

United States Department of State

THE BUDGET IN BRIEF



Fiscal Year 2002

THE BUDGET IN BRIEF — FISCAL YEAR 2002

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April 9, 2001

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

BUDGET SUMMARY

“Our goal is to turn this time of American influence into generations of democratic peace.”

President George W. Bush
At the U.S. State Department
February 15, 2001

Overview

For almost half a century, America waged the Cold War. It was an ideological struggle of the first order which, finally, freedom won. But a result of that long twilight struggle was an imbalance of resources. Too few dollars fueled the engines of the Department of State. This imbalance was accepted because our survival was at stake. All one needs to do to understand how stunningly valid that proposition was is to study the crisis that occurred in October, 1962 – the series of events now referred to as “The Cuban Missile Crisis.” Looking back almost 40 years, we find it difficult to remember – but we *were* frightened, frightened almost unto death. And well we should have been, for it would have taken only thirty minutes to obliterate our way of life – and with missiles in Cuba, that fragile bit of time was cut to nine minutes.

So we can understand, indeed we can applaud, the tremendous diversion of dollars that was necessary to safeguard our way of life and to win that twilight struggle. But our very victory changed the world almost overnight. Not only that, our victory coincided with the full force of two world revolutions, in information and in technology. This confluence of forces – freedom, democracy, and open markets, alongside the globalizing effects of the information and technology revolutions – produced a new age and a new need.

The need is for a greater emphasis on fueling the engines of state – the diplomatic, economic, and cultural instruments that America must use to map the course ahead, to pursue that path in a still-dangerous world, and eventually to gather all the peoples of the world to freedom’s flag and to the bounty and prosperity of open markets from the Yukon to Cape Horn, from Vladivostok to Vancouver.

New Needs for a New Age

With the President’s Budget for FY 2002, we begin to fulfill this need. It will be accomplished in stages for in a democracy there is no other way. And we would have it no other way because our country has many other needs – education, health care, social security, and defense to mention only four of the very highest priority.

The first stage, which we begin with this Budget, involves bringing our platform for foreign policy into the 21st Century. To do that, we need to refurbish – and in some cases establish – our presence in every place in the world where America needs to be. And we need to do it not extravagantly but professionally, competently, and securely. Our embassies must hum with quiet efficiency, illuminating both the pride we have in our country and the humility we feel *expressly because* of that pride – and

BUDGET SUMMARY

our embassies must afford sufficient security to our people so that the conduct of our foreign policy is foremost in their minds instead of the safety of their families or their colleagues.

To this end, the President's Budget provides sufficient funds to keep improving our infrastructure across the world. It also provides funds for new hiring – including the security personnel that we need to fill out and make effective the all-important human dimension of our security apparatus.

We also need to finish aligning the State Department with the information and technology revolutions. Our people need state-of-the-art information systems, from computers to e-mail. They need full time access to the Internet. They need classified Local Area Networks. This budget begins to address these crucial needs.

We must also revamp and revitalize our hiring and training programs for the Foreign and Civil Service. We need the very best and brightest young men and women that America has to offer. We need to demonstrate to these dynamic young people that public service can be as rewarding as making high salaries in the corporate world – even more rewarding. And we need to raise the morale of our employees already out in the world doing their jobs well and professionally – and ending the shortages in their ranks will go a long way toward that goal. This budget provides the dollars to start this critical reinvigoration of the Department's Foreign and Civil Service staff.

The Course Ahead

There will be further stages in this process. Balancing the national scales is not an effort that can be accomplished in a year or two. It will take longer. But it must be done. The imbalances left over from the Cold War must be corrected.

When President Bush visited the State Department in February, he said he would be the Department's constituency. We could not ask for a firmer pledge, or a better client -- because the American people will be right behind their president.

One other point: We will use the dollars we are given like the wise stewards the American people want us to be. And we will continue to be prudent managers in our effort to burnish our foreign policy. There is much to be done. But we have the dedicated people to do it.

Details of the Request

The President's \$8.2 billion request for the Department of State, \$7.5 billion for the State Department Appropriations Act and \$730 million for Migration and Refugee Assistance, will allow the Department to:

- Continue to mitigate identified security vulnerabilities and implement life/safety programs overseas, as well as seamlessly encompass intelligence and domestic programs to fulfill the global security mission. Further information regarding worldwide security programs can be found on page 38 (Worldwide Security Upgrades);

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- Fund new information technology investments to provide classified computer and communications systems to overseas posts, and to get universal secure Internet access to the desktop of every State Department employee. Additional information on upgrading the Department's existing classified and unclassified messaging systems to support the kinds of cooperative processing and virtual teaming that modern diplomacy requires can be found on page 43 (Capital Investment Program);
- Hire more than 600 new employees in FY 2002 to give us an essential first installment to meet our diplomatic readiness needs, including 360 to meet the highest priority staffing needs and to enhance recruitment, retention, and training and professional development; 186 Security Professionals; 51 overseas systems administrators and telephone technicians to meet security requirements at overseas posts; and 71 consular staff to meet increased work load. Further information regarding plans to address the Department's competitive disadvantage in the War for Talent can be found on page 29 (State Programs).
- Address critical overseas infrastructure shortfalls to include replacing obsolete equipment and aging motor vehicles, closing structural Foreign Service National (FSN) wage gaps, and restoring critical operations and maintenance funding. Additional information regarding funding to address the diplomatic support platform overseas can be found on page 31 (State Programs).
- Fund U.S. assessed contributions to international organizations and United Nations peacekeeping operations, in order to promote U.S. interests and policies, to ensure continued American leadership in shaping the international community's response to developments that threaten international peace and stability, and to meet United States' obligations to the UN and other international organizations. Further information can be found on page 91 (International Organizations).
- Support international and non-governmental programs that protect refugees and conflict victims; provide basic needs to sustain their life and health; resolve refugee problems through voluntary repatriation, local integration, or permanent resettlement in a third country, including the United States; and manage international migration flows humanely and effectively. Further information regarding funding for U.S. efforts in foreign and humanitarian assistance can be found on page 137 (Foreign Assistance Programs).

And much more as well. At last, we are on our way to a new and better future at the State Department. Most significantly, improving our future means a better future for America as well, for our foreign policy is the principal instrument with which we will shape and mold that future.

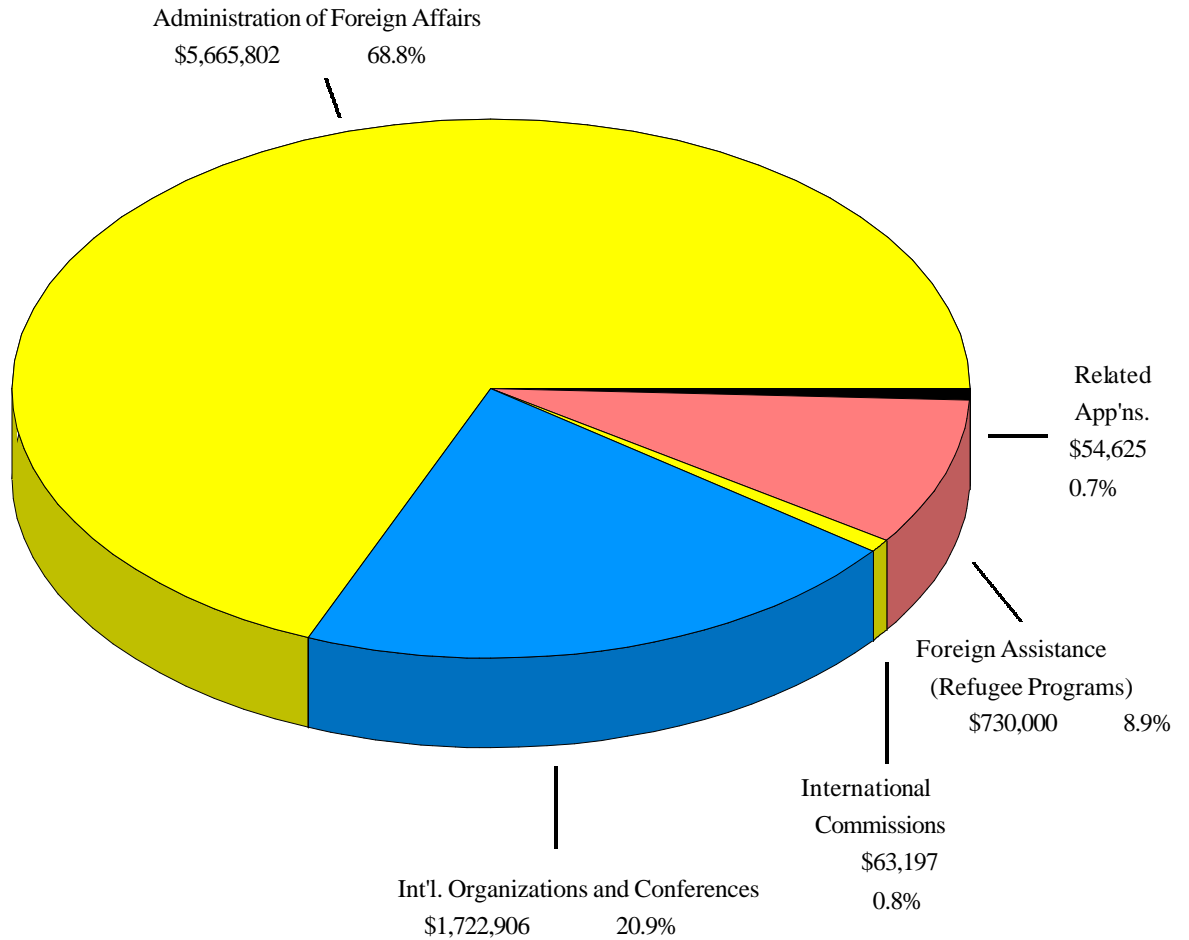
Graphs and tables summarizing the FY 2002 budget request, including funds and positions by appropriation account, appear on the following pages.

BUDGET SUMMARY

Page not used.

FY 2002 State Department Request Distribution by Title

(dollars in thousands)



Total Request \$8,236,530

SUMMARY OF FUNDS

(Dollars in thousands)

Appropriations	FY 2000 Actual	FY 2001 Estimate /a	FY 2002 Request	Increase/ (Decrease)
Administration of Foreign Affairs	\$4,039,981	\$4,777,672	\$5,665,802	\$888,130
State Programs:				
Diplomatic & Consular Programs	\$2,823,825	\$3,167,174	\$3,705,140	\$537,966
Ongoing Operations	2,559,825 /b	2,718,164 /b	3,192,405	474,241
Pacific Salmon	10,000	39,912	25,000	(14,912)
Worldwide Security Upgrades	254,000	409,098	487,735	78,637
Capital Investment Fund	80,843 /c	96,787	210,000	113,213
Subtotal, State Programs	2,904,668	3,263,961	3,915,140	651,179
Embassy Security, Construction & Maintenance	739,358	1,077,600	1,291,006	213,406
Ongoing Operations	425,741	416,059	475,046	58,987
Worldwide Security Upgrades	300,000	513,867	665,000	151,133
Perimeter Security/Support Costs	13,617	147,674	150,960	3,286
Other Administration of Foreign Affairs				
Office of Inspector General	27,382	28,427	29,264	837
Educational and Cultural Exchanges	204,155 /d	231,576 /d	242,000 /d	10,424
Representation Allowances	5,826	6,485	9,000	2,515
Prot. of Foreign Missions & Officials	8,067	15,433 /e	10,000	(5,433)
Emerg. in the Dipl. & Consular Service	5,477	5,465	15,500	10,035
Repatriation Loans Program Account	1,195	1,192	1,219	27
American Institute in Taiwan	15,312	16,309	17,044	735
F.S. Retirement & Disability Fund (mandatory)	128,541	131,224	135,629	4,405
International Organizations	1,729,605	1,713,056	1,722,906	9,850
Contributions to Int'l. Organizations	880,505	868,917	878,767	9,850
Contr. for Int'l. Peacekeeping Activities	498,100	844,139 /f	844,139 /f	--
CIO/CIPA Arrearage Payments	351,000 /g	--	--	--
International Commissions	48,730	56,102	63,197	7,095
Int'l. Boundary & Water Comm.-S&E	19,470	7,126 /h	7,452	326
Int'l. Boundary & Water Comm.-Const, O&M	5,915	22,900 /h	25,654	2,754
International Fisheries Commissions	15,485	19,349	19,780	431
American Sections:	7,860	6,727	10,311	3,584
Int'l. Boundary Commission	758	968	989	21
Int'l. Joint Commission	5,568	3,763 /i	7,282 /i	3,519
Border Environment Cooperation Commission	1,534	1,996	2,040	44
Related Appropriations	54,149	54,504	54,625	121
The Asia Foundation	8,216	9,230	9,250	20
National Endowment for Democracy	30,872 /j	30,931	31,000	69
East-West Center	12,449	13,470	13,500	30
North-South Center	1,743	-- /k	-- /k	--
Eisenhower Exchange Fellowship Program	523	499	500	1
Israeli Arab Scholarship Program	346	374	375	1
STATE APPROPRIATIONS ACT	5,872,465	6,601,334	7,506,530	905,196
Foreign Assistance				
Migration & Refugee Assistance	622,625 /l	698,460	715,000	16,540
Emergency Refugee/Migration Assistance	12,453	14,967	15,000	33
STATE AUTHORIZATION ACT	6,507,543	7,314,761	8,236,530	921,769

Footnotes to the Summary of Funds Table

- /a FY 2001 reflects adjustments for 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 FY 2000 includes \$1,162,000 transferred to the United States Commission on Holocaust Assets and \$1,416,000 transferred to the Buying Power Maintenance Fund. FY 2001 includes up to \$1,397,000 for transfer to the United States Commission on Holocaust Assets. Within these amounts is funding for the Pacific Salmon Program of \$10,000,000 in FY 2000, \$39,912,000 in FY 2001, and \$25,000,000 in FY 2002.
- /c FY 2000 includes \$1,173,000 for FY 2000 (Y2K) compliance from the Information Technology Systems and Related Expenses account appropriated to the President to the Department of State Capital Investment Fund in accordance with Public Law 105-277.
- /d In addition to the direct appropriated amounts shown above, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracies Act (SEED), Freedom Support Act (FSA), Cyprus American Scholarship Program (CASP), special Africa exchanges, and in FY 1999/2000, a Salve Regina University project. In FY 2000, \$105,571,000 in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and Economic Support Funds (ESF) are anticipated in FY 2001 and FY 2002.
- /e FY 2001 includes one-time costs to reimburse the city of Seattle, Washington, for costs related to the World Trade Organization Ministerial and to address increased costs in New York City generated by the U.N. Millennium Celebration.
- /f 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.
- /g Includes \$244 million in new appropriations and not to exceed \$107 million applied or used from amounts owed by the United Nations to the United States.
- /h Prior to FY 2001, funds for the Operations and Maintenance activity were included in the IBWC - Salaries and Expenses appropriation.
- /i \$2,150,000 of the FY 2000 Actual provided through the Emergency Supplemental Act, 2000 (P.L. 106-246) to initiate 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 Request includes \$3,432,000 for the second year of the study.
- /j Excludes \$3,025,000 in new budget authority transferred from the United States Agency for International Development (USAID).
- /k In FY 2001, funding for the North-South Center was appropriated as an earmark within the Educational & Cultural Exchange (ECE) Programs appropriation; funding for FY 2002 is requested as a line item within ECE.
- /l Of the \$622.6 million appropriated in FY 2000, \$21.0 million was not made available until September 30, 2000.

SUMMARY OF DIRECT FUNDED POSITIONS

Appropriations	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase/ Decrease
Administration of Foreign Affairs				
State Programs:				
Diplomatic & Consular Programs	16,128 /a	16,184 /b	16,595 /c	411
Worldwide Security Upgrades	430	511	697	186
Subtotal, State Programs	16,558	16,695	17,292	597
Embassy Security, Construction & Maintenance	736	747	747	--
Worldwide Security Upgrades	40	40	40	--
Subtotal, Embassy Security	776	787	787	--
Other Administration of Foreign Affairs				
Office of Inspector General	314	314	314	--
Educational and Cultural Exchanges	296	298	308	10
Subtotal, Admin. of Foreign Affairs	17,944	18,094	18,701	607
International Commissions				
Int'l. Boundary & Water Comm.-S&E	235	82	82 /d	--
Int'l. Boundary & Water Comm.-Construction	29	197	197 /d	--
American Sections:				
Int'l. Boundary Commission	8	8	8	--
Int'l. Joint Commission	24	24	24	--
Subtotal, International Commissions	296	311	311	--
STATE APPROPRIATIONS ACT	18,240	18,405	19,012	607
Foreign Assistance				
Migration & Refugee Assistance	130	130	130	--
STATE AUTHORIZATION ACT	18,370	18,535	19,142	607

/a Position levels do not include 1,962 positions that were funded by MRV fees in FY 2000.

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

/c Position levels do not include 2,130 positions to be funded by MRV fees in FY 2002.

/d The increase of 10 positions reflects adjustments to the crosswalk made when the U.S. Information Agency was consolidated into the State Department in FY 2000. These positions were reimbursed by the Diplomatic and Consular Programs appropriation in FY 2000 and FY 2001.

/e Reflects the transfer of the Operations & Maintenance (O&M) activity pursuant to the FY2001 appropriation.

