awards and changes to its promotion precepts (which shape employee evaluations). It should provide specialized training for Foreign and Civil Service personnel, expand the number of fellowships available for private sector individuals to come into the Department of State, and create a training track through which mid-level Department personnel can be seconded to the private sector for time-limited assignments. Lastly, the Department should establish—at the post, bureau and enterprise levels—regularly recurring strategic dialogues with potential partners in order to identify areas for cooperation.

## STREAMLINE THE ORGANIZATIONAL STRUCTURE

The Department of State's organizational structure and culture are often criticized for two enduring challenges: a fragmented, rigid, and inefficient bureaucratic design that contributes to a culture of process over results and a persistent difficulty in linking policy objectives to resource requirements. In addition, there is concern about an institutional resistance to performance measures and management and an aversion to engaging in strategic, long-term planning. The actions the Committee proposes are intended to accelerate decision-making; strengthen accountability; unify and elevate policy, strategy and resource planning; strengthen the role of the ambassador; and improve the distribution of decision-making authority.

### RATIONALIZE ORGANIZATIONAL STRUCTURE

The Department of State should review and revise its organizational structure in order to accelerate the cycle of decision-making. Steps should include narrowing the Secretary's span of control by reducing the number of people reporting directly to her. The Department should devolve greater authority to senior officials, driving more decision-making down into the organization. Lastly, there should be an effort to consolidate selected bureaus and offices to improve efficiency and accountability.

### UNIFY POLICY, STRATEGY, AND RESOURCE PLANNING

The Department of State should create a new planning office under the Deputy Secretary that integrates policy, strategy and resource planning across it, USAID, and the proposed global public engagement organization. This would improve the coherence of planning and performance management, better integrate interagency policies and execution, further define and communicate budget needs, and create the capacity for more forward looking and innovative strategy development.



## RESTRICTURE AMBASSADORIAL REQUIREMENTS AND TRAINING

The Department should improve the process through which it identifies and vets ambassadorial candidates to ensure that they have the necessary skills, experience, and expertise to meet the growing challenges of the position. This includes updating the ambassadorial skills/experience model to reflect the increasingly multi-disciplinary managerial complexity of the role; specifying and enforcing new skill and experience requirements and selection criteria; improving training; and examining the balance between the number of career and non-career ambassadors.

## ENCOURAGE INDEPENDENT DECISION-MAKING

Clarifying the existing legal and bureaucratic structures and incentives that govern the activities of deployed personnel would enable greater autonomy of action. In addition, accountability would be strengthened through more precise definition of staff's individual goals. To be effective in the future operating environment, the Department of State must maximize the ability of deployed personnel to make independent decisions that are consistent with the foreign policy and strategic objectives of the mission and the Department. This capability is essential to creating the organizational agility necessary to meet the challenges of the future.

## TRACK AND MEASURE SUCCESS

For these recommendations to be successful, the Department of State must track and measure implementation and initiate course corrections as necessary. Proven methods of performance measurement and analysis should monitor success on an ongoing basis. This information will inform future decision-makers on appropriate course corrections during implementation phases. Most importantly, however, the Department must work closely with its staff—at all levels of the organization—to discuss and evaluate the recommendations included in this report. Defining and developing plans to implement the solutions the Committee proposes will require the input and ownership of the personnel directly involved.

*We have a rare and critically important opportunity for bi-partisan institutional reform of our foreign affairs institutions. Seizing this opportunity is an urgent American imperative.*

## CONCLUSION

The Committee's proposals are intended to strengthen the USG's ability to secure the long-term interests of the American people by transforming the effectiveness of the Department of State and USAID. These recommendations are mutually reinforcing and interdependent; their implementation will require a critical mass of staff and funding, strong support from the public and the Congress, and close interagency collaboration.

To accomplish this, we urge the formation of implementation task forces around specific recommendations of this report led by senior Department personnel and including external subject matter experts, Congressional staff, and interagency representatives. The Committee stands ready to serve as an advisory board for these task forces to help where needed.

Urgent steps are needed to ensure that the Department of State has the financial and human resources necessary to effectively represent America's interests in an increasingly complex world. The Committee believes that its recommendations represent a rare and critically important opportunity for bi-partisan institutional reform of our foreign affairs institutions. Seizing this opportunity is an urgent American imperative.

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<sup>1</sup> In her speech at Georgetown University on January, 18, 2006, Secretary Rice defined Transformational Diplomacy as the process of working with many partners around the world to "build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system."

<sup>2</sup> This report has been prepared by the Committee and reflects its members' views.

<sup>3</sup> Global Repositioning (GRP) is an integral part of Secretary Rice's vision of Transformational Diplomacy. Through it, the Department of State seeks to refocus its resources on urgent transnational and regional priorities that the United States faces overseas. The Secretary envisions GRP as part of a larger strategy wherein Congress would also provide new funding to underwrite creation of other urgently needed positions devoted to transformational work.

<sup>4</sup> The National Security Professional Education Consortium is an education consortium comprised of the Foreign Service Institute, the National Defense University, the National Intelligence University, and the Department of Homeland Security. The consortium seeks to develop a cadre of National Security Professionals within the USG, individuals with the breadth and depth of knowledge, skills, abilities, and experiences necessary to carry out their national security responsibilities effectively. The consortium leverages existing courses and develops new training opportunities.

<sup>5</sup> [http://www.csis.org/component/option.com\\_csis\\_pubs/task/view/id.4094/type.1/](http://www.csis.org/component/option.com_csis_pubs/task/view/id.4094/type.1/)

<sup>6</sup> <http://www.state.gov/s/d/rm/rls/dosstrat/2004/23503.htm>

<sup>7</sup> Developed by the Department of Defense, the "knowledge wall" is made up of multiple monitors and rear-projection screens that allow staff to visually track information. Key issues are projected on the large screens and summary information for 14 functional areas is tracked on the smaller monitors. On demand, staff are able to expand into a further level of detail. Additional information on the knowledge wall can be found at <http://www-tadmus.spawar.navy.mil/GlobalKW.pdf>

<sup>8</sup> Virtual Presence Posts are websites through which the Department extends its accessibility to cities and communities where it lacks a physical presence. Communities at State is an online, internal collaboration tool for Department employees who share a common interest or expertise. Diplopedia is the Department's online encyclopedia of foreign affairs information, a "wiki" that can be accessed and edited by Department personnel via an internal web portal. Employee Profile Plus is an online application developed by the Department's Human Resources Bureau. It allows employees to document their abilities and competencies and enables the Department to manage its workforce and plan for its needs.

## HISTORY OF THE COMMITTEE

The Advisory Committee on Transformational Diplomacy (ACTD) was chartered by the Department of State on February 10, 2006 to provide the Secretary of State with private sector expertise related to transformational diplomacy and other institutional challenges facing the Department of State, in particular as they concern the effective structuring, leadership and management of a global diplomacy enterprise. The primary objective of the Committee has been to develop and submit recommendations to Secretary Rice that would support her vision to transform the Department of State.

Members of the Committee were appointed by the Secretary of State and include representatives from private sector organizations and academia, as well as former senior U.S. Government officials from both civilian and military service. The Committee members' wide-ranging backgrounds represent broad and balanced points of view. The Honorable Jennifer Dunn was a valued member of the Committee. We are saddened by her untimely death and our condolences go out to her family.

The inaugural meeting of the ACTD was on June 6, 2006 and the Committee continued its business through quarterly meetings at the Department of State. In keeping with the rules and regulations of the Federal Advisory Committee Act (FACA), all meetings were announced in the Federal Register and most sessions have been open to the public. The general public was provided advanced notification and invited to submit written statements to the Committee. When necessary, closed sessions have been approved and held in accordance with FACA.

Committee meetings have been co-chaired by the Honorable John B. Breaux and the Honorable John Engler. During the Committee's second meeting in October 2006, pursuant to its Charter, the Committee established working groups to assist its mission by focusing more intensely on several priority issues. Committee members served as co-chairs of the working groups and were partnered with senior level Department of State officials who provided assistance and guidance with regard to their specific areas of oversight and expertise.

The findings of the ACTD were considered and agreed to in substance at the Committee's meeting of September 14, 2007.