PART ONE
ADMINISTRATION OF FOREIGN AFFAIRS

OVERVIEW

This section contains the FY 2002 appropriations in the Administration of Foreign Affairs title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2000 Actual	FY 2001 Estimate /a	FY 2002 Request	Increase/ (Decrease)
State Programs	\$2,904,668	\$3,263,961	\$3,915,140	651,179
Diplomatic & Consular Programs	\$2,823,825	\$3,167,174	\$3,705,140	\$537,966
Ongoing Operations	2,559,825 /b	2,718,164 /b	3,192,405	474,241
Pacific Salmon	10,000	39,912	25,000	(14,912)
Worldwide Security Upgrades	254,000	409,098	487,735	78,637
Capital Investment Fund	80,843 /c	96,787	210,000	113,213
Embassy Security, Construction & Maintenance	739,358	1,077,600	1,291,006	213,406
Ongoing Operations	425,741	416,059	475,046	58,987
Worldwide Security Upgrades	300,000	513,867	665,000	151,133
Perimeter Security	13,617	147,674	150,960	3,286
Office of Inspector General	27,382	28,427	29,264	837
Educational and Cultural Exchanges	204,155 /d	231,576 /d	242,000 /d	10,424
Representation Allowances	5,826	6,485	9,000	2,515
Protection of Foreign Missions & Officials	8,067	15,433 /e	10,000	(5,433)
Emergencies in the Diplomatic & Consular Service	5,477	5,465	15,500	10,035
Repatriation Loans Program Account	1,195	1,192	1,219	27
Payment to the American Institute in Taiwan	15,312	16,309	17,044	735
F.S. Retirement & Disability Fund (mandatory)	128,541	131,224	135,629	4,405
TOTAL APPROPRIATIONS	4,039,981	4,777,672	5,665,802	888,130

Over for footnotes.

Footnotes to the Administration of Foreign Affairs Table

- /a FY 2001 reflects adjustments for 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 FY 2000 includes \$1,162,000 transferred to the United States Commission on Holocaust Assets and \$1,416,000 transferred to the Buying Power Maintenance Fund. FY 2001 includes up to \$1,397,000 for transfer to the United States Commission on Holocaust Assets. Within these amounts is funding for the Pacific Salmon Program of \$10,000,000 in FY 2000, \$39,912,000 in FY 2001, and \$25,000,000 in FY 2002.
- /c FY 2000 includes \$1,173,000 for FY 2000 (Y2K) compliance from the Information Technology Systems and Related Expenses account appropriated to the President to the Department of State Capital Investment Fund in accordance with Public Law 105-277.
- /d In addition to the direct appropriated amounts shown above, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracies Act (SEED), Freedom Support Act (FSA), Cyprus American Scholarship Program (CASP), special Africa exchanges, and in FY 1999/2000, a Salve Regina University project. In FY 2000, \$105,571,000 in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and Economic Support Funds (ESF) are anticipated in FY 2001 and FY 2002.
- /e FY 2001 includes one-time costs to reimburse the city of Seattle, Washington, for costs related to the World Trade Organization Ministerial and to address increased costs in New York City generated by the U.N. Millennium Celebration.

STATE PROGRAMS

2002 Overview

Summary Statement

(dollars in thousands)

Appropriation/Fund	2000 Actual	2001 Estimate ^{d/}	2002 Request	Increase or Decrease (-)
Diplomatic & Consular Programs ^{a/}	\$2,569,825	\$2,758,076	\$3,217,405	\$459,329
Worldwide Security Upgrades	254,000	409,098	487,735	78,637
Diplomatic & Consular Programs	\$2,823,825	\$3,167,174	\$3,705,140	\$537,966
Capital Investment Fund ^{b/}	80,843	96,787	210,000	113,213
Total, State Programs Appropriations	\$2,904,668	\$3,263,961	\$3,915,140	\$651,179
<i>Border Security Program/MRV Fees ^{c/}</i>	<i>322,064</i>	<i>390,938</i>	<i>414,174</i>	<i>23,236</i>
<i>IRM Central Fund/Expedited Passport Fees ^{c/}</i>	<i>15,696</i>	<i>17,809</i>	<i>63,000</i>	<i>45,191</i>
<i>IRM Base/Expedited Passport Fees ^{c/}</i>	<i>44,304</i>	<i>45,191</i>	<i>--</i>	<i>-45,191</i>
<i>Other Fees ^{c/}</i>	<i>12,204</i>	<i>19,430</i>	<i>21,600</i>	<i>2,170</i>
Total	\$3,298,936	\$3,737,329	\$4,413,914	\$676,585

^{a/} FY 2000 includes \$1,162,000 transferred to the United States Commission on Holocaust Assets and \$1,416,000 transferred to the Buying Power Maintenance Fund.. FY 2001 includes up to \$1,397,000 for transfer to the United States Commission on Holocaust Assets. Within these amounts is funding for the Pacific Salmon Program of \$10,000,000 in FY 2000, \$39,912,000 in FY 2001, and \$25,000,000 in FY 2002.

^{b/} FY 2000 includes \$1,173,000 for FY 2000 (Y2K) compliance from the Information Technology Systems and Related Expenses account appropriated to the President transferred to the Department of State Capital Investment Fund in accordance with Public Law 105-277.

^{c/} The funding for these fee programs represents annual program spending estimates from current collections and carryforward balances, not annual fee collections. This amount includes Affidavit of Support and other consular fees that are being implemented during FY 2001. 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 to carry out US foreign policy and protect US national security interests. Sustained and secure US diplomatic presence, on the ground and around the world, provides for US leadership on the political, economic, and global issues that define US national interests. The Department's FY 2002 appropriations request for Diplomatic and Consular Programs and the Capital Investment Fund of \$3,915,140,000, an increase of \$651,179,000 in new budget authority over the FY 2001 levels, provides increased funding to:

- Recruit, hire, train, and deploy the right work force for the Department now and for the future;

STATE PROGRAMS

- ❑ 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 2002 budget request includes increased funding for:

- ❑ **The Right Workforce.** The FY 2002 budget request begins to put the Department in position to fill gaps in the current workforce and win the War for Talent. The Department has left many critical positions vacant and has staffed important positions with officers not adequately trained in language, functional, and technological skills to perform their jobs as effectively as possible. The FY 2002 request includes position increases to build back diplomatic readiness at our missions overseas and begin to fill Overseas Staffing Model requirements, provide adequate training, and close the staffing gaps that have historically damaged the Department's readiness. The Department will examine its future workforce needs and the effectiveness of its recruitment and retention strategy. The FY 2002 budget supports programs to compete effectively for talent through compensation and incentive initiatives, work-life and family issue programs, and recruitment and outreach.
- ❑ **Modern Global Information Technology.** The Department depends on information technology as the essential tool to formulate and carry out its foreign policy mission globally. The FY 2002 budget provides increased funding to modernize the Department's Information Technology infrastructure. Increased funding will provide modern classified computer and communications systems to overseas posts and universal secure Internet browser and e-mail access to the desktop of every State Department employee within two years.
- ❑ **Secure Operations.** The Department's global security and law enforcement mission includes significant responsibilities for the protection of life, information and property, as well as enforcement of criminal statutes. The FY 2002 budget requests increased personnel and funding to perform the Diplomatic Security mission to meet requirements for procedural and technical security, counterintelligence, domestic operations, professional development, and infrastructure to properly respond to the vast array of threats while continuing to properly manage the full range of security programs.
- ❑ **Infrastructure and Operations.** The FY 2002 budget request upgrades the diplomatic readiness operating baseline that will allow the Department to maintain ongoing operations worldwide, provide justified pay raises and allowance increases to all employees, fund adequate equipment replacement cycles, and keep diplomatic tools current with commercial technology.

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

STATE PROGRAMS

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 2002 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 27,000 employees with about 60% of those working overseas. These employees, of which about 16,000 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 2002 request of \$3,217,405,000 for Diplomatic and Consular Programs is a net increase of \$459,329,000 from FY 2001 estimated funding levels. The request provides resources to implement the Department of State's diplomatic readiness human resources strategy; restore overseas post operations and infrastructure; fund information technology operations and maintenance costs; provide for specific policy program initiatives; and fund cost of living, pay raise, domestic and overseas inflation, and other mandatory cost increases.

Worldwide Security Upgrades

The FY 2002 request for worldwide security upgrades is \$487,735,000, an increase of \$78,637,000 above FY 2001 levels, provides funding to add 186 security personnel, provide additional training, operational support and infrastructure and provide for procedural and technical security upgrades. The FY 2002 budget funds increases for countermeasures against technical threats to information technology, the counterintelligence program, the physical and technical security of domestic facilities, and inflation and pay raise increases to support ongoing security readiness through the Worldwide Security Upgrades program.

Capital Investment Fund

The FY 2002 request of \$210,000,000 for the Capital Investment Fund is a net increase of \$113,213,000 above FY 2001 levels. The FY 2002 IRM Central Fund, which includes the Capital Investment Fund combined with \$63,000,000 in estimated Expedited Passport Fees, will provide a total of \$273,000,000 to support initiatives to upgrade information technology and communications systems including implementing Classified Connectivity Program by delivering classified systems and communications to those who require it and providing Internet browser and e-mail access to the desktop to all State Department employees. The FY 2002 budget request corrects prior year trends by making the IRM Central Fund a pure investment fund by shifting all operations and maintenance funding associated with information technology to the Diplomatic and Consular Programs appropriation.

STATE PROGRAMS

Border Security Program

The FY 2002 request for the Border Security Program of \$414,174,000, an increase of \$23,236,000 from FY 2001 program levels, includes funding to implement major Border Security initiatives and to continue providing the technology backbone, personnel and support needed to carry out the functions vital to U.S. border security. Major initiatives funded within the FY 2002 program include: consular systems enhancements and modernization to deliver more effective consular services and strengthen data sharing among border security and law enforcement agencies; namecheck systems enhancements to better protect against U.S. passport fraud; improved public information services for all consular services; support for new visa programs such as the Legal Immigration Facilitation and Entry (LIFE) program; and enhanced American Citizen Services including increased support for children's issues and international abductions workload.

Other Fees

Diversity Lottery, Fingerprint Fees, and Other Consular Fees - The FY 2002 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 2002 program includes an estimate of \$350,000 for the FBI Immigrant Visa Fingerprint Fee program and \$9,000,000 for other consular fees including Affidavit of Support Fees.

Defense Trade Control Fees - The FY 2002 program includes an estimate of \$2,000,000 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 2002 program includes an estimate of \$6,000 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

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payments received from English teaching, library, motion pictures, and publications programs, and from fees from educational advising and counseling, and exchange visitor programs. In FY 2002, \$5,844,000 will be allocated from these collections.

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

International Cooperative Administrative Support Services (ICASS)

The ICASS Program is the basic management structure for providing administrative support services to U.S. Government agencies located at diplomatic missions abroad. Established in FY 1997, the Department operates the ICASS Working Capital Fund to facilitate funds control and accounting for the cost of providing administrative support services. All participating agencies, including the Department of State, deposit funds into the Working Capital Fund to pay for the cost of services provided to each agency. The amount the Department paid from the D&CP appropriation to the ICASS Working Capital Fund for the cost of State Department ICASS services was adjusted in FY 1998 to reflect a one-time, permanent transfer of funding responsibility totaling \$103 million. This amount was transferred to other agencies budgets from State's D&CP account for several service categories previously funded in their entirety by the State Department. This shift in funding responsibility from the D&CP account to the Working Capital Fund included more than 6,800 American and Foreign Service National (FSN) positions previously financed by both State's D&CP appropriation and by reimbursements from other agencies' appropriations.

Program Descriptions

State Programs funding of \$4,413,914,000 including \$3,915,140,000 from appropriations and \$498,774,000 from fee collections, 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 (\$237,282,000)** - 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 (\$545,839,000 including \$542,433,000 from direct appropriations, \$1,400,000 from MRV Fees, \$2,000,000 from Defense Trade Control Registration Fees, and \$6,000 from Commercial Services Fees)** – A wide spectrum of activities are a part of American diplomacy. Some examples are described below.

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- 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 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 in America's long-term interest.
 - There is a continuous need to keep abreast of scientific and technological developments abroad and to assist cooperatively some nations in these fields by aiding two-way exchanges of information and expert personnel.
- **Public Diplomacy (\$276,103,000 including \$270,259,000 from direct appropriations and \$5,844,000 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

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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 increases 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.
 - 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 (\$538,863,000 including \$158,907,000 from direct appropriations, \$366,206,000 from MRV fees, \$4,400,000 from Diversity Lottery Fees, \$350,000 from FBI Fingerprint Fees, and \$9,000,000 from Affidavit of Support and other consular 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 — occurs 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 2001, the Department projects total workload of 7.5 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 2001, the Department projects total workload as high as 500,000 immigrant visa applications, including issuances and refusals.

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- Routine and emergency assistance must be provided to American citizens in distress. In FY 2001, 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 issued or denied for U.S. citizens wanting to travel abroad. In FY 2001, the Department projects issuing over 7.8 million passports.
 - The worldwide Border Security Program includes programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training required to secure the borders of the United States against travel here by terrorists, international criminals, or persons whose presence here 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 a photodigitized United States passport and modernizing 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 (\$46,303,000)** - 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 (\$793,906,000 including \$774,838,000 from direct appropriations (\$287,103,000 for Diplomatic Security/Law Enforcement Cooperation and \$487,735,000 from Worldwide Security Upgrades) and \$19,068,000 from MRV Fees)** - These activities provide resources,

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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 missions. The security program enhancements funded first by the FY 1999 Emergency Security Supplemental and now with the \$487,735,000 contained in this budget request provide for continuing this program of increased security that strengthens security and continues to correct problems identified at our diplomatic facilities.

- **Information Resource Management (\$782,979,000 including \$694,190,000 from direct appropriations, \$25,789,000 from MRV Fees, and \$63,000,000 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;

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- infrastructure systems such as: the Diplomatic Telecommunications System; mainframe computer centers; Automated Data Processing, communication and message centers at headquarters and at missions abroad; mail and pouch services; and special communications support for the Secretary and the White House at meetings abroad; and
 - development and maintenance of software and hardware for classified and unclassified word processing, electronic mail, spreadsheets, graphics, and data base management.
- ☐ **Training Services (\$96,579,000 including \$94,868,000 from direct appropriations and \$1,711,000 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 (\$21,434,000)** - 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.
- ☐ **Rental Payments to GSA (\$106,372,000)** - 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 (\$520,581,000)** - 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 (\$340,260,000)** - 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 (\$107,413,000)** - 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

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of duty policy (with some exceptions) is four years at most overseas posts, and two years at posts with extreme hardship conditions.

On the following pages are a series of tables and graphs depicting the distribution by program activity of the FY 2002 requests for Diplomatic and Consular Programs and the Capital Investment Fund.

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

Program Activities Summary

Funds				
Summary Statement				
<i>(dollars in thousands)</i>				
Activities	2000 Actual	2001 Estimate	2002 Request	2001/2002 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction.....	\$210,056	\$226,097	\$237,282	\$11,185
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting).....	\$399,746	\$481,539	\$545,839	\$64,300
Public Diplomacy.....	\$238,997	\$251,775	\$276,103	\$24,328
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas).....	\$419,552	\$505,239	\$538,863	\$33,624
Supporting Multilateral Diplomacy.....	\$40,520	\$44,347	\$46,303	\$1,956
Diplomatic Security/Law Enforcement Cooperation.....	\$279,886	\$292,914	\$306,171	\$13,257
Worldwide Security Upgrades.....	\$254,000	\$409,098	\$487,735	\$78,637
Information Resource Management.....	\$467,716	\$523,363	\$782,979	\$259,616
Training Services.....	\$67,851	\$78,079	\$96,579	\$18,500
Medical Services.....	\$15,027	\$17,264	\$21,434	\$4,170
Rental Payments to GSA.....	\$102,149	\$101,514	\$106,372	\$4,858
Overseas Program Support.....	\$409,883	\$395,074	\$520,581	\$125,507
Domestic Infrastructure and Program Support.....	\$305,502	\$317,672	\$340,260	\$22,588
Post Assignment Travel.....	\$88,051	\$93,354	\$107,413	\$14,059
Total.....	\$3,298,936	\$3,737,329	\$4,413,914	\$676,585

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

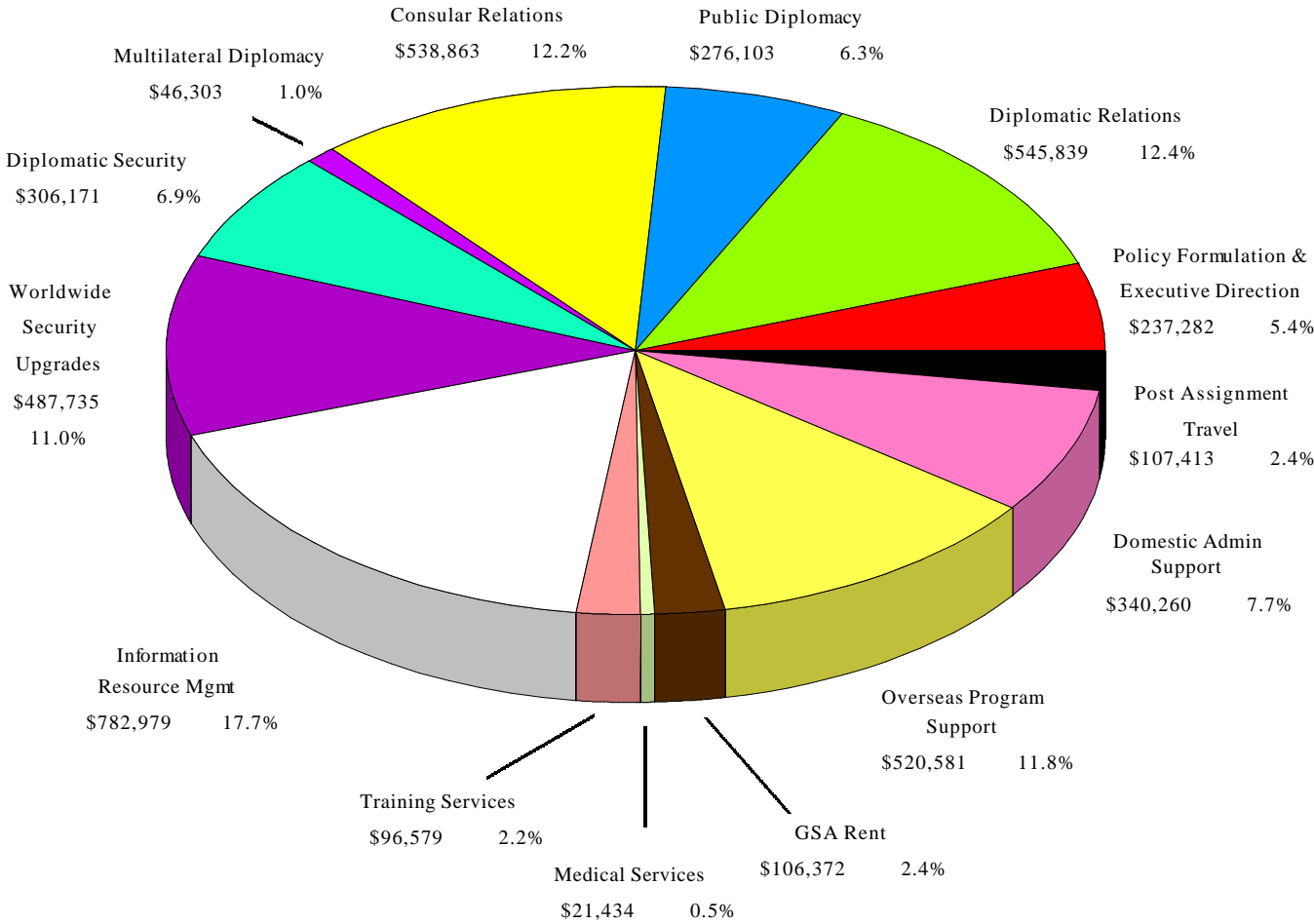
Program Activities Summary

Positions Summary Statement				
Activities	2000 Actual	2001 Estimate	2002 Request	2001/2002 Increase/ Decrease
Policy Formulation, Public Affairs and Executive Direction.....	1,970	1,967	1,973	6
Diplomatic Relations (e.g., Arms Control, Political and Economic Reporting, Trade Promotion, Global Environmental and Scientific Reporting).....	3,410	3,456	3,662	206
Public Diplomacy.....	2,547	2,563	2,618	55
Consular Relations (e.g., Passports, Visas, Services to American Citizens Overseas).....	3,605	3,702	3,773	71
Supporting Multilateral Diplomacy.....	307	306	306	0
Diplomatic Security/Law Enforcement Cooperation.....	1,657	1,670	1,670	0
Worldwide Security Upgrades.....	430	511	697	186
Information Resource Management.....	1,851	1,858	1,945	87
Training Services.....	550	560	610	50
Medical Services.....	54	55	62	7
Rental Payments to GSA.....	0	0	0	0
Overseas Program Support.....	233	237	237	0
Domestic Infrastructure and Program Support.....	1,906	1,869	1,869	0
Post Assignment Travel.....	0	0	0	0
Total.....	18,520	18,754	19,422	668

FY 2002 State Programs Request

Program Activities Distribution

(dollars in thousands)



Total Request \$4,413,914

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(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, State Programs
FY 2001 Appropriation (Enacted, Less Rescission)	2,758,076	409,098	96,787	3,263,961
Base Adjustments				
Pacific Salmon Treaty Implementation (\$25 million in FY 2002)	(14,912)	-	-	(14,912)
Reorganization Crosswalk Adjustments	(1,909)	-	-	(1,909)
Subtotal, Base Adjustments	(16,821)	-	-	(16,821)
Annualization of 2001 Requirements				
Annualization of 2001 Hiring Increases	4,489	3,349	-	7,838
2001 American Cost-of-Living Adjustment	7,925	370	-	8,295
Subtotal, Annualization	12,414	3,719	-	16,133
Anticipated 2002 Wage Requirements				
American Cost-of-Living Adjustment	24,035	1,111	-	25,146
One Additional Paid Day	4,762	183	-	4,945
FSN Wage	24,599	-	-	24,599
Subtotal, Wage	53,396	1,294	-	54,690
Anticipated 2002 Price Requirements				
Overseas Price	38,461	624	-	39,085
Domestic Price	15,640	2,330	-	17,970
GSA Rent	4,858	-	-	4,858
Global Inflation Including Local Guard Program	2,704	6,258	-	8,962
Workers Compensation	1,601	-	-	1,601
Subtotal, Price	63,264	9,212	-	72,476
Total Increases	129,074	14,225	-	143,299
Net Total, Built-In Changes	112,253	14,225	-	126,478
FY 2002 Current Services	2,870,329	423,323	96,787	3,390,439
<u>Resources for Diplomatic Readiness and Reform</u>				
Human Resources				
Diplomatic Readiness Staffing	106,895	-	-	106,895
Diplomatic Readiness - Human Resources	27,628	-	-	27,628
Subtotal, Human Resources	134,523	-	-	134,523
Information Technology Investment				
Base Realignment - IT Operations and Maintenance	102,746	-	(57,555)	45,191
Information Technology Investment	-	-	170,768	170,768
Subtotal, Information Technology Investment	102,746	-	113,213	215,959
Overseas Infrastructure				
Replace Obsolete Equipment	37,300	-	-	37,300
Replace Unreliable Motor Vehicles	9,400	-	-	9,400
Restore Critical Operations and Maintenance	11,000	-	-	11,000
Close FSN Wage Gap	5,300	-	-	5,300
Paris Rightsizing - Charleston Financial Services Center	14,857	-	-	14,857
Subtotal, Overseas Infrastructure	77,857	-	-	77,857
Subtotal, Resources for Readiness and Reform	315,126	-	113,213	428,339

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, State Programs
Secure Operations				
Information and Telephone Security Overseas	15,000	-	-	15,000
Global Security & Law Enforcement Mission	-	47,265	-	47,265
Security Readiness Staffing	-	17,147	-	17,147
Subtotal, Secure Operations	15,000	64,412	-	79,412
Foreign Policy Program Enhancements				
Investments in Intelligence and Research	7,340	-	-	7,340
Freedom of Information and Privacy Act	5,200	-	-	5,200
Arms Control and International Security	3,150	-	-	3,150
International Trade	710	-	-	710
Broadcasting Services	550	-	-	550
Total, Program Changes	16,950	-	-	16,950
Total FY 2002 Request	3,217,405	487,735	210,000	3,915,140

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Explanation of Current Estimate

The FY 2001 current estimate for State Programs appropriations of \$3,263,961,000 consists of the following amounts:

- ❑ \$2,758,076,000 appropriated for Diplomatic and Consular Programs.
- ❑ \$409,098,000 appropriated for Worldwide Security Upgrades.
- ❑ \$96,787,000 appropriated for the Capital Investment Fund.

Explanation Of 2002 Built-In Changes - Decreases

Decreases (non-recurring costs and adjustments) in the Department of State Programs appropriations component are \$16,821,000 as follows:

- ❑ **Pacific Salmon Treaty Implementation -\$14,912,000.** This amount represents a reduction in required funding to implement the Pacific Salmon Treaty. The FY 2002 requirement for this program is \$25,000,000, a decrease of \$14,912,000 from the \$39,912,000 provided in FY 2001.
- ❑ **Reorganization Crosswalk Adjustments -\$1,909,000.** This amount represents a transfer of funding to the Educational and Cultural Exchange Programs (ECE) appropriation for salaries and support costs. This resource shift corrects a technical error in the appropriation crosswalk made when the U.S. Information Agency was consolidated into the State Department in FY 2000.

Explanation Of 2002 Built-In Changes - Increases

The total increase for FY 2002 built-in changes is \$143,299,000. This amount provides for the base adjustments detailed below including a 2.1 percent increase for domestic inflation and an average of 4.2 percent increase for overseas inflation. The FY 2002 request reflects the proposed 3.6 percent American pay increase and FSN wage increase of 3.9 percent consistent with anticipated rates of overseas wage inflation. The breakdown of the total increase is as follows:

- ❑ **Annualization of 2001 Requirements: \$16,133,000** reflects the full-year cost of the following:
 - Annualization of 2001 Hiring Increases: \$7,838,000. This amount represents the additional cost in FY 2002 from FY 2001 hiring increases, including annualizing the cost of hiring 81 additional security professionals during FY 2001.
 - 2001 American Cost-of-Living Adjustment: \$8,295,000. Additional funding is required to annualize the FY 2002 cost of the 2001 American Pay Raise.
- ❑ **Anticipated 2002 Wage Requirements: \$54,690,000** is required for the following anticipated wage increases during FY 2002:
 - American Cost-of-Living Adjustment: \$25,146,000. This amount reflects an anticipated 3.6 percent cost-of-living increase in FY 2002.

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- One Additional Paid Day: \$4,945,000. This amount represents the additional cost in FY 2002 from FY 2001 of one additional paid day.
- FSN Wage: \$24,599,000. 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 2002 Price Requirements: \$72,476,000** is required for the following anticipated price increases during FY 2002:
 - Overseas Price: \$39,085,000. This amount will fund an estimated average 4.6 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. In addition, this amount adjusts base funding for the increased cost of air travel exceeding 14 hours.
 - Domestic Price: \$17,970,000. This amount will fund an estimated 2.1 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: \$4,858,000. This increase results from estimated increases in rental rates for buildings occupied by the Department.
 - Global Inflation Including Local Guard Program: \$8,962,000. 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: \$1,601,000. Funding is required to support the increase in the Department's charge from the Department of Labor for Worker's Compensation payments.

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Explanation Of 2002 Program Changes

Our FY 2002 request includes \$524,701,000 for high priority foreign policy initiatives and infrastructure investments that are critical to maintaining and improving diplomatic readiness and supporting the Department's overseas platforms including \$134,523,000 for human resources, \$215,959,000 for information technology investment, and \$77,857,000 for overseas infrastructure; \$79,412,000 for secure operations; and \$16,950,000 for foreign policy program initiatives.

Resources for Diplomatic Readiness and Reform

Human Resources: \$134,523,000

The Department has long recognized, and several reports have recently emphasized that outmoded administrative and human resource practices, poor allocation of resources, and competition from the private sector for talented staff threaten to cripple the Department of State's ability to carry out its overseas mission, with far reaching consequences for national security and prosperity.

The Department of State must have the right people in the right place at the right time with the right skills to advance America's interests. Years of hiring below attrition have left the Department unable to fill its diplomatic missions overseas with fully trained employees. We continuously face the self-defeating choice of rushing staff into jobs with insufficient training or accepting long staffing gaps and antiquated human resources policies. Such long gaps have become routine.

A highly competitive economy puts us at a disadvantage in the "War for Talent," leading to fewer top-quality new hires and higher attrition rates. Recruits for the Department of State have choices in the private sector and in other government agencies that they exercise aggressively. We need better weapons and better human resource strategies to fight and win this "War."

Improving our nation's diplomatic readiness will require a major investment to recruit, hire, train, and deploy the additional people we need around the world. Just as important, however, is providing a work environment that helps us retain our talented workforce and ensure that their quality-of-life and quality-of-work needs are met.

Diplomatic Readiness Staffing (\$106,895,000)

Hiring 360 new employees in FY 2002 will give us an essential first installment to meet our diplomatic readiness needs.

- New Hire Staffing and Support Requirements (\$94,970,000). To bring 360 new employees on board in FY 2002 (above hiring 700 replacements for attrition), we must pay their salaries and provide for benefits and allowances, expedite security and medical clearance processing, and finance their appointment travel to Washington. While in Washington we will provide specialized skills training, as well as language training, that will prepare them for the rigors of their new

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assignments. These increased training costs also include student per diem costs for the new hires and their families. We must also fund their travel onward to their initial posts of assignment, where we will need to support them with additional office and home furnishings, housing, and routine administrative support costs.

- Recruitment Workload (\$4,129,000). To hire a full third of our current staffing deficit, we must increase by 78% the number of individuals we recruit annually. We need more recruiters, examiners, and processing staff. We must increase and improve our marketing and advertising initiatives, expand existing recruitment programs and implement new ones, dramatically streamline the hiring process, and take greater advantage of existing information technology tools to facilitate recruitment.
- Training Needs (\$7,796,000). To ensure that these new hires have the skills needed to be successful in their new assignments, we must provide the appropriate language, security, leadership and management, and professional training they need. Not only can we not cut corners on training, we must increase our training volume and rhythm.

Diplomatic Readiness - Human Resources (\$27,628,000)

- Recruitment Modernization (\$4,375,000). To develop the robust modern recruitment program the Department of State needs, we must invest in new technology (e.g., web site development, greater use of digital video conferencing, database automation), in new marketing and outreach programs, in customer-service improvements, and in increasing the frequency and methods of offering the Foreign Service Written Exam. We will develop and apply rigorous criteria to measure our success and match the best practices of government and private industry.
- Service Need Incentives (\$11,555,000). We need to continue the highly successful FY 2001 pilot program that offered monetary incentives to attract employees to posts that have been historically most difficult to staff. The program has not only addressed the recruitment and retention problems for the designated posts, it has also helped the Department institute longer tours-of-duty, as mandated by the Congress. In addition, funds are requested to further reduce the current disincentives to overseas service.
- Student-Loan Repayment Program (\$7,000,000). Student Loan Repayment Programs are standard employment benefits in private industry. The Department plans to implement a student-loan repayment program to build a competitive benefit structure. The Department's program will fund a loan repayments in exchange for a service agreement.
- Spousal Employment (\$2,198,000). The Department of State has launched a pilot project in Mexico to partner with local recruiting firms to help find employment for spouses of officers assigned to our Mexico posts. On completion, this program will be extended globally to confront a major retention challenge identified in McKinsey and Company's "War for Talent" report. We must also fund the hiring of family members for mission jobs in countries with a disproportionately

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low wage structure. Part of the incentive structure for service in difficult and unhealthful developing nations must include spouse employment opportunities.

- Civil Service Overseas Mobility Initiative (\$1,000,000). This highly successful program has given Civil Service employees opportunities to compete for two-year Foreign Service assignments overseas, broadening their experience and adding to their future deployment flexibility. This funding would give the Department of State the resources to double the Civil-Service participation in this career-development program.
- Leadership Development Competencies (\$1,500,000). We need to prepare the next generation of Civil Service employees for leadership positions in the Department of State as the large number of Baby Boomers retire. This funding would enable 250 Civil Service employees to attend the highly rated OPM/USDA Mid-Level Training Course.

Information Technology Investment: \$215,959,000

In recent years the Department has made great strides in strengthening its worldwide Information Technology (IT) infrastructure, but several major deficiencies still remain. These include:

- the continuing dependence of overseas posts on obsolete computer/communications equipment used to process classified foreign affairs information; and
- the present lack of secure Internet access for all employees worldwide.

The Department plans to increase IRM Central Fund investments during FY-2002 that will correct these two major deficiencies by first making the IRM Central Fund a pure investment fund and then by increasing the amount of funding dedicated to investment.

- **Base Realignment: \$102,746,000**. In FY 2001, funding shortfalls within the Diplomatic and Consular Programs and increased operating and maintenance costs for information technology investments made during the late 1990's demanded that the State Department devote two-thirds of the Capital Investment Fund appropriation and Expedited Passport Fee collections to ongoing operations and maintenance costs rather than modernization investments. This increase in Diplomatic and Consular Programs represents a realignment of funding responsibility for base operations and maintenance costs from the IRM Central Fund. With this base realignment, the Department's IRM Central Fund will be a true investment fund, dedicated to bringing modern technology to Department of State employees worldwide.
- **Information Technology Investment - \$113,213,000**. The justification for the \$113,213,000 increase is provided in the IRM Central Fund section of the Budget in Brief.

Overseas Infrastructure: \$77,857,000

The United States needs a strong overseas diplomatic support platform. More than 30 U.S. Government agencies, including the Department of State, rely on the support platform at our embassies to promote and maintain critical U.S. interests. This platform is in desperate need of enhancements.

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Motor vehicles, many of which must travel over rough roads in harsh conditions, are old and in poor shape. At a time of rapid technological change, lack of replacement funding extends the service cycle of telephone systems, photocopiers, radios, and other equipment. The Department has been unable to fund the Foreign National wage increases necessary to maintain our competitiveness in local labor markets.

The Department's overseas platform must provide the support that U.S. Government agencies and their programs require. The Department requests an initial down payment of \$63,000,000 to initiate a program to restore our diplomatic infrastructure and to create a recurring base to pay for the recurring infrastructure, operations and maintenance costs. In addition, the Department requires \$14,857,000 to continue the Paris Rightsizing - Charleston Financial Services Center consolidation initiative.