The Committee would like to thank Secretary Rice for the opportunity to participate in this effort. The ACTD was supported in its work by an Executive Secretariat and would like to express its appreciation to the Secretariat's staff for all of their assistance throughout this process, particularly Under Secretary of State for Management Henrietta Fore in her role as Executive Director.

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Chairman, President and CEO  
The McGraw-Hill Companies

KENNETH T. DERR

Retired Chairman and CEO  
Chevron Corporation

JAMES J. MULVA

Chairman of the Board and CEO  
ConocoPhillips

THE HONORABLE JENNIFER DUNN

Senior Policy Advisor  
The Sterling Group  
Member from 5/06 to 9/07

GENERAL RICHARD B. MYERS, USAF (RET.)

Former Chairman Joint Chiefs of Staff

THE HONORABLE JOHN ENGLER

President and CEO  
National Association of Manufacturers

AMBASSADOR THOMAS R. PICKERING

Vice Chairman  
Hills & Company

CARLY S. FIORINA

Chairman  
The Fiorina Group

PAMELA THOMAS-GRAHAM

Senior Vice President  
Global Brand Development, Liz Claiborne, Inc.

DR. CHARLES M. VEST

President  
National Academy of Engineering  
and President Emeritus, MIT

## STRUCTURE OF THE COMMITTEE

The five ACTD working groups and their State Department partners:

- TRANSFORMATIONAL DIPLOMACY  
Under Secretary of State for Management Henrietta H. Fore  
Assistant Secretary Legislative Affairs Jeffrey T. Bergner
- WORKFORCE AND TRAINING  
Director General of the Foreign Service and Director  
Bureau of Human Resources Harry K. Thomas, Jr.  
Director, the Foreign Service Institute Ruth A. Whiteside
- STATE DEPARTMENT IN 2025  
Assistant Secretary, Bureau of Resource Management  
Chief Financial Officer Bradford R. Higgins  
Deputy Assistant Secretary, Strategic Planning Sid Kaplan
- IT TRANSFORMATION  
Chief Information Officer Jim Van Derhoff  
Assistant Secretary, Bureau of Administration Rajkumar Chellaraj  
Deputy Chief Information Officer for Business Susan Swart
- PRIVATE SECTOR PARTNERSHIPS  
Assistant Secretary, Bureau of Resource Management  
Chief Financial Officer Bradford R. Higgins

This executive summary as well as the full reports of the individual working groups can be found at: <http://fido.gov/facadatabase/>

## BIOGRAPHIES OF MEMBERS

DR. BARRY M. BLECHMAN

*Co-chair, State Department in 2025 Working Group*

Barry M. Blechman co-founded the non-profit Henry L. Stimson Center in 1989 and continues to chair its board of directors. Throughout his career, spanning more than 40 years in both the public and private sectors, Blechman has specialized in national security affairs. His government service includes stints at the Department of Defense, the Office of Management and Budget, and the Department of State, where he served as assistant director of the US Arms Control and Disarmament Agency from 1977 to 1980. After leaving the government, he founded DFI International Inc., and remained its CEO until retiring in 2007. Blechman graduated from Queens College in 1963 and received a PhD in international relations from Georgetown University in 1971. He has taught at several universities and published more than 100 books, articles, and reports.

THE HONORABLE JOHN B. BREAUX

*Co-chair, Transformational Diplomacy Working Group*

Senator John Breaux joined Patton Boggs as Senior Counsel upon his retirement from the United States Senate in 2005. He provides strategic advice to the firm's attorneys and clients on a wide range of public policy matters, with special concentration in the areas of health care and energy law. Breaux led a long and distinguished career in Congress. He was elected to the House of Representatives in 1972 at the age of 28—at the time of his election he was the youngest member of the US Congress. He represented the 7th District of Louisiana for 14 years before being elected to fill Senator Russell Long's seat in 1986. Breaux was a widely recognized bipartisan leader in the Senate, and in 1993 was elected by his Democratic colleagues to the post of Deputy Minority Whip, a position he held until his retirement.