Our measure of estimated shortfall was determined by querying overseas posts for infrastructure needs exceeding normal replacement cycles. Average purchase costs, such as \$25,000 for vehicles, were used for both passenger vehicles and trucks. Travel, training, and operations costs are based on routine necessities that have been delayed for several years. FSN wage costs are based on surveys conducted in the field that determine the pay gap when compared to the local labor market.

- ❑ **Replace Obsolete Equipment: \$37,300,000.** This proposal represents a down payment that will fund approximately one third of the Department's requirements for replacing obsolete office equipment; battered and worn office furniture; old, tattered household furniture; and aging household appliances. Using long-established replacement cycles, the Department identified units for replacement even though it lacked the required funding. Replacing old, unreliable equipment at a rate called for by established replacement cycles will enhance continuity of operations and permit the Department to take advantage of labor-saving and energy-efficient products. A significant proportion of these equipment items fall under ICASS. The Department's funds provided to ICASS are matched by other agencies that contribute on average an additional thirty percent, leveraging each additional dollar the Department can contribute. The quality of the household furniture and appliances we provide our employees and their families has a critical impact on morale and quality of life. At a time when recruitment and retention of high-quality employees is an increasing concern, the proposed down payment will send a strong signal that the U.S. Government understands the need to protect our investment in the Department's human capital and is committed to addressing it over the next three years.
- ❑ **Replace Unreliable Motor Vehicles: \$9,400,000.** The increasing age and declining condition of the overseas motor vehicle fleet not only detracts from the strength of our overseas support platform, it detracts from the security of the employees and operations of every U.S. Government agency operating overseas. A survey in one regional bureau showed that of 1,444 vehicles, 667 were over the established replacement cycle of four years and in need of replacement. Department of State program and ICASS vehicles move people and goods overseas, helping American consular officers visit sick or imprisoned U.S. citizens, transporting diplomatic pouches, ferrying resident and visiting diplomatic personnel to events in-country or a host of other diverse requirements. Embassies rely on their motor vehicles to transport personnel and evacuees in the event of a crisis and to protect employees from criminal or terrorist threats while on official business. The proposed

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amount will purchase approximately 375 vehicles, address one-third of the most critical needs, and shore up a vital pillar of the diplomatic support platform.

- ❑ **Restore Critical Operations/Maintenance: \$11,000,000.** The requested amount will provide additional funds for travel, building operating expenses and essential service contracts. Employees at our embassies need travel funds to get out of the capital city and gain a fuller understanding of the nation and to better represent U.S. interests. First-hand knowledge and a network of reliable contacts outside the capital increase the quality of embassy reports and strengthen embassy advocacy. In many parts of the world, American and Foreign National employees must travel to take the training required to take full advantage of new techniques and equipment because it is not available locally. In the wake of the bombings in Nairobi and Dar Es Salaam, the Department embarked on an ambitious program of constructing new, highly secure buildings. These facilities have complex systems, require maintenance employees with higher skills and technical training, and often need new stocks of spare parts. The proposed amount also funds essential service contracts to protect the Department's investment in new equipment and other movable assets. These contracts will fund essential preventive maintenance and routine repair to ensure reliability and maintain productivity.
- ❑ **FSN Wage Competitiveness: \$5,300,000.** Wages and other benefits must keep pace with compensation packages offered by our competitors in overseas markets. These funds will provide a pool to make salary adjustments in selected cities to keep up with our competitors and address recruiting shortfalls in job categories. Our Foreign National employees provide critical continuity and local knowledge. Funding this request will provide the means to restore our competitiveness in overseas labor markets by addressing the most serious shortfalls.
- ❑ **Paris Rightsizing: Charleston Financial Services Center \$14,857,000.** The Department intends to continue to consolidate its worldwide financial functions into the Charleston Financial Services Center (FSC) in response to Congressional direction and several external and Department management studies and recommendations. Specifically, the Department plans a phased right-sizing of the Paris Financial Services Center reducing Paris during FY 2002 through FY 2003 and transferring Paris financial services and selected Paris and Bangkok Financial Services Center financial systems operations to Charleston. In addition, the Department plans to transfer to Charleston domestic financial services functions currently performed in Rosslyn, Virginia and Washington, DC in three phases. These transfers are cost-effective and will improve financial control and service. They are further supported by opportunities arising from the need to consolidate ACDA and USIA financial services into the Department's financial systems. The Department began Phase 1 of this consolidation process by applying Foreign Affairs Agency Reorganization funds in FY 2001. FY 2002 funding will provide for the next phase of consolidation including providing computer, FSC Paris parallel operations, severance and other personnel related costs, and the costs of the first phase of domestic consolidation (including relocation, retraining, domestic parallel operations, furnishings, hiring, travel and domestic separations costs).

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Secure Operations: \$79,412,000

- ❑ **Information and Telephone Security Overseas: \$15,000,000.** In FY 2000, the Information Technology Security Overseas Working Group, a body chaired by the Department with representatives from the intelligence community, conducted a comprehensive analysis of Department management practices of overseas Sensitive but Unclassified information technology, and telephone systems with switches located outside of post controlled access areas. As a result, it was recommended that foreign service national systems administrators and telephone technicians be replaced by cleared American personnel at critical and high threat posts. It was also determined that existing information management personnel assigned to posts with critical and high technical and human intelligence threat designations receive additional technical security training.

To comply with these key recommendations, the Department is seeking an increased funding for 51 positions to mitigate these identified security vulnerabilities. These resources will fund the security training and related costs for existing personnel, as well as the new American salary and support costs. Support costs include post assignment travel requirements, furniture and equipment, ICASS charges and residential leaseholds.

- ❑ **Strengthening Global Security and Law Enforcement: \$47,265,000.** Justification for these program increases is presented within the Worldwide Security Upgrades section of the Budget in Brief.
- ❑ **Security Readiness Staffing: 186 positions and \$17,147,000.** Justification for these program increases is presented within the Worldwide Security Upgrades section of the Budget in Brief.

Foreign Policy Program Enhancements: \$16,950,000

- ❑ **Investments in Intelligence and Research: \$7,340,000.** To both sustain and advance Department efforts in the intelligence arena, the Department is seeking an increase for the following.
 - A key Department initiative is to establish a \$5,000,0000 Diplomatic Innovations Fund. These resources will allow the Department to capitalize on existing U.S. Government and private sector technology advances that have relevance to the Department's infrastructure and operations. This strategic enterprise will allow the Department to both invest in ongoing pilot research and development or venture-capital activities being sponsored by other agencies, as well as enable the Department to sit at the table when other agencies or the private sector are formulating and developing cutting-edge technology prototypes. More specifically, the Department will work with other agencies to adapt the methodologies used by military contractors to the Department's effort to identify those technologies needed for joint civil-military operations in 2003-2020. This effort will help update the Department's infrastructure, achieve procurement economies of scale, and simultaneously improve systems interoperability among government agencies.
 - The Department requires \$1,200,000 in increased funding to enhance the efforts of the National Counterterrorism Research and Development Program. To keep pace with developing terrorist threats, the Department intends to expand current work on blast mitigation, techniques to

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counter threats from new explosive formulations, as well as the development of sensors/communications technology. This increase will also fund new projects aimed at countering chemical and biological agents and developing equipment to protect overseas personnel, facilities and border security operations.

- The Department is seeking \$550,000 to expand its electronic read and burn project, an encrypted computer-based system that enables the Department to securely e-mail critical threat warnings and other intelligence reports to posts. This system addresses the requirement to get all-source intelligence to U.S. Ambassadors and their staffs. Currently, only three posts have this capability, this increase will allow the Department to add four additional posts. In addition, consistent with the Department's "E-Diplomacy" vision, \$320,000 will be dedicated to expanding and improving the Department's Geographic Information System (GIS). Currently the Department is using GIS technology in such areas as negotiations over disputed territories, peacekeeping, demining, and refugee assistance.
- The U.S. Government uses a two-pronged approach to war crimes, prosecuting those responsible for war crimes and preventing future atrocities by providing early warning of these activities. The Department is seeking an additional \$270,000 to enhance the Bureau of Intelligence and Research's War Crimes and Atrocities Analysis Division to ensure effective U.S. early-warning capabilities and secure information sharing with International Criminal Tribunals for the former Yugoslavia and Rwanda.

❑ **Freedom of Information and Privacy Acts: \$5,200,000.** The Department is seeking additional resources to eliminate its current backlog of Freedom of Information and Privacy Acts (FOIA/PA) cases. To comply with statute, all agencies were to have reduced their case backlogs by 1998. However, the Department has not been able to make a dent in its backlog, in fact, it continues to mount. Given current resources, FOIA/PA staff are often diverted to meet other compelling needs: Congressional oversight committee requests, many of which are by subpoena; GAO investigations; mandatory Department of Justice requests in connection with litigation; and Government-wide declassification efforts, such as those related to Chile. Continued non-compliance renders the Department vulnerable to court intervention, including orders for immediate FOIA processing (on penalty of full disclosure) and possible sanctions.

- ❑ **Arms Control and International Security: \$3,150,000.** To meet critical arms control, non-proliferation, disarmament and verification obligations, the Department is requesting increases to meet both mandatory requirements, and to advance key foreign policy and national security interests.
- The Department is requesting \$2,000,000 for the Key Verification Assets Fund. These resources will provide the Department with new flexibility to fulfill verification and monitoring needs, preserve unique technical collection assets important to nonproliferation and arms control, and seed development of new assets. The authorizing legislation allows the Secretary to transfer these resources to the Departments of Defense and Energy, and intelligence agencies to leverage their programs to Department advantage. While the projects are largely classified, the Department plans to apply these resources to START monitoring and nuclear and missile

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- proliferation detection projects.
- In FY 2002, the Department needs additional resources to meet mandatory payments in connection with two international agreements to which the U.S. is a party. The two negotiations involve the Ad Hoc Group Negotiating a Protocol to the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological and Toxin Weapons and on their Destruction (BWC) and the Convention on Conventional Weapons Amended Mines Protocol. In both cases, costs are based on an adjusted UN assessment scale. For the former the Department is requesting \$350,000, for the latter \$200,000.
 - The Department requires \$300,000 in additional resources to meet its obligation to review, under tight deadlines, highly technical applications for exports to Iraq under the UN-administered Iraqi Oil-for-Food program (OFF). Under this program, Iraq is permitted to sell oil and use the revenue to purchase humanitarian goods. Each application must be reviewed by technical experts to ensure that no arms and no goods or technologies that could be used to manufacture arms or the develop ballistic missiles or weapons of mass destruction are being exported. The program and accompanying personnel demands expanded greatly during FY 2000, a situation expected to continue for the foreseeable future.
 - Legislation implementing the Chemical Weapons Convention (CWC) within the U.S. was enacted in October 1998. It permits certain U.S. facilities affected by the Convention (small businesses and manufacturers of Schedule 3 and discrete organic chemicals) to receive assistance at Department expense (as National Authority) as they prepare for inspections. An increase of \$150,000 is needed to meet this obligation.
 - At the NATO Foreign Ministers meeting in May 2000, the Department launched the most sweeping defense trade and security reform initiative since the end of the Cold War. This initiative requires that the U.S. establish new licensing exemptions for defense items, data and services for qualified firms in treaty allied countries. Before this can be fully implemented, the U.S. must establish that comparable export controls and technology security systems exist within the recipient country. To accomplish this, an expert contract study of the defense trade export regulations and laws in these countries is required; this effort will cost \$150,000.
- ☐ **International Trade: \$710,000.** The promotion and support of U.S. business interests internationally is a principal objective of the Department. In addition to current export and market development initiatives, the Department is seeking \$110,000 to help small non-Foreign Commercial Service posts develop the ability to promote U.S. business interests through the Business Facilitation Incentive Fund. In addition, to support U.S. interests under the North American Free Trade Agreement (NAFTA), the Department represents the United States when legal claims are filed pursuant to the investment chapter. Currently, there are four active cases, two of which are for claims that together total approximately \$1,725,000,000. In FY 2002, the caseload is expected to increase and \$600,000 in additional resources will be required.
- ☐ **Broadcasting Services: \$550,000.** The Department plans to provide additional programmatic funds to the Bureau of Public Affairs, Office of Broadcast Services. This infusion of resources will be applied to four programmatic areas to accomplish the following: enhance the production schedule

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for foreign policy programming on the American Embassy Television Network (AETN); increase interactive dialogues; expand programming for and with foreign journalists and facilitative assistance projects with foreign audiences; and augment the number of countries that participate in the Foreign TV Coop program.

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Worldwide Security Upgrades

(Dollars in thousands)

Appropriation/Fund	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Diplomatic and Consular Programs	\$254,000	\$409,098	\$487,735	\$78,637

Summary Statement

Terrorist threats to U.S. facilities and personnel, both U.S. citizens and foreign nationals, serving at those facilities have increased dramatically as demonstrated by the rising number of physical and technical attacks directed at those facilities. These incidents, 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 need for an extensive well funded program that will sustain recent improvements and support the expansion of critical security initiatives around the world. Continuing the response begun with the FY 1999 \$1.4 billion emergency security supplemental, the Department continues the program of worldwide security upgrades including physically modifying our facilities, deploying local guards and upgrading equipment worldwide to meet the heightened security threat. These investments in physical and technical protection have created a firm foundation on which the Department can build its long-term security posture.

The FY 2002 request of \$487,735,000, an increase of \$78,637,000 above FY 2001 levels, builds on the FY 2001 program funded by the appropriation of \$409,098,000 in the Diplomatic and Consular Programs account. FY 2001 appropriations financed the expansion of the comprehensive perimeter security program and the increase in the Department's cadre of security professionals by 81 positions and paid for programs that keep security vulnerabilities low and continue defensive countermeasures to help thwart attacks or mitigate their effects. The FY 2002 request of \$487,735,000 includes: \$349,323,000 to keep these security activities operating for a full year; \$74,000,000 to continue the perimeter security upgrades; \$47,265,000 to upgrade technical, counterintelligence, and domestic programs; and \$17,147,000 for 186 additional security professionals to enhance the Department's ability to meet the daily requirements of these programs.

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Worldwide Security Upgrades

(dollars in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Worldwide Security Upgrades			
Start-up and Ongoing Security Activities			
Guards – Worldwide Protection	\$125,221	\$133,999	\$139,101
Physical Security Equipment	6,862	17,867	18,395
Technical Support/Infrastructure	45,711	67,621	69,313
Information/Systems Security	14,786	24,430	25,109
Armored Vehicles	4,538	10,108	10,320
Personnel /Training	54,216	75,052	80,901
Chemical/Biological Program	2,473	3,830	3,944
Radio Program	193	2,191	2,240
Sub-total	254,000	335,098	349,323
Perimeter Security Enhancements	--	74,000	74,000
Global Security & Law Enforcement Mission	--	--	47,265
Security Readiness Staffing (186 positions)	--	--	17,147
Total	\$254,000	\$409,098	\$487,735

Worldwide Security Upgrades

To sustain the progress it has made since the 1998 incidents at Nairobi and Dar es Salaam, and to strengthen counterintelligence efforts and domestic programs, the Department is requesting \$487,735,000 for worldwide security upgrades. While most of our posts around the world have been brought up to much higher levels of security, they cannot be maintained at these levels without proper base funding and appropriate increases to keep pace with inflation. This funding will also continue the perimeter security enhancement program and strengthen programs to address the worldwide hostile intelligence threat as well as the domestic terrorist threat facing our personnel and facilities.

Maintaining FY 2001 Activity Levels: \$349,323,000: The FY 2001 base to sustain the on-going worldwide security upgrades is \$335,098,000. An additional \$14,225,000 is required to meet FY 2001 annualized and FY 2002 anticipated wage and price increases for a total need of \$349,323,000.

Perimeter Security: \$74,000,000: To address critical vulnerabilities in perimeter security, this funding will be used to continue the program of perimeter security enhancement initiated under the Emergency Security Supplemental for 232 posts. The Department is seeking a total of \$210,680,000 --- \$74,000,000 in this account and \$136,680,000 in the Embassy Security, Construction and

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Maintenance account for perimeter security improvement. The \$74,000,000 is divided between two groups of projects based on whether they involve physical construction along with technical upgrades or only need technical enhancements. The former are referred to as I/C (implementation contractor) projects and the latter as non-I/C projects.

For the I/C projects, \$39,000,000 will be used for upgrades at an additional 14 of the 124 posts identified by the preliminary implementation contractor (I/C). These improvements will bring a total of 47 posts up to acceptable levels and rectify deficiencies identified in the Inman/Crowe report. The remaining posts will be addressed in future requests.

The remaining \$35,000,000 will be applied to non-I/C projects at 45 posts. This will reduce the number of posts needing non-I/C technical upgrades to 25 from the original total of 108. The funds will allow for completion of survey/design work; purchase of materials and supplies; and installation of equipment.

Global Security & Law Enforcement Mission: \$47,265,000: The FY 1999 Emergency Security Supplemental addressed major life/safety initiatives overseas. Recent events demonstrate that to be effective, the Department's worldwide security program must seamlessly integrate counterintelligence, law enforcement, and other domestic security programs into its overall global security mission. This funding will allow the Department to strengthen its defenses against agents intent on disrupting and damaging critical security-related systems; to step up enforcement of laws to protect national interests; to support other agencies in identifying and interdicting potential terrorists before they can harm U.S. citizens at home or abroad; and to provide the operational support necessary for successful completion of the Department's overall security mission. Significant upgrades to the Department's technical, counterintelligence, and domestic security efforts include:

- Procedural and Technical Security (\$17,725,000) – These funds will allow the Department to begin the installation of 190 intrusion detection devices to protect the classified global system (CLASSNET) from cyber-terrorism; strengthen Technical Security Countermeasures in response to increasingly sophisticated threats targeted at information technology and PC based technical security systems; and enhance procedural security programs essential in the protection of classified documents.
- Counterintelligence and Personnel Investigations (\$5,625,000) -- The Department will strengthen its counterintelligence program in response to the vigorous and pervasive espionage efforts targeted at its facilities and personnel. This will include tripling the number of total background investigations so that reinvestigations of all State employees are completed every five years as required by Executive Order 12968.

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- Domestic Facilities Security and Field Office Support (\$5,600,000) – To strengthen its control of persons entering its domestic facilities, the Department will complete replacement of its access control system. In addition, the contract guard force will be increased by 25 and a work permit program to control workers during construction, renovations, repairs and wire installations will be implemented. These funds will also provide for additional support at 21 diplomatic security field/resident offices throughout the United States – particularly for diplomatic protection and criminal investigation efforts.
- Radios (\$6,000,000) – The Department installed an extensive worldwide radio network with funds provided under the FY 1999 Emergency Security Supplemental. This request will provide resources to maintain the worldwide network and to begin the required replacement of domestic wireless networks in Washington, D.C., and elsewhere in the United States, used for diplomatic security and law enforcement. The existing wireless networks must be replaced to comply with the Department of Commerce mandate that all U.S. Government wireless programs convert to 12.5 kilohertz channel spacing by 2005.
- Training, Operational Support and Infrastructure (\$12,315,000) – These funds are required to adequately support the addition of critically needed security and technical personnel. They will be used to ensure that new personnel receive the training they need to fulfill their security missions and to provide the full range of support such as adequate space, high-tech equipment, and a cadre of support staff allowing for highly effective and efficient performance.

Security Readiness Staffing: \$17,147,000 and 186 positions: Concerning the Department's overall request for 186 positions, the key component is the addition of 86 special agents. Other professionals to be hired include 19 security engineering officers/technicians and 81 civil service personnel who will perform a range of analytical, programmatic, and support functions. These additional security personnel will be distributed among the following programs: 43 for procedural and technical security; 30 for counterintelligence; 21 for domestic facilities security; 46 for domestic field offices; 9 for training; 24 for operational support; and 13 for administrative support. Of the 186 positions, 174 are domestic and 12 are overseas.

The ability of the Department to prevent or respond to security-related emergencies is directly affected by the availability of the personnel who are charged with fulfilling those missions. Current staffing levels at the diplomatic security field offices throughout the United States do not provide enough agents to address numerous unscheduled high priority temporary duty assignments (particularly protection of foreign dignitaries and support to threatened embassies) and still fulfill all of their other security responsibilities. Criminal investigations, domestic facility protection, counterintelligence activities, and work with joint

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terrorism task forces must be delayed or temporarily reduced pending the return of the agents to their regular duty stations. To compensate for this continual shortage current staff often work extended tours and extra days to ensure the protection mission of the Department is carried out. It is essential that sufficient agents be employed to address unscheduled priority temporary protection needs without overloading other high priority security activities.

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IRM Central Fund Summary Statement

(dollars in thousands)

Appropriation/Fund	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease
Capital Investment Fund *	\$80,843	\$96,787	\$210,000	113,213
IRM Investment/Expedited Passport Fees	15,696	17,809	63,000	45,191
Capital Investment Fund Carryforward **	24,327	7,498	--	--
Total, IRM Central Fund	\$120,866	\$122,094	\$273,000	\$150,906

* FY 2000 includes \$1,173,000 for FY 2000 (Y2K) compliance from the Information Technology Systems and Related Expenses account appropriated to the President transferred to the Department of State Capital Investment Fund in accordance with Public Law 105-277.

** Amounts reflect carryforward balances applied to ongoing Department information technology priorities.

In recent years the Department has made great strides in strengthening its worldwide Information Technology (IT) infrastructure. It has established a modern, global unclassified network and computing platform, successfully addressed the Year 2000 problem, and put in place capital investment and management structures to deliver effective IT solutions. Although much progress has been made, several deficiencies remain and significant new initiatives are required to provide the IT support needed for diplomacy in the 21st Century. These initiatives are spelled out in the Department's IT Strategic Plan (2001-2005). The most immediate of these initiatives are focused on solving the following two critical weaknesses:

- the continuing dependence of overseas posts on obsolete computer and communications equipment used to process information; and
- the lack of secure Internet browser accesses for all employees worldwide.

During FY-2002, the Department plans significant Central Fund investments in both bandwidth and messaging improvements to correct these two major deficiencies.

Both initiatives will require additional overseas communications bandwidth and improvements in the Department's classified and unclassified messaging systems. These upgrades are necessary to support the kinds of cooperative processing and virtual teaming that modern diplomacy requires.

The Central Fund investments planned during FY-2002 will directly contribute to the achievement of the Department's five strategic goals, set forth in its IT Strategic Plan :

- A Secure Global Network and Infrastructure
- Integrated Messaging – A Modern Worldwide Approach
- Ready Access to International Affairs Applications and Information

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- 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. During FY-2002 the Department, plans to increase Central Fund investments in systems that provide direct support to every post that requires it. It also plans to continue investments in streamlining administrative support systems and to make them increasingly responsive to the needs of the Department's foreign affairs activities. Additionally, the Department plans to make further investments in distance learning, thus taking advantage of technology to keep its worldwide workforce well-trained in their specialties and in their ability to use technology effectively.

It should be noted that, with the FY 2002 budget, the Department's IRM Central Fund will be a true investment fund, dedicated to bringing modern technology to Department of State employees worldwide. In prior years, funding shortfalls within the Diplomatic and Consular Programs appropriation and increased operating and maintenance costs for information technology investments made during the late 1990's demanded that the State Department devote two-thirds of the IRM Central Fund to ongoing operations and maintenance costs rather than modernization investments. The FY 2002 budget addresses this issue by moving funding responsibility for base operations and maintenance costs from the IRM Central Fund to the Diplomatic and Consular Programs appropriation.

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The Following table summarizes the FY 2002 funding needed by the Department to achieve its strategic IT goals and objectives:

IT Central Fund (dollars in thousands)

Program Initiatives	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Technology Infrastructure	\$63,005	\$64,643	\$236,852
_A Secure Global Network and Infrastructure*			
Integrated Messaging – A Modern Worldwide Approach*	6,061	7,640	4,905
Foreign Affairs Common IT Platform – Infrastructure	850	16,963	650
Modernization World-Wide Infrastructure	35,047	20,199	216,231
Centrally Managed Infrastructure	16,322	19,841	15,066
Year 2000 Compliance	4,725	--	--
Diplomatic Telecommunications Service Enhancements	18,000	18,000	--
Applications and Software Development	34,206	34,157	26,203
Ready Access To International Affairs and Information*	5,255	1,277	2,029
Leveraging IT *	28,651	24,580	24,174
Foreign Affairs Common IT Platform – Applications	300	8,300	--
Project Management and Training	5,655	5,294	9,945
Sustaining a Trained Productive Workforce*			
Total, IRM Central Fund	\$120,866	\$122,094	\$273,000

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

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- **Technology Infrastructure - \$236,852,000:** In recent years, through the ALMA program, the Department has installed some 18,000 new PCs at overseas posts to support unclassified administrative and consular operations. This equipment will be replaced on a four-year cycle as part of the Department's program to maintain, through periodic replacements, the modern level of technology it has now achieved. The ALMA equipment provides the foundation to accomplish the Department's primary FY-2002 objective of providing Internet access to all of its employees worldwide.

In addition to refreshing unclassified equipment, the Department plans to expand the ALMA program during FY-2002 to provide classified PC/LAN equipment to every post that requires it in order to work with national security information. Much of the Department's installed classified equipment is ten years old and no longer maintainable. Moreover, more than half the posts have no PC/LAN equipment capable of processing classified information, including the sending and receiving of classified e-mails. To do so the Department plans to continue with the periodic equipment replacement program that it adopted to prevent its technology base from falling into obsolescence. Under this program, approximately 25% of the Department's computer and communications equipment will be replaced each year, thus ensuring an average four-year replacement cycle for this essential equipment.

Although the Internet and classified equipment initiatives will have top priority during FY-2002, the Department faces a formidable on-going task in maintaining its worldwide computer/communications infrastructure in up-to-date status. Emergency radio equipment, post telephones 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 improved. In future years, even more than at present, on-going maintenance of the Department's technical infrastructure, both domestic and overseas, will be an important prerequisite for the effective conduct of foreign affairs.

- Classified Connectivity Project (CCP) (\$106,600,000) - During FY-2002 and FY-2003 the Department will focus on replacing the obsolete computer and communications equipment that posts use for classified operations. The Department will also extend classified processing, e-mail, and Intranet capabilities to posts that do not currently have them. In deploying classified equipment the Department will follow many of the same procedures successfully employed in the recent worldwide installation of unclassified ALMA equipment.
- OpenNet Plus (\$109,631,000) – OpenNet is a worldwide communications infrastructure for unclassified and Sensitive But Unclassified (SBU) e-mail traffic. OpenNet is available for use by virtually all of the Department's domestic and overseas employees. During FY-2001 the Department conducted a pilot test of OpenNet as a means of providing secure Internet access to its employees. The success of the OpenNet Plus (i.e., OpenNet plus Internet) pilot test now opens the way for rapid expansion of Internet access to all Department of State employees around the world. Full deployment of OpenNet Plus will be undertaken and completed in FY-2002. Much of the cost for deploying OpenNet Plus is attributable to the increased communications bandwidth needed to support the system in a secure environment.

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- Foreign Affairs Common IT Platform (\$650,000) – In FY 2001, the Department initiated work on the Foreign Affairs Common IT Platform to test recommendations from the Overseas Presence Advisory Panel Report. The Panel recommended development of a common interoperable IT platform among agencies at US missions overseas applying Knowledge Management and Internet and Internet-like technology to support interagency collaboration. The Department began the preliminary steps required to conduct pilots at 15 overseas posts and headquarters to test this concept. In FY 2002, the Department will focus on validating the concept and evaluating the results.
- Integrated Messaging (\$4,905,000) – The Department depends heavily on its cable and e-mail 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 cooperative processing. The Department is committed to replacing the existing cable system and e-mail systems with a modern business-quality collaborative system over the next several years. During FY-2002 the Department will continue to enhance the capabilities of its e-mail systems and to deploy CableXpress, its desktop message handling system. It will also 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 (\$15,066,000) – In recent years the Department has provided domestic employees with modern desktop equipment and with access to the Internet and to a Metropolitan Area Network (MAN) that links Washington-area facilities by high-speed, secure communications. To maintain this modern infrastructure, the Department has established a centralized network and systems management organization. It has also adopted a periodic equipment replacement cycle to maintain the currency of its domestic computer and communications equipment and software.
- **Applications and Software Development - \$26,203,000:** Two of the Department’s IT strategic goals are focused on the development of software systems that: 1) directly support the Department’s foreign affairs activities, and 2) provide diplomatic readiness capabilities in a more streamlined, consolidated, and cost-effective manner than they do today. During FY 2002 the Department will proceed with several high-priority software systems, including: a system that supports Ambassadorial supervision of country teams and provides knowledge management tools to facilitate interagency cooperation; a system that strengthens the Department’s crisis management operations; and a re-engineered logistics system capable of serving users on a worldwide basis. The Department attaches particular importance to a planned FY-2002 evaluation of the best means for adapting its large administrative systems to work effectively in a web-based environment.
- **Project Management and Training \$9,945,000:** An essential element of the Department’s IT Strategic Plan is a fully trained and productive workforce. The Department plans to 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 advanced communications. During FY 2002 the Department will focus on testing and implementing

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distance learning facilities and training classified and unclassified systems managers and users. ALMA equipment and OpenNet Plus communications will provide the technological basis for the Department to keep its worldwide American and Foreign National workforce fully trained.

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Border Security Program

The Department continues its comprehensive strategy to strengthen U.S. border security through improvements in consular systems and programs. The Machine-Readable Visa (MRV) application fee paid by persons seeking non-immigrant visas generates funding for this program. The objectives of the border security program 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 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.
- ❑ **Connectivity.** Provide worldwide and redundant connectivity in support of passport and visa issuance, including sufficient bandwidth to support data sharing or remote system management.
- ❑ **Human Resources.** Meet the growing demand for overseas and domestic consular and passport services, 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 into the next century.
- ❑ **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 Border Security Program continues to demonstrate significant accomplishments. As of December 2000, accomplishments include:

- ❑ Operating successfully at all visa-issuing posts the MRV-2 system. The Department is initiating a project to add an imaging capability to the system. During FY 2001, we will pilot this capability, with the scanning of refusal files as our number one priority.
- ❑ Enhancing our CLASS-E namecheck system via the implementation of a tailored algorithm for Russo-Slavic names. A Hispanic algorithm was developed and implemented in FY 2001. A new mainframe was installed for CLASS, thus assuring us adequate processing power as workload and the CLASS database size gradually increase.
- ❑ Implementing the Border Crossing Card (BCCs) as demonstrated by issuing an additional 2.0 million biometric and machine-readable BCCs as of the end of FY 2000. The program to replace old-style, non-biometric cards will continue until FY 2004, at which time every Mexican visitor to the U.S. will enter by using this highly secure travel document.

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- ❑ Implementing successfully the passport photodigitization system, TDIS-PD. To date, TDIS-PD is installed at 10 of our 16 domestic passport agencies; with a targeted completion date of the end of 2001. Progress continues on the PRISM (Passport Records Information Systems Management) System, with plans to make passport records available worldwide via our internal Intranet during FY 2001.
- ❑ Processing and issuing a record total of 7.29 million passports in FY 2000 with expectations that passport issuance will exceed 7.8 million in FY 2001. We project 8.4 million issuances in FY 2002.
- ❑ Supporting the worldwide installation of the ALMA system and the acquisition of additional communications bandwidth to support overseas consular operations.
- ❑ Financing the salaries of over 2,000 Department employees and all consular associates and consular agents. The program continues to finance off-site bank collections, peak season staffing as well as consular best practices.
- ❑ Supporting Diplomatic Security investigations of visa and passport fraud.
- ❑ Expanding training for officers and support personnel responsible for the delivery of consular services, domestically and overseas.

The following chart summarizes the major activities of the Border Security Program. These activities continue to be financed in their entirety by MRV fee collections. Estimated new fee collections are \$368 million in FY 2001 and FY 2002 respectively. Estimated carryforward balances are \$112 million in FY 2001, and \$66 million in FY 2002. Carry-forward balances are essential to ensure smooth financial operations at the beginning of each fiscal year.

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Border Security Initiatives	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
<i>Consular Project Initiatives</i>			
Consular Systems Install & Operations	\$23,700	\$30,000	\$30,000
Consular Systems & Modernization/Support	32,350	35,725	34,000
Automated Namecheck Systems: CLASS E-/DNS	9,500	10,000	10,000
MRV Support Costs	19,400	24,500	27,300
Public Information Support	2,000	5,000	5,000
Document Integrity, Training, Anti-Fraud Programs	1,090	5,282	5,111
Passport Operations	12,711	18,274	27,234
Passport Facilities	4,405	1,512	2,362
Charleston Passport Center	2,016	-	-
Passport Photoditization & Systems Support	2,199	20,941	18,761
TIPOFF-Terrorism and Crime	849	1,050	1,400
Visa Processing	2,350	9,105	7,220
American Citizen Services	-	1,111	550
Subtotal, Consular Project Initiatives	\$112,570	\$162,500	\$168,938
<i>Diplomatic Security</i>			
Passport and Visa Fraud			
Investigative Support/Agency Guards	4,124	4,858	5,358
<i>Technology Backbone - Irm</i>			
Information Resource Management Computer			
Systems and Operations			
Diplomatic Telecommunications Support	19,550	17,500	19,000
Total, Project Initiatives	\$136,244	\$184,858	\$193,296
Border Security Staff and Support			
Consular Affairs	46,821	50,316	53,965
Information Resource Management	2,610	2,657	2,705
Diplomatic Security	12,392	12,615	12,842
Overseas Staff	68,901	72,102	76,428
Subtotal, Border Security Staff	130,724	137,690	145,940
Border Security Support			
Consular Affairs	43,546	58,183	64,468
Information Resource Management	4,000	4,084	4,084
Diplomatic Security	850	868	868
Western Hemisphere	3,700	5,255	5,518
Foreign Building Operations	3,000	-	-
Subtotal, Border Security Support	55,096	68,390	74,938
Total, Border Security Staff and Support	165,288	205,170	224,814
Total, Border Security Program			
	\$322,064	\$390,938	\$414,174

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The Department will pursue the following objectives during FY 2001 and FY 2002 as part of its continuing effort to improve U.S. border:

Consular Project Initiatives: \$168,938,000

- ❑ Consular Systems Installation and Operations. The Department will continue its migration efforts towards a sophisticated equipment replacement program that will be augmented by regular on-site training programs. The objective of this activity is to ensure that worldwide consular sections are equipped with the business-quality hardware needed by consular personnel to deliver effectively and efficiently consular services. This program will prevent technological obsolescence in the equipment and systems that help secure the U.S. borders by replacing such equipment on a 36-month cycle. In addition, regular training of new hires and refresher training for consular personnel on modernized systems is necessary to maximize the use and maintenance of the systems. Extensive training will be provided to overseas staff to ensure their proficiency with the modernized Non-Immigrant, Immigrant and American Citizens Services applications. This training will require coordination with the National Foreign Affairs Training Center, and will also involve remote and computer-based training (CBT) as well as hands-on training by visiting experts.
- ❑ Overseas Consular Systems Modernization/Support. The Department of State depends upon a series of sophisticated systems to help deliver consular services to both American citizens and foreign nationals. Such software, which supports visa issuance and overseas citizen services, requires frequent updates and modifications in light of continuing changes in the underlying computer technology upon which the applications operate, and continuing requirements for improvements or new functionality. In FY 2001 and FY 2002, we will develop a system to track international adoption cases. We will incorporate more electronic capabilities into our visa processing, such as scanning refusal files and expanded electronic data capture. We will work toward reengineering of the immigrant visa process and elimination of some of the paper processing of these cases. In FY 2001 and FY 2002, we will, in collaboration with the Department of Justice and the Salt Lake Olympic Organizing Committee, complete development of a electronic visa issuance systems for accredited members of Olympic teams traveling to Salt Lake City for the Winter Games in 2002. In FY 2001 we completed the electronic “replication” or copying of all consular data from our 225 overseas posts to our corporate database, the Consular Consolidated Database. In FY 2001 and 2002 we will continue to develop “data mining” tools to draw the greatest benefits from this data, particularly in fraud prevention and improved management. We plan to make visa data available to other border security and law enforcement agencies, particularly the Immigration and Naturalization Service. This “DataShare” initiative will strengthen information sharing among agencies, which is key to continuing to improve border security. The Bureau of Consular Affairs will continue to support such essential operations as a “help desk” and remote management practices to help support worldwide consular operations.