STEVE CASE

*Co-chair, IT Transformation Working Group*

Steve Case launched Revolution, a company that seeks to drive transformative change by shifting power to consumers, in April of 2005. Revolution's mission is to partner with entrepreneurs in building businesses that give people more choice, control and convenience in important areas of their lives. Prior to starting Revolution, Case was the Chair and CEO of America Online, Inc., and later, the Chairman of AOL Time Warner. As the co-Founder of AOL, Case played an integral role in building the world's largest Internet company and helped transform how people communicate, learn and conduct business. He is currently Chairman of two non-profit organizations, the Case Foundation, a private family foundation he established in 1997 with his wife Jean and Accelerate Brain Cancer Cure (ABC2), an entrepreneurial approach to funding brain cancer research that he founded in 2001 with his late brother Dan.

DR. JOHNNETTA B. COLE

*Workforce and Training Working Group*

Dr. Johnnetta B. Cole's career as a college and university professor and administrator spans over three decades. In 1987, Cole became the first African American woman to serve as president of Spelman College. From May 2004 to May 2006 she was the first person of color to Chair the Board of United Way of America. Cole is the author of numerous publications for scholarly and general audiences. Her most recent publication is a book co-authored with Dr. Beverly Guy-Sheftall: *Gender Talk: The Struggle for Women's Equality in African American Communities*. She is a fellow of the American Academy of Arts and Sciences and the American Anthropological Association. Cole serves on the board of America's Promise, the National Visionary Leadership Project, the Community Foundation of Greater Greensboro and the United Way of Greater Greensboro. She also serves on the Board of Directors of Merck & Co., Inc. Cole consults on diversity matters with Citigroup. She is a member of Delta Sigma Theta Sorority, The Links, Inc. and the National Council of Negro Women.

KENNETH T. DERR

*Private Sector Partnerships and Transformational Diplomacy Working Groups*

Kenneth T. Derr retired as chairman of the board and chief executive officer of Chevron Corp. on December 31, 1999, after a distinguished career of 40 years with the company. As Chairman and CEO for 11 years, Derr led the company in its international expansion. During his tenure, Chevron re-entered Bahrainalliburton Co., UCSF Foundation and The Basic Fund. He is former chairman of the American Petroleum Institute and a Trustee Emeritus of Cornell University. He is a member of the Business Council, the Council on Foreign Relations and the Board of Overseers of the Hoover Institution and former co-chairman for the Committee to Encourage Corporate Philanthropy. He served as a member of President Bush's Commission on Environmental Quality, and also was a member of President Clinton's Council on Sustainable Development.

JENNIFER DUNN

*Senior Policy Advisor, The Sterling Group*

Elected to Congress in 1992, she has been widely regarded as an expert on tax relief, particularly eliminating the death tax, expansion of free and fair international trade, welfare reform, IRS reform, overhaul of the tax code, high tech policy, and retirement security. Recognized by Ladies' Home Journal dubbed Dunn as one of "America's 100 Most Important Women," Washingtonian Magazine as one of Washington, DC's "100 Most Powerful Women," and Washington Law and Politics Magazine as one of the ten most powerful women in the State. Dunn developed a series of annual national women leaders fora and spearheaded a multi-faceted effort to close the "gender gap" in American politics and explain how GOP policies benefit women. She also helped launch the High



Tech Coalition, creating networking opportunities for women. After Congress, she served on the President's Advisory Commission on Trade Policy and Negotiations, the HELP Commission, and the Secretary of State's Advisory Committee on Transformational Diplomacy. She was a member of the boards of Guest Services of America, LMI Consulting, The Rural Development Institute Advisory Board, The National Archives Foundation, The National Museum of Women in the Arts, the Hazel Goddess Stroke Fund, and the Commission on Presidential Debates.

THE HONORABLE JOHN ENGLER  
*Co-chair, Private Sector Partnerships Working Group*

John Engler is President of the National Association of Manufacturers (NAM), the nation's largest industry trade group, representing small and large manufacturers in every industrial sector. A former three-term governor of Michigan, Engler has helped lead manufacturing's efforts in support of trade and economic policies that encourage U.S. exports. In 2005, Engler was named Vice Chairman of the President's Advisory Committee for Trade Policy and Negotiations. He is also a member of the Secure Borders and Open Doors Advisory Committee.

CARLY S. FIORINA  
*IT Transformation and Transformational Diplomacy Working Groups*

Carleton (Carly) S. Fiorina is a best-selling author, sought-after speaker and business commentator, strategic advisor to business and government, and a philanthropist. Fiorina was the first and, to date, only woman to lead a Fortune 20 company. Serving as the Chairman and Chief Executive Officer of Hewlett-Packard Company from 1999 to 2005, she led the reinvention of the legendary company, steering it through the dot-com bust, the worst technology recession in 25 years and the controversial merger with Compaq Computer, now acknowledged to be the most successful merger in high-tech history. In addition to an undergraduate degree from Stanford University, Fiorina holds an MBA from the University of Maryland, and a Masters of Science in Business from the Massachusetts Institute of Technology. Fiorina advises government, business and non-profit organizations. She currently sits on the boards of Taiwan Semiconductor Manufacturing Group, Inc., and Revolution Health. She also serves as a trustee for MIT, and a board member of Freedom House, Vital Voices, Business Executives for National Security, Initiative for Global Development, the National Symphony Orchestra and Ford's Theatre. She is a regular contributor to the FOX Business Network (FBN).

YOUSIF B. GHAFARI  
*Private Sector Partnerships and Workforce and Training Working Groups*

Yousif B. Ghafari is founder and Chairman of GHAFARI Associates, a full-service organization of architects, engineers, consultants, and staffing specialists serving a global client base that includes the aviation, manufacturing, government, and commercial sectors. Ghafari is considered

one of the Detroit area's leading philanthropists. In 1995 he was named one of the Top 100 "Executive Heroes" in southeastern Michigan and is a member of the International Institute of Metropolitan Detroit's "Hall of Fame." Ghafari is on the Board of Trustees of the College for Creative Studies and Oakwood Healthcare, Inc. He is on the Board of Directors for Automobile Club of Michigan, Dura Automotive Systems, Inc., the Economic Club of Detroit, and the Wayne State University Foundation. In 2004 and 2005, he served as Public Delegate Designate at the U.S. Mission to the United Nations for the 59<sup>th</sup> United Nations General Assembly and he was appointed by President George W. Bush to the J. William Fulbright Foreign Scholarship Board in 2005.

THE HONORABLE NEWT GINGRICH  
*IT Transformation, State Department in 2025 and  
Transformational Diplomacy Working Groups*

Former Speaker Newt Gingrich is the founder of the Center for Health Transformation, a collaboration of leaders dedicated to the creation of a 21<sup>st</sup> Century Intelligent Health System that saves lives and saves money. He is also the founder of the Gingrich Group, a communications and consulting firm specializing in transformational change. He serves as a political analyst for FOX News Network, a senior fellow at the American Enterprise Institute in Washington, D.C., and a distinguished visiting fellow at the Hoover Institution at Stanford University. Gingrich served as a Member of Congress for twenty years and as Speaker of the U.S. House of Representatives from 1995-1999. He is widely recognized as the chief architect of the Republican Contract with America and the key strategist and leader behind the 1994 Republican victory, which created the first GOP majority in Congress in forty years. Gingrich is the author of nine books including the bestsellers, *Winning the Future*, *Contract with America* and *To Renew America*, as well as *Saving Lives and Saving Money*, which describes the Center for Health Transformation's 21<sup>st</sup> Century Intelligent Health System.

MARIA ELENA (MEL) LAGOMASINO  
*Co-chair, Private Sector Partnerships Working Group*

Family Offices, a multi-family office that was originally established in 1989 as AMA - Asset Management Advisors. She was named CEO of the firm in November 2005. A recognized leader in the wealth management industry, Lagomasino was most recently Chairman and CEO of JP Morgan Private Bank, an institution with more than \$300 billion in client assets under supervision. Lagomasino serves on the boards of Avon Products, Inc., the Lincoln Center Theater, and is a Trustee on the Board of the National Geographic Society. She is also a member of the Council on Foreign Relations and The Economic Club of New York. In

November 2005, she was appointed by President Bush to help lead an effort to secure private sector funds to aid disaster victims in Central America. A graduate of Manhattanville College (B.A.), Lagomasino also completed graduate work at both Columbia University (M.S.) and Fordham University (M.B.A.).