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Finally, the Department will also pursue improvements in overseas passport production and improvements in machine readable visa design and printing.

- ❑ Automated Namecheck Systems (CLASS). The Consular Lookout and Support System-Enhanced (CLASS-E) contains the names and other biographical information on more than six million aliens who may be excludable from the U.S. owing to links to international terrorism, crime, and narco-trafficking activities, or whose admission to the U.S. may violate other provisions of U.S. immigration law. In addition, CLASS-E contains information on about 3 million Americans who may be ineligible for a U.S. passport. Most of the names of American citizens are included in response to requirements of U.S. law that deny certain “deadbeat parents” a U.S. passport. Every person seeking a passport or visa is checked against CLASS-E. The Department will continue to make targeted investments to improve the namechecking capabilities of CLASS-E. Furthermore, and consistent with the requirements of PDD-63, the Department of State has made major investments to secure redundancy in the mainframe computer capability required to support CLASS-E. We plan to complete a database of lost and stolen U.S. passports and the capacity to check this database as part of the reissuance of the passport process. In FY 2001 and 2002 we plan to complete development of a system to better track U.S. passport fraud lookouts, and make the lookout files available on-line to passport agencies and overseas posts. We also plan to improve our PC-based back-up namechecking system to provide more robust searches and real-time updates of the back-up database.
- ❑ MRV Support Costs. The Department utilizes a portion of MRV revenue to finance border security related expenses such as additional staffing at post, and operating costs in support of passport and visa issuance. The Department also funds expenses such as salaries and limited support costs for consular associates and agents as well as bank fees incurred when overseas financial institutions collect MRV fee revenues. This practice of “off-site” fee collection reduces crowding around overseas consular sections and thus offers significant security and customer service advantages. The Department will continue to finance the cost of furnishings, furniture and facilities at selected overseas consular sections and utility expenses and maintenance costs for certain domestic facilities through this program during FY 2002.
- ❑ Public Information Support. To improve our customer services, we will continue to enhance our public information efforts. This program began in FY 2000, with the initiation of a requirement analysis to identify the type of public information services we should be providing. In FY 2001, we plan to establish call centers for all consular services in order to meet the needs of our customers. These centers will operate through a cost-sharing relationship between the caller, who will be responsible for any long distance calling charges, and the Department that will fund all other costs (i.e. customer service representatives, voice response systems, e-mail systems) associated with the call centers.
- ❑ Document Integrity/Training/Anti-Fraud Programs. In FY 2001 and FY 2002, the Department will continue to make targeted investments to detect, combat and counter document fraud. We will continue efforts to train personnel at the Foreign Service Institute through anti-fraud programs.

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- ❑ **Passport Operations.** The Department of State is confronted each year with a steadily increasing demand for passports. In FY 2001 the Department projects that passport demand may exceed 7.8 million and that total demand will increase to as much as 8.4 million in FY 2002. These estimates for passport demand are, of course, highly dependent upon variables such as US economic growth, international air fares and the frequency of major acts of terrorism or international crime, both of which tend to reduce the demand for international travel. Consistent with the Administration's commitments to public/private partnerships and controlling federal employment, virtually all production employees resulting from this growth in demand will be obtained through contractual means.
- ❑ **Passport Facilities.** A nationwide array of passport facilities generates a continuing requirement to cover renovations, maintenance, utility costs and rents. However, overall needs in this area have decreased considerably as the Bureau of Consular Affairs completes a series of infrastructure and security enhancements at the passport agencies.
- ❑ **Passport Photodigitization.** By early in FY-02 photodigitization will be operational at all domestic passport production facilities. During FY-02 the Department will expand further its use of the Passport Records Imaging System Management (PRISM) system to make images passport application records available electronically to overseas posts in addition to domestic passport agencies.
- ❑ **TIPOFF.** The Department will continue to serve as a critical interface between the intelligence and law enforcement communities in order to strengthen U.S. border security. This is done through the TIPOFF program that makes available to overseas consular officers and inspectors at ports-of-entry digests of highly sensitive information concerning terrorists and international organized crime members. In accordance with bilateral agreements, selected biographic watch list information on suspected terrorists is also shared with corresponding Canadian and Australian consular and port of entry officials.
- ❑ **Visa Processing –** We will continue to use MRV fees to support legislatively mandated visa programs such as the Affidavit of Support (AOS) and Legal Immigration Facilitation and Entry (LIFE) programs. The AOS procedure means that the petitioner who is sponsoring an alien's immigration must have income and assets that amount to more than 125 percent of the federal poverty guidelines for a family that includes both the petitioner's and the alien's. The objective of this procedure is to reduce utilization of public assistance by immigrants by making the petitioner legally responsible for the alien and his/her family. The AOS is a form developed by the INS that seeks to quantify the petitioner's income and assets.
- ❑ To help reduce the overseas staffing implications of the AOS, the Department began performing much of the AOS processing at the National Visa Center (NVC) in Portsmouth, NH. In January 2001, the Department began collecting and retaining a new fee to support the Affidavit of Support Program. However, sufficient revenues have not been collected to fully meet all program requirements. Therefore, we plan to continue supplementing this program with MRV revenues through FY 2002
- ❑ The LIFE program is new legislation in 2001 that creates a new visa category. This category was designed to facilitate the entry to the United States of spouses and children of permanent resident aliens. This program will continue in 2002. MRV funding in FY 2001 and 2002 will be used to implement this program.

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- ❑ American Citizen Services - American Citizen Services - Funding is required to support the Bureau of Consular Affairs' Children's Issues Unit and Crisis Management Program. Funding will support the workload associated with the Hague Convention on International Adoptions. The Hague Convention on International Adoptions, which has now been ratified by the US, assigns responsibility to the Department for accreditation of adoption agencies working internationally. This budget request seeks the resources to meet our treaty obligations and responsibilities. We are also seeking resources to meet the increasing workload of international abductions. Additional staffing will also improve our ability to assist Americans caught up in crises abroad.

Diplomatic Security: \$5,358,000

- ❑ Passport and Visa Fraud Investigative Support. The Bureau of Diplomatic Security continues the aggressive program that investigates visa and passport fraud. These investigations are essential to maintain the security of the underlying consular functions, and are financed through this program.
- ❑ Passport Agency Guard Program. The budget for Diplomatic Security is a continuation of on-going projects and initiatives. A key feature has been providing necessary training and physical security for our passport agencies the National Visa Center and the Kentucky Consular Center. The Bureau of Consular Affairs reimburses DS for all direct costs associated with this program.

Technology Backbone: \$19,000,000

- ❑ Information Resource Management: Computer Systems and Operations. Effective and sophisticated information management systems are essential elements of the Department's Border Security Program. In FY 2002, the Department plans to continue mainframe systems support for CLASS-E, support round the clock operations and maintenance, enhance connectivity and provide systems upgrades.
- ❑ Telecommunications Services. Without effective and worldwide telecommunications circuits, the Border Security program would be crippled: namechecks could not be run; fingerprint files in support of the Border Crossing Card program would not be transmitted; and the "DataShare" initiative with other border security agencies would fail. MRV revenues finance circuitry lease costs and related support activities directly related to the workload imposed by the Border Security program.

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Border Security Staff and Support Costs: \$224,814,000

- ❑ **Border Security Staff.** Adequate staff that is well trained and assigned where needed in light of workload requirements provide the final key element of the U.S. Border Security Program. In FY 2001 the Department of State will finance the salaries and benefits of more than 2,059 American employees who provide consular and related services domestically or overseas. These positions provide a variety of services including overseas visa services, American citizen services, domestic passport adjudication, consular management, investigations of passport and visa fraud, and management of information resources. In FY 2002, the projected number of employees that will be funded as part of the Border Security Program will increase to 2,130. This reflects the staffing consequences of projected workload increases in terms of visa applications, passport adjudications, citizen services and associated management issues.
- ❑ **Border Security Support.** Direct operating costs related to passport production, such as the printing of the highly secure U.S. passport books, expendable supplies associated with passport photodigitization, Passport Records Imaging System Management (PRISM), and other operating expenses in support of the passport management, adjudication and production processes are financed as part of the Border Security Program. Support is also provided to other bureaus within the Department that play a vital role in strengthening the Nation's border security. In this regard a key element of the program is the continuing need to help finance the cost of the Border Crossing Card program in Mexico and limited start-up costs and recurring costs associated with hiring additional consular officer positions to meet increasing workload demands.

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

- ❑ **BCC Card Production Costs.** The Department of State reimburses INS for the cost of producing Border Crossing Cards issued to Mexican nationals consistent with the requirements of section 104 of the Illegal Immigration and Immigrant Responsibility Act of 1996. This reimbursement arrangement is consistent with a Memorandum of Understanding between the two agencies. The reimbursement is funded from fees paid by Mexican nationals to obtain a BCC. The Department of State estimates it will reimburse the INS approximately \$26.5 million in FY 2001 and FY 2002 in exchange for the provision of this crucial service. This reimbursement, while obtained from these fees, is considered for the purposes of the Border Security Program to be a direct transfer to the INS and is not included in relevant tables and charts that summarize the Border Security Program.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Summary Statement of Budget Authority

(dollars in thousands)

Program	2000 Enacted	2001 Estimate /a	2002 Request	Increase or Decrease (-)
Capital Program	\$ 25,657	\$ -	\$ 19,000	\$ 19,000
Leasehold Program	138,210	137,906	148,950	11,044
Functional Programs:				
Physical Security Upgrade	10,585	16,663	5,920	(10,743)
Safety and Fire Programs	8,610	8,591	10,000	1,409
Post Communications Support	5,977	5,964	6,100	136
Maintenance of Buildings	73,088	74,075	77,400	3,325
Facility Rehabilitation	29,018	38,531	39,700	1,169
Main State and Other Domestic Facilities	7,532	7,544	24,700	17,156
Facility Maintenance Assistance	40,940	40,850	46,000	5,150
Energy Conservation & Investment	3,764	3,756	3,800	44
Power Support Program	6,590	6,576	6,700	124
Seismic Program	717	715	730	15
Program Execution	31,821	31,751	37,060	5,309
Construction Security	22,898	22,848	25,590	2,742
Subtotal, Functional Programs	241,540	257,864	283,700	25,836
Administration	20,334	20,289	23,396	3,107
Total, Ongoing Programs	425,741	416,059	475,046	58,987
Worldwide Security Upgrades				
Capital Projects	300,000	513,867	665,000	151,133
Perimeter Security	--	133,705	136,680	2,975
Other Security Upgrades/Support Costs	13,617	13,969	14,280	311
Total, Worldwide Security Upgrades	313,617	661,541	815,960	154,419
GRAND TOTAL	\$ 739,358	\$ 1,077,600	\$ 1,291,006	\$ 213,406

/a This reflects the FY 2001 appropriated levels. The Department anticipates a reprogramming to cover anticipated shortfalls in the Leasehold Program.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Program Summary

Ensuring diplomatic readiness and the advancement of U.S. interests overseas requires a vast worldwide network of safe, secure, functional, and appropriate facilities. To date that network is comprised of 15,000 diplomatic and consular office buildings, housing units, and support facilities, many of which do not meet current security standards and are in dire need of rehabilitation. The FY 2002 budget request for the Embassy Security, Construction, and Maintenance (ESCM) appropriation supports the Department's diplomatic activities by providing for the acquisition, construction, maintenance and repair of this inventory of facilities. The request of \$1,291.0 million is an increase of \$213.4 million over the FY 2001 appropriated level. The request includes \$665 million to continue relocating the highest risk posts, an initiative that began with the FY 1999 emergency supplemental appropriation following the bombings in East Africa and is in concert with the Department's long-range capital plans. These funds will be used for the design and construction of new embassies or consulates at seven high-risk posts plus the acquisition of sites at an additional five to ten posts for which design/construction funding will be sought in the outyears. In addition, the funds will be used to construct Marine Security Guard Quarters at posts with new compounds currently under construction or recently completed compounds.

The request reflects the Administration's continuing commitment to protect U.S. Government personnel serving abroad, improve the security posture of U.S. Government facilities overseas, and correct serious deficiencies in the Department's overseas facilities infrastructure. The bombing of the embassies in Kenya and Tanzania continues to remind us of the paramount importance of providing for the safety and security of Americans serving overseas, to which the Department is fully committed. Because as many as 80 percent of the Department's facilities lack adequate setback and the average age of its facilities is nearly 40 years, there is a continuing requirement to repair, renew, and replace facilities. Proper stewardship of these facilities dictates a continuing investment in maintenance and repair to retain value, retard deterioration, and ensure serviceability. The Department has identified more than 4,200 facility maintenance and repair, major rehabilitation, and improvement projects that would require in excess of \$600 million to implement. Likewise, approximately 180 facilities should be replaced for security reasons. It is estimated that over \$15 billion in today's dollars is required to replace these vulnerable buildings. Since it is not feasible to fund and execute all of these requirements immediately, the Department maintains a priority list of facility projects, which places primary emphasis on safety and security of employees. This approach permits the Department to apply its limited resources to the most critical requirements.

In addition to the appropriation request, the Department plans in FY 2002 to complete property sales in order to make cost-effective property acquisitions in certain locations where the Department leases facilities, in an ongoing effort to hold the line on cost increases in the leasehold account and to help the Department address some of the long-standing facility and staff housing requirements worldwide.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Explanation of FY 2002 Request

Capital Program - \$19,000,000

The request of \$19.0 million for the regular capital program provides funding for the construction of a classified annex in Bogota, Colombia to accommodate both current and projected staffing of administrative, training, and technical personnel involved in procurement, logistics, and financial management, end-use monitoring and program support activities in connection with the Andean Counterdrug Initiative.

Additionally, as described under the section titled "Worldwide Security Upgrades", \$665.0 million is requested for construction of the next tranche of high-risk posts that began with the FY 1999 emergency security supplemental appropriation,

Leasehold Program - \$148,950,000

Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease and lease-purchase. This program covers all activities associated with leasing overseas properties, market assessments, legal expenses, and fee recording. The Leasehold Program also provides Living Quarters Allowance (LQA) payments to Department employees at selected posts where U.S. Government-provided housing is not available.

The request of \$148.9 million represents an increase of \$11.0 million over the FY 2001 level. This increase fully funds the leasehold costs associated with the integration of Public Diplomacy functions as part of the reorganization of foreign affairs agencies; leases for newly acquired facilities in Bridgetown, Barbados; Pristina, Yugoslavia; and Vienna, Austria; and mandatory wage and price inflation.

The Department will continue its effort to offset the rate of inflationary increases to the worldwide leasing program by using funds available from the disposal of excess and underutilized real property assets to make economic purchases where it expects to maintain a long-term presence. These investments have resulted in cost avoidance, which has enabled the Department to limit its new budget authority requests.

In FY 2000, the Department completed sales of overseas real property valued at \$82.2 million in Athens, Greece; Berlin, Germany; Bonn, Germany; Hamilton, Bermuda; Kinshasa, Democratic Republic of the Congo; Johannesburg, South Africa; La Paz, Bolivia; and Thessaloniki, Greece.

In FY 2000 the Department obligated approximately \$26.2 million to acquire real property in Baku, Azerbaijan; Copenhagen, Denmark; Gabarone, Botswana; Helsinki, Finland; Kingston, Jamaica; Moscow, Russia; Nairobi, Kenya; Warsaw, Poland; and Yaounde, Cameroon.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Functional Programs - \$283,700,000

The FY 2002 request of \$283.7 million for Functional Programs reflects the Department's commitment to provide a secure and safe work environment for U.S. Government overseas employees and enable the Department to maintain and rehabilitate facilities overseas and make more efficient use of them by extending their useful lives.

- ❑ Physical Security Upgrade Program - \$5,920,000. The Physical Security Upgrade Program provides appropriate and cost-effective perimeter and public access control systems at all overseas posts to protect U.S. Government employees and non-residential property against the threat of violence. The FY 2002 request includes \$5.9 million in the base program to maintain the ongoing program of surveys, designs, and construction of physical access control and perimeter security upgrades, as well as minor improvements and maintenance and repair of physical security assets at posts. The FY 2002 reduction reflects the completion of funding for the joint Marine Security Guard facility upgrade program. Balances from prior years will be used to complete the program.
- ❑ Safety and Fire Programs - \$10,000,000. This program provides fire safety education and training, safety inspection activities, fire alarm detection system installation, acquisition of critical fire and life safety equipment for use in overseas office and residential properties, education, training, and inspections to reduce safety hazards at post, and provides assistance to posts in an effort to minimize mishaps and operational disruptions. FY 2002 funding is requested at a level appropriate to ensure that the Department protects employees overseas by providing fully automatic early-warning fire alarm detection for all principal buildings (i.e., chanceries, consulate office buildings, and buildings supporting post communications centers). In addition, funding for the Safety, Health and Environmental Management (SHEM) Program will allow safety personnel to continue their efforts to educate and minimize major mishaps and operational disruptions at posts.
- ❑ Post Communications Support Program - \$6,100,000. The Post Communications Support Program provides funding for the procurement of telephone systems in U.S. Government-owned and long-term leased chanceries and other non-residential facilities. Over half of the Department's overseas missions are operating with obsolete telephone systems. The FY 2002 request includes an increase of \$0.1 million for wage and price increases and will be used to replace obsolete telephone systems with modern, reliable digital systems at six of the highest priority posts.
- ❑ Maintenance of Buildings Program - \$77,400,000. The request of \$77.4 million will be used for continuing routine maintenance and repair requirements and for priority special maintenance and improvement projects for approximately 3,000 Government-owned and long-term leased properties. Requirements identified by posts always exceed funding available. In determining priorities and to allocate available funds, the Department emphasizes security, fire/life safety, and requirements to maintain structural integrity of buildings. Other considerations

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

include the importance of the project to post operations and the feasibility of executing the project in a timely manner. This activity also provides funding necessary to preserve, maintain, and repair buildings that are owned or directly leased by the Department of State in the United States. Funding is also provided for the Interior Planning, Design and Furnishings (IDF) Program, which consists of two major components: (1) interior planning and design for new office buildings and major rehabilitations of existing facilities; and (2) the replacement and repair of equipment, furniture, and furnishings at the 355 official residences of Ambassadors, Deputy Chiefs of Mission, and Principal Officers maintained by the Department. The requested funding level includes an increase of \$3.3 million to cover mandatory wage and price increases and allows the Department to reduce the backlog of deferred maintenance and repair projects.

- ❑ Facility Rehabilitation and Support Systems Replacement Program - \$39,700,000. Funding in this program is used to systematically restore the aging inventory of U.S. Government-owned and long-term leased facilities, extend their useful lives, and enhance their functionality. This is accomplished primarily by upgrading or replacing deteriorating building systems (e.g., electrical, plumbing, heating/ventilation/air conditioning). The request of \$39.7 million includes an increase of \$1.2 million for wage and price increases and only funds the most critical projects necessary to protect the security and safety of building occupants and maintain operational efficiency.
- ❑ Main State and Other Domestic Facilities - \$24,700,000. The request includes \$18.1 million for the continuation of the Main State renovation project, as well as \$6.6 million for maintenance and repair projects at other domestic facilities that are owned or directly leased by the Department, including Blair House, the Beltsville Information Management Center, Columbia Plaza, the Florida Regional Center, the National Foreign Affairs Training Center, and the Portsmouth Consular Center.
- ❑ Facility Maintenance Assistance Program - \$46,000,000. This program provides technical assistance and support to overseas posts in maintaining major building systems. 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 request of \$46.0 million, an increase of

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

\$5.2 million over 2001, includes funding to cover mandatory wage and price inflation (\$1.2 million) and the award of a new WASHMAC contract (\$4.0 million).

- ❑ Energy Conservation and Investment Program - \$3,800,000. This program identifies and implements projects that improve energy efficiency and reduce operating costs at the Department's overseas facilities. Of the \$3.8 million requested in FY 2002, \$0.6 million will be used for post energy surveys and the remaining funds will be used to implement energy conservation measures.
- ❑ Power Support Program - \$6,700,000. The Power Support Program provides standby electrical generators and other equipment to improve the stability and quality of power to U.S. Government facilities overseas. . The FY 2002 request includes an increase of \$0.1 million for wage and price increases and will fund the procurement and installation of office and residential generators and uninterruptible power supply (UPS) systems at a level that will eliminate the deferred maintenance backlog within four years.
- ❑ Seismic Program - \$730,000. The Seismic Program addresses earthquake life/safety issues in the Department's overseas facilities by assessing the building inventory and mitigation support activities (i.e., engineering, acquisition and planning assistance, and continuing education). The program identifies properties that are vulnerable to seismic activity and develops solutions to minimize that risk. The FY 2002 request will fund feasibility studies for deficient buildings determined to be potential candidates for seismic strengthening.
- ❑ Program Execution - \$37,060,000. Program Execution funds the staff resources necessary to plan, design, and construct major projects. These services include building design and engineering (\$12.3 million) which performs design, architecture, cost estimating, and civil, mechanical, and electrical engineering functions; salary and support costs for the onsite construction management staff (\$17.4 million) which oversees the work of the general contractors responsible for construction and renovation of overseas facilities; program management during the site acquisition, design, construction, and commissioning phases of capital and non-capital projects (\$6.4 million); and private sector support (\$1.0 million), which provides specialized services that cannot be performed by in-house staff. The increase of \$5.3 million over the FY 2001 level fully funds authorized staffing levels required to support the project workload planned for FY 2002 (\$4.1 million) and mandatory wage and price inflation (\$1.2 million).
- ❑ Construction Security Program - \$25,590,000. This program provides measures to safeguard overseas construction sites and materials from potentially hostile intelligence efforts. The requested funds will be used for protecting sites, materials, and equipment through the use of cleared American guards who secure the building sites; construction surveillance technicians who monitor foreign laborers; and the installation of technical security equipment at building sites. The request includes an increase of \$2.7 million to cover mandatory wage and price inflation.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Administration - \$23,396,000

These funds provide for salary and support costs for the executive direction, resource management, information resources management, and planning functions of the organization. In addition, the program funds the rents, utilities, communications services, printing and reproduction services, information technology, supplies and equipment, facilities service support, and professional and developmental training for the entire domestic headquarters staff of the Office of Foreign Buildings Operations. The requested funding level includes an increase of \$3.1 million to cover mandatory wage and price inflation (\$0.6 million) and the award of a new computer facilities management contract (\$2.5 million).

Worldwide Security Upgrades - \$815,960,000

Since the bombings of our embassies in East Africa, FBO has built three interim facilities, constructed one new office building, and currently have seven new office buildings under construction. The Department has 40 contractor-managed physical security upgrades complete or under construction, with an additional 16 funded for construction this fiscal year. There are 58 post-managed projects with physical security requirements and 154 forced entry/ballistic resistant door and window installations that are either completed or funded for completion, and out of 241 funded shatter resistant window film project installations for office buildings, 217 have been completed.

The FY 2002 request of \$816.0 million for Worldwide Security Upgrades supports the Department's commitment to improving the security and safety of U.S. Government personnel and facilities overseas. The request continues to build upon the program of relocating the highest risk posts that was begun with the FY 1999 emergency security supplemental appropriation. This amount includes \$615.0 million to support the next tranche of the most urgent, security-driven projects and will provide for the design and/or construction of about seven facilities among a list of 9 posts with a current estimated cost of \$676.0 million: Beijing, China (\$13.8 million for design); Cape Town, South Africa (\$66.7 million for design/build); Conakry, Guinea (\$60.5 million for design/build); Damascus, Syria (\$91.4 million for design/build); Harare, Zimbabwe (\$86.4 million for design/build); Phnom Penh, Cambodia (\$65.8 million for design/build); Sao Paulo, Brazil (\$98.2 million for construction); Tashkent, Uzbekistan (\$97.4 million for design/build); Tbilisi, Georgia (\$95.8 million for design/build); and costs for a post opening in Medan. In addition to the projects at these posts for which site acquisition and/or design was funded in previous years, the Department will acquire additional sites for which design and construction funding will be sought in the outyears (\$20.0 million) and construct Marine Security Guard residences at the posts currently under construction (\$10.5 million).

In addition, the request includes \$50.0 million to construct new on-compound facilities for the U.S. Agency for International Development (USAID). Part of this funding will provide for the balance of funds needed for USAID new office building (NOB) costs in Nairobi and Kampala. The remainder will cover USAID NOB projects in Abuja, Bogota, and Yerevan. In the event either of these USAID NOB projects cannot be initiated in

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FY 2002, other USAID projects could be funded in their place. Those are Harare, Dakar, Phnom Penh, or Tblisi. These projects are in varying stages of development. All would require either initial funding for design work or could be totally funded in FY 2002.

Funding is needed to continue the Perimeter Security Program and address critical perimeter security deficiencies for 28 additional vulnerable posts. The FY 2002 worldwide security upgrades request includes \$136.7 million to complete surveys, initiate designs and complete construction of critical security upgrades at these vulnerable posts.

The request also includes \$14.3 million for the recurring costs associated with the emergency supplemental: \$8.4 million for leaseholds, \$3.7 million for physical security equipment installation, maintenance, and replacement; and \$2.2 million for salaries for newly hired personnel.

Purpose of Programs

The purpose of the programs funded by the ESCM appropriation is captured largely by the Mission Statement of the Office of Foreign Buildings Operations (A/FBO): "Under the direction of the Secretary of State, FBO's mission is to assure that U.S. diplomatic missions abroad are provided appropriate facilities which will assist them in achieving the foreign policy objectives of the United States. A/FBO oversees the U.S. Government's overseas real property investments to ensure that the taxpayers' money is used wisely and that U.S. Government employees are provided with safe, secure, and functional facilities." ESCM programs are authorized by the Foreign Service Buildings Act of 1926, as amended, as well as other statutes. In addition, as provided in the annual Commerce-Justice-State appropriations bill, funds appropriated in this account may be used to support domestic facilities owned or leased by the Department of State and to renovate the Harry S Truman Building.

Program Description

The Office of Foreign Buildings Operations:

- Provides guidance concerning facilities to overseas posts, regional bureaus, and other foreign affairs agencies;
- Initiates and develops long-range planning and programs and determines worldwide facilities program priorities;
- Manages all phases of capital and non-capital project development, including design and construction; provides for on-site security of facilities under construction or renovation; and assigns project directors and technical and security staff at posts to oversee construction work;
- Provides for the interior design of representational space in embassies, consulates, and official residences of principal officers and deputy chiefs of mission;
- Develops and directs various facilities programs including, fire-life safety, maintenance and physical security;

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

- ❑ Assigns facility maintenance specialists to selected posts to manage facility maintenance and repair programs that often exceed the technical capabilities of personnel at post;
- ❑ Directs the Department's asset management efforts overseas including the acquisition and disposal of real property; maintains statistical, financial, and visual records of overseas properties; and serves as the Department of State repository for official deeds, surveys, and other documents for U.S. Government-owned and leased properties; and
- ❑ Establishes standards and policies, in its role as the Single Real Property Manager for non-military real property overseas, for all owned and leased properties occupied by all federal agencies operating under authority of the Chiefs of Mission

Benefits

The effective implementation of the programs of the Office of Foreign Buildings Operations provides U.S. diplomatic missions with appropriate facilities in a cost-effective manner and protects the value of the U.S. Government investment in real property overseas. The forty-two new chancery facilities and housing projects completed since 1986 provide U.S. staff with protection against terrorist and technical threat, enable the effective use of state-of-the-art technology at posts, and enable personnel overseas to attain an acceptable quality of life. As the department continues to replace chanceries and consulates at its most vulnerable posts, these new facilities will enhance the effectiveness of these posts to carry out the USG's foreign policy objectives.

Substantial investments are being made to maintain and protect the value of existing facilities. This will extend their useful life and defer expensive new capital acquisitions. Post operations are improved through upgrades of existing facilities and modernization of support systems.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

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OFFICE OF INSPECTOR GENERAL

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Executive Direction and Policy Formulation	\$370	\$380	\$1,950	\$1,570
Inspections, Audits, and Investigations	25,662	25,771	21,023	(4,748)
Administration and Staff Activities	1,350	2,276	6,291	4,015
Appropriation Total	\$27,382	\$28,427	\$29,264	\$837

Explanation of 2002 Request

This request funds the activities of the Office of Inspector General (OIG) to include audits, investigations, and inspections of worldwide operations and programs of the Department of State and the Broadcasting Board of Governors (BBG). The \$837,000 increase requested for FY 2002 will fund the OIG's anticipated wage and price increases. The FY 2002 request also realigns funding for budget activities consistent with a proposed internal reorganization. In FY 2002, the OIG will continue to evaluate the Department of State's performance, make recommendations for improvements to promote effective and efficient operations, and follow up to ensure compliance with laws and regulations.

Purpose Of Program

The OIG's objectives are to:

- improve the economy, efficiency, and effectiveness of Department of State and BBG operations, stimulating positive change;
- 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.

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, in:

- Effectively planning, coordinating, and managing U.S. foreign policy to advance national interests;

OFFICE OF INSPECTOR GENERAL

- Gaining the necessary financial systems and support systems to meet operational needs and Federal requirements;
- Attracting, placing, and retaining a highly motivated, diverse, flexible and accountable workforce;
- Achieving effective operations providing development, deployment, management and maintenance of efficient and reliable information technology infrastructures; and
- Protecting the people, information, and facilities under its authority.

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

OIG activities will focus on conducting audits, inspections, and security and intelligence reviews in alignment with five issue areas that support its strategic goals: foreign policy, financial management and administration, human resources, information technology, and security. In addition, a sixth issue—accountability and integrity—will focus on investigations and innovative approaches to identifying fraud, waste, and abuse, as well as training and outreach activities designed to promote ethics and integrity in the workforce. The OIG is in the process of realigning into a matrix structure in an effort to provide maximum flexibility in allocating resources promptly and seamlessly to where they are most needed, in response to changing priorities and workloads.

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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Academic Exchanges	\$123,105	\$140,967	\$140,323	\$-644
Professional/Cultural Exchanges	60,616	72,469	72,573	104
Exchanges Support	24,163	26,021	29,104	3,083
Total Direct Obligations	\$207,884	\$239,457	\$242,000	\$2,543
Balances Applied From Prior Years	(11,610)	(7,881)	--	7,881
Balances Carried Forward	7,881	--	--	--
Appropriation Total /a	\$204,155	\$231,576	\$242,000	\$10,424

/a In addition to the direct appropriated amounts shown above, the U.S. Agency for International Development (USAID) transferred funds for Support for Eastern European Democracies Act (SEED), Freedom Support Act (FSA), Cyprus American Scholarship Program (CASP), special Africa exchanges, and in FY 1999/2000, a Salve Regina University project. In FY 2000, \$105,571,000 in transferred funds was obligated. Additional transfers from USAID for FSA, SEED, and Economic Support Funds (ESF) are anticipated in FY 2001 and FY 2002.

Explanation Of 2002 Request

The FY 2002 request of \$242,000,000 funds exchange program requirements. The request reflects a net increase of \$10,424,000 over the amount appropriated in FY 2001. The request includes the following major adjustments:

- ❑ \$6,380,000 for net built-in requirements to maintain current services, including price increases and full-year and anticipated costs of federal pay raises (\$7,148,000) and an increase to cover continuing programs funded with prior year balances in FY 2001 (\$929,000), offset by non-recurring FY 2001 one-time program costs (-\$1,697,000).
- ❑ \$1,909,000 and ten positions transferred from the Diplomatic and Consular Programs appropriation to the Educational and Cultural Exchange Programs (ECE) appropriation for salaries and support costs. This resource shift adjusts the appropriation crosswalk made when the U.S. Information Agency was consolidated into the State Department in FY 2000.
- ❑ \$2,207,000 for program increases including funding to enhance the J. William Fulbright Educational Exchange Program (\$180,000) consistent with the *Report of the Steering Committee on the Future of the Fulbright Program*; to improve support for Global Academic Exchanges (\$486,000) including U.S./foreign university partnerships, English teaching and overseas educational advising; to enhance the International Visitor Program (\$1,085,000), ranked as one of the most important public diplomacy tools by U.S. ambassadors; and to increase citizen exchanges (\$456,000) that focus on partnering with

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

organizations to communicate American society and values to closed societies in a non-confrontational way.

- ❑ \$72,000 for program decreases including reductions in Special Academic Exchanges (-\$41,000) and Special Professional and Cultural Exchanges (-\$31,000).

The request also includes \$1,400,000 for the North-South Center. In FY 2001, Congress earmarked this program within the ECE appropriation.

Purpose of Program

The Bureau of Educational and Cultural Affairs promotes friendly, sympathetic and peaceful relations between the United States and other countries by fostering mutual understanding through a wide range of international exchange programs authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended. This appropriation leverages 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. In FY 2000, such gross support totaled over \$500 million. Cost sharing primarily derives from private sector and foreign government contributions and non-direct sources (i.e., interagency appropriation and allocation transfers, reimbursements, trusts, endowments, and other support). 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 opinion 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. Programs 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 study abroad and to advise foreign students about educational opportunities in the United States; and the 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

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

development and grassroots community exchanges with foreign counterparts; programs of special Congressional interest such as the *Congress-Bundestag Youth Exchange* and the *Mike Mansfield Fellowship*.