HAROLD MCGRAW, III

*Private Sector Partnerships and Workforce and Training Working Groups*

Harold McGraw, III is chairman, president and CEO of The McGraw-Hill Companies, a leading global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, McGraw-Hill Education, *BusinessWeek* and J.D. Power and Associates. Under his leadership, the corporation has built its businesses to serve three powerful global trends driving long-term economic growth around the world: the need for knowledge, the need for capital and the need for information transparency. McGraw serves on the Boards of United Technologies and ConocoPhillips. He is chairman of both Business Roundtable and the Emergency Committee for American Trade (ECAT). He also is chairman of the Committee Encouraging Corporate Philanthropy and serves on the Boards of several non-profit organizations.

JAMES J. MULVA

*Transformational Diplomacy Working Group*

James Mulva served as president and CEO of ConocoPhillips from 2002 to 2004. Prior to that, he served as chairman and CEO of Phillips Petroleum Company from 1999 to 2002. Mulva had served as Phillips' president and chief operating officer since May 1994 and executive vice president since January 1994. Mulva is currently serving as chairman of the American Petroleum Institute. He is a member of The Business Council as well as the Board of Visitors for the M.D. Anderson Cancer Center in Houston. Mulva graduated from the University of Texas in 1968 with a bachelor's degree and a master's degree in business administration finance in 1969. Immediately after graduating, Mulva served as a U.S. Navy officer until beginning his career with Phillips in 1973.

RICHARD B. MYERS, GENERAL (RETIRED), USAF

*Co-chair, Workforce and Training Working Group*

General Richard B. Myers retired as the 15<sup>th</sup> Chairman of the Joint Chiefs of Staff in 2005. A 1965 graduate of Kansas State University, Myers served over 40 years in the US Air Force. Myers is on several public and non-profit boards and currently lectures on national security issues and leadership. He is Foundation Professor of Military History and Leadership at Kansas State University and holds the Colin Powell Chair of Leadership, Ethics, and Character at National Defense University.

THOMAS R. PICKERING

*Co-chair, State Department in 2025 Working Group*

Thomas R. Pickering is a former U.S. undersecretary of state and ambassador and is currently vice chairman at Hills & Company. Before joining Hills & Company, Ambassador Pickering was senior vice president for international relations at the Boeing Company. Ambassador Pickering held the personal rank of career ambassador, the highest in the U.S. Foreign Service. He has served as U.S. ambassador to the Russian Federation, India, Israel, El Salvador, Nigeria, and the Hashemite Kingdom of Jordan. From 1989 to 1993, he served as U.S. ambassador to the United Nations. Ambassador Pickering received a bachelor's degree, cum laude, with high honors in history, from Bowdoin College and a master's degree from the Fletcher School of Law and Diplomacy at Tufts University. He was awarded a Fulbright Scholarship to the University of Melbourne in Australia and received a second master's degree in 1956. In 1984, he was awarded an honorary doctor of laws degree from Bowdoin College and has received similar honors from 12 other universities.

PAMELA THOMAS-GRAHAM

*Co-chair, Workforce and Training Working Group*

Pamela Thomas-Graham currently serves as Senior Vice President, Global Brand Development, Liz Claiborne, Inc. Previously she served as Group President responsible for the flagship Liz Claiborne apparel business and several other men's and women's apparel brands. Thomas-Graham has served as Chairman, President and CEO of CNBC, the global business news network and as President and CEO of CNBC.com, the network's website. She spent ten years at McKinsey & Company, where she became the firm's first black woman partner. Thomas-Graham serves on the boards of Clorox and Idenix Pharmaceuticals. She is a Phi Beta Kappa graduate of Harvard College, Harvard Business School and Harvard Law School.

DR. CHARLES M. VEST

*Co-chair, IT Transformation Working Group*

Charles M. Vest is the president of the National Academy of Engineering and served as president of the Massachusetts Institute of Technology from 1990-2004. A professor of mechanical engineering at MIT and formerly at the University of Michigan, he has served on the U.S. President's Council of Advisors on Science and Technology since 1994. Vest was a member of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction and the Secretary of Education's Commission on the Future of Higher Education. He was awarded the 2006 National Medal of Technology by President Bush. He holds ten honorary doctorates and received the 2006 National Medal of Technology.



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