- **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 material.

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. Exchange programs are strategic activities that build networks of informed opinion leaders in the political, economic, and social infrastructures of countries. Exchanges create opportunities for U.S. and foreign publics to understand each other's societies and cultures directly. Mutual 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.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

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REPRESENTATION ALLOWANCES

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2000 Actual	FY 2001 Estimate	2002 Request	Increase or Decrease (-)
Appropriation Total	\$5,826	\$6,485	\$9,000	\$2,515

Explanation of 2002 Request

The FY 2002 request will support U.S. national interests, economic activities, and other diplomatic functions by providing resources for representational events at the more than 250 embassies, missions, and consulates worldwide. The increase of \$2,515,000 begins to restore the buying power that has been lost within this account over the last twelve years. After adjusting for the impact of USIA integration and the effect of high rates of overseas inflation, the Representation Allowances appropriation lost nearly 40% of its buying power from 1989 through 2000. During this same period, the Department opened more than 30 new posts in Eastern Europe, Vietnam, France, Africa and Latin America. Because of this lost buying power, U.S. diplomats have paid for representation events out-of-pocket to further U.S. policy when official funds have not been available. Other posts have had to cancel or downsize planned events due to insufficient funds. By restoring the Representation Allowances appropriation to sufficient funding levels, 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.

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
2000	\$ 7,833	--	\$5,178 ^{/a}	\$13,011
2001	13,011	--	--	13,011
2002	13,011	--	--	13,011

^{/a} Comprised of transfer from the former USIA Buying Power Maintenance Account in the amount of \$3,762,000 as well as transfer of exchange rate gains in the amount of \$1,416,000.

Explanation Of 2002 Request

The Department is not seeking additional FY 2002 appropriations for this fund. Note that the FY 2000 balance reflects the transfer of \$3.762 million from the United States Information Agency (USIA) as part of the consolidation of foreign affairs agencies. It also includes the transfer of \$1.416 million in exchange rate gains from the Diplomatic and Consular Programs appropriation. While the State Department's 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.

Purpose Of Program

The Buying Power Maintenance (BPM) 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

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PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Extraordinary Protection of International Organizations, Foreign Missions & Officials in New York	\$6,767	\$9,147	\$8,700	-\$447
Extraordinary Protection of International Organizations, Foreign Missions & Officials Elsewhere in the United States	1,300	1,297	1,300	3
Reimbursement to Seattle, Washington	--	4,989	--	-4,989
Appropriation Total	\$8,067	\$15,433	\$10,000	-\$5,433

Explanation Of 2002 Request

The FY 2002 request of \$10,000,000 (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 decrease of \$5,433,000 from the FY 2001 estimate reflects the absence of one-time FY 2001 costs to reimburse the City of Seattle, Washington for costs related to the World Trade Organization Ministerial and to address increased costs in New York City generated by the Millennium Celebration at the United Nations.

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 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

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Emergency Evacuations and Other Activities	\$2,477	\$3,965	\$8,000	\$4,035
Rewards	3,000	1,500	7,500	6,000
Appropriation Total	\$5,477	\$5,465	\$15,500	\$10,035

Explanation Of 2002 Request

The FY 2002 request of \$15,500,000 increases overall U.S. support for the Emergencies in the Diplomatic and Consular Service by \$10,035,000 over the FY 2001 funding level. This level will allow the Department to meet emergency requirements, rewards, and other needs in the conduct of foreign affairs. Included in this request are:

- 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;
- payment of rewards for information concerning acts of international terrorism, narco-terrorist offenses, and war crimes activities in the Former Republic of Yugoslavia (FRY) and Rwanda; and
- representation expenses for senior domestic officials related to the conduct of foreign affairs.

The request includes \$8,000,000 for evacuations and other activities, an increase of \$4,035,000 over the FY 2001 level. Recent worldwide events have demonstrated the importance of having an emergency reserve upon which to draw to protect American lives overseas in times of strife, terrorism, and natural disaster. A substantial reserve from the emergency supplemental funding, associated with the Nairobi and Dar es Salaam embassy bombings, has been expended. The emergency component of this appropriation has relied on this reserve to pay unanticipated expenses associated with such activities as the Middle East Peace Talks, and impromptu overseas summits in addition to evacuations.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The request also includes \$7.5 million in funding for payments of rewards. The number of rewards cases considered for payment has continued at a high level because of aggressive and successful publicity campaigns. In addition, the State Department Basic Authorities Act was amended on October 30, 1998 (P.L. 105-323) to increase the reward payment ceiling from \$2 million to \$5 million per individual incident.

After an expansive publicity campaign and the conclusion of several judicial proceedings, such as Pan Am 103, we expect to issue several million dollars in terrorism reward payments in FY 2002. Additional funds are thus required to allow the Secretary to approve these payments to maintain an effective program in combating terrorism.

Purpose Of Program

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;
- 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, and the embassies in Nairobi and Dar Es Salaam; the truck bombing of the U.S. Marine Barracks in Beirut; 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.

Benefits

In FY 2000, funds were used to:

- provide for the evacuation and related support of USG employees and their families who were evacuated from Chisinau, Moldova; Kiev, Ukraine; Minsk, Belarus; 4 posts in Russia (Moscow, St. Petersburg, Vladivostok, and Yekaterinburg); Freetown, Sierra Leone; Asmara, Eritrea; Suva, Fiji; and Monrovia, Liberia.
- provide two reward payments of \$1 million each; 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

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Subsidy	\$588	\$589	\$612	\$23
Administration	607	603	607	4
Appropriation Total	\$1,195	\$1,192	\$1,219	\$27

Explanation Of 2002 Request

The FY 2002 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 2002 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 2002 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

REPATRIATION LOANS: SUBSIDY AND ADMINISTRATION

not based on an applicant's 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 2000, 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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Economic Services	\$873	\$933	\$975	\$42
Commercial Services	1,457	1,556	1,627	71
Travel Services	2,185	2,334	2,442	108
Cultural and Information Services	1,894	2,023	2,117	94
Other Services	7,116	7,575	7,925	350
Agriculture Services	410	438	459	21
Washington Office Activities	1,377	1,450	1,499	49
Appropriation Total	\$15,312	\$16,309	\$17,044	\$735

Explanation Of 2002 Request

This request funds a contract between the American Institute in Taiwan (AIT) and the Department of State. The additional \$735,000 requested in FY 2002 is required to fund American and FSN cost of living adjustments and pay raises, domestic and overseas inflation, and other mandatory cost increases.

Funding From Other Sources

The American Institute in Taiwan (AIT), a nonprofit corporation, has historically received reimbursement for other services performed. In FY 2002, AIT anticipates collecting a total of \$21.8 million. This includes approximately \$12.7 million in visa processing fees and \$9.1 million in reimbursements from other agency contracts as well as for additional costs associated with supporting the Foreign Service Institute's Chinese Language School. Of the estimated \$12.7 million in visa processing fees collected, approximately \$10 million will be used to cover direct and indirect operating expenses in addition to the appropriation provided. The remaining \$2.7 million will be set aside for capital projects.

The current balance of the AIT capital fund is \$32 million with a projected balance of \$35 million by the end of FY 2002. Current unmet needs for capital improvement include the construction of an office building complex that will consolidate services and downtown residences. This would include the Institute's principal offices, the Travel Services section and other programs, that are located on commercial properties in Taipei. Construction of these facilities would relieve AIT of the significant expense of maintaining office buildings that are more than 48 years old. Commercial property standards typically allow for a 50-year life cycle under ideal conditions.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Taipei's environment is less than ideal; over the years Taipei has experienced a number of typhoons and earthquakes which have contributed to the degradation of the facilities.

Purpose Of Program

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.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

- ❑ 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.
- ❑ 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 \$15 billion in 2000 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 of 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)

	2000 Actual	2001 Estimate	2002 Request	Increase or Decrease (-)
Appropriation Total	\$128,541	\$131,224	135,629	\$4,405

Explanation Of 2002 Request

The request of \$135,629,000 represents the cost of sustaining adequate funding of the Foreign Service Retirement and Disability Fund (FSRDF). The FY 2002 increase of \$4,405,000 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). The FSRDF funds the retirement benefits for Foreign Service employees not covered under the Foreign Service Pension System (FSPS). The appropriation is one of several sources of income to the FSRDF. Funding is maintained through:

- 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 2002 appropriations in the
International Organizations and Conferences title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2000 Actual	FY 2001 Estimate /a	FY 2002 Request	Increase/ (Decrease)
Contributions to International Organizations	\$880,505	\$868,917	\$878,767	\$9,850
Contributions for Int'l. Peacekeeping Activities	498,100	844,139 /f	844,139 /f	--
CIO/CIPA Arrearage Payments	351,000 /g	--	--	--
TOTAL APPROPRIATIONS	\$1,729,605	\$1,713,056	\$1,722,906	\$9,850

/a FY 2001 reflects adjustments for 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.

/f 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.

/g Includes \$244 million in new appropriations and not to exceed \$107 million applied or used from amounts owed by the United Nations to the United States.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Page not used.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase/ Decrease (-)
Appropriation Total	\$880,505	\$868,917	\$878,767	\$9,850

Explanation Of 2002 Request

The FY 2002 request of \$878,767,000 represents full funding, consistent with statutory restrictions, of U.S. assessed contributions to the 44 international organizations funded through this appropriation. It recognizes the United States' international obligations to the UN and other international organizations. The FY 2002 request is at the revised assessment rate for the UN and its affiliated agencies. Increases are requested in FY 2002 for payment of Articles IV and V Chemical Weapons Convention inspection costs (\$3,850,000); for the OECD pension capitalization (\$1,098,000); and for exchange rate adjustments (\$419,000). The FY 2002 request also recognizes the U.S. withdrawal from the International Office of the Vine and Wine, effective June 30, 2001, and the termination of the International Natural Rubber Organization, resulting in no request for funds in FY 2002.

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

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

- ❑ **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.

Allocation by Organization

(dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
United Nations & Affiliated Agencies			
Food & Agriculture Organization	\$81,038	\$82,388	\$72,741
Int'l. Atomic Energy Agency	48,929	48,617	49,112
Int'l. Civil Aviation Organization	11,980	12,171	12,011
Int'l. Labor Organization	54,722	55,750	54,873
Int'l. Maritime Organization	1,195	1,152	1,168
Int'l. Telecommunications Union	6,141	5,962	5,871
United Nations – Regular	302,578	299,651	266,244
United Nations - War Crimes Tribunals	22,420	23,032	32,000
Cambodia War Crimes Commission	--	3,000	3,000
Iraq War Crimes Commission	--	4,000	4,000
Universal Postal Union	1,296	1,240	1,312
World Health Organization	108,372	108,109	108,109
World Intellectual Property Org.	1,054	815	817
World Meteorological Org.	9,981	9,422	8,259
Subtotal, UN and Affiliated Agencies	649,706	655,309	619,517
Inter-American Organizations			
Inter-American Institute for Cooperation on Agriculture	16,560	16,559	16,560
Organization of American States	56,946	54,196	54,196
Pan American Health Organization	51,675	52,258	52,258
Pan American Institute of Geography and History	324	324	324
Subtotal, Inter-American Organizations	125,505	123,337	123,338
Regional Organizations			
Asia-Pacific Economic Cooperation	601	601	601
Colombo Plan Council for Technical Cooperation	15	15	15
North Atlantic Assembly	600	596	596
North Atlantic Treaty Organization	35,500	42,328	43,975

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Regional Organizations (cont.)			
Organization for Economic Cooperation and Development	\$50,668	\$45,979	\$52,143
South Pacific Commission	1,084	1,104	1,104
Subtotal, Regional Organizations	88,468	90,623	98,434
Other International Organizations			
Customs Cooperation Council	3,065	2,928	2,861
Hague Conference on Private Int'l. Law	114	101	103
Int'l. Agency for Research on Cancer	1,673	1,670	1,670
Int'l. Bureau of the Permanent Court of Arbitration	19	19	19
Int'l. Bureau for the Publication of Customs Tariffs	90	91	89
Int'l. Bureau of Weights & Measures	807	780	810
Int'l. Copper Study Group	61	55	55
Int'l. Cotton Advisory Committee	298	222	222
Int'l. Center for the Study of Preservation & Restoration of Cultural Property	748	748	748
Int'l. Grains Council	478	444	444
Int'l. Hydrographic Organization	85	82	82
Int'l. Institute for the Unification of Private Law	102	101	101
Int'l. Lead & Zinc Study Group	59	56	56
Int'l. Natural Rubber Organization	204	52	--
Int'l. Office of Epizootics	83	76	75
Int'l. Organization for Legal Metrology	99	93	94
Int'l. Office of the Vine & Wine	55	28	--
Int'l. Rubber Study Group	112	117	117
Int'l. Seed Testing Association	6	7	7
Int'l. Tropical Timber Organization	144	159	159
Int'l. Union for the Conservation of Nature & Natural Resources	234	243	251
Int'l. Union for the Protection of New Varieties of Plants	--	163	163
Organization for the Prohibition of Chemical Weapons	10,936	12,950	16,613

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Other International Organizations (Cont.)			
World Trade Organization/General Agreement on Tariffs and Trade	\$12,069	\$11,077	\$12,739
Subtotal, Other International Organizations	31,541	32,262	37,478
Subtotal, CIO Requirements	895,220	901,531	878,767
FY 2000 United Nations Buydown	(47,329)		
FY 2001 United Nations Buydown	32,614	(32,614)	
Appropriation Total	\$880,505	\$868,917	\$878,767

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 2000 Actual	FY 2001 Estimate ^{/a}	FY 2002 Request ^{/a}	Increase/ Decrease (-)
Appropriation Total	\$498,100	\$844,139	\$844,139	--

^{/a} 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.

Explanation Of 2002 Request

The FY 2002 request provides funds for the United States' share of the expenses of United Nations (UN) peacekeeping operations. The FY 2002 request is \$844,139,000 for full funding of projected FY 2002 operations. The Administration 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 fund 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. Assessments for periods through December 31, 2000, are included in the budget summary at the legislatively mandated rate of 25 percent and at the UN assessed rate thereafter. It is expected that legislation will be enacted in FY 2001 to authorize payments at the new assessment rates, beginning January 1, 2001.

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 Bosnia and Herzegovina** (UNMIBH, initial UN mandate in December 1995) – established by the UN Security Council as a result of the Dayton Agreement, monitors local police activity and assists in establishing reformed police forces trained in democratic community policing.
- ❑ **UN Mission of Observers in Prevlaka** - (UNMOP, initial UN mandate in February 1992) – observes and monitors demilitarization on the Prevlaka Peninsula in Croatia. Funding for UNMOP is included within UNMIBH.
- ❑ **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 through 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 two civilian components and a peacekeeping force to carry out tasks associated with the implementation of the results of the independence vote.
- ❑ **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

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

(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 will observe and provide technical support for delimitation of border areas, redeployment of troops, restoration of civilian administration and the return of civilian populations to disputed areas.

Allocation by Mission (dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate ^{/a}	FY 2002 Request ^{/a}
UN Disengagement Observer Force (UNDOF)	\$7,567	\$10,221	\$10,435
UN Interim Force in Lebanon (UNIFIL)	31,803	63,521	24,963
UN Iraq/Kuwait Observer Mission (UNIKOM)	4,274	5,584	5,336
UN Operations in Angola (MONUA)	1,902	--	--
UN Mission in Western Sahara (MINURSO)	--	13,526	13,472
UN Mission in Bosnia and Herzegovina (UNMIBH), includes UN Mission of Observers in Prevlaka (UNMOP)	16,042	64,241	29,572
UN Mission in Kosovo (UNMIK)	95,131	186,545	122,850
UN Force in Cyprus (UNFICYP)	5,874	6,416	6,709
UN Observer Mission in Georgia (UNOMIG)	7,327	9,036	8,203
UN Mission of Observers to Tajikistan (UNMOT)	2,339	--	--
War Crimes Tribunal – Yugoslavia	11,900	13,471	17,189
War Crimes Tribunal – Rwanda	10,519	12,008	16,176
UN Mission to Sierra Leone (UNAMSIL)	128,083	180,367	318,000
UN Transitional Administration in East Timor (UNTAET)	145,099	189,676	130,415
UN Operations in the Democratic Republic of Congo (MONUC)	30,240	5,286	83,550
UN Operations in Ethiopia/Eritrea (UNMEE)	--	84,241	57,269
Appropriation Total	\$498,100	\$844,139	\$844,139

^{/a} 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 FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

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 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;
- enables refugees and displaced persons to return home;
- constrains and disarms the forces of opposing parties;
- disarms combatants; 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.

ARREARAGE PAYMENTS

Program Activity Summary

Summary Statement

(dollars in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Appropriation Total	\$351,000 ^{/a}	--	--	--

/a Includes \$244 million in new appropriations and not to exceed \$107 million applied or used from amounts owed by the United Nations to the United States.

Explanation Of 2002 Request

No funds are requested for this account in FY 2002.

Purpose Of Program

Funds were appropriated in FY 1999 (\$475 million) and FY 2000 (\$351 million) for the payment of arrears owed by the United States to the United Nations and to other international organizations. Obligation and expenditure of these funds are subject to the provisions of the Department of State and Related Agency Appropriations Act, 2000, and the United Nations Reform Act of 1999, as contained in P.L. 106-113, and the Department of State and Related Agencies Appropriations Act, 1999, P.L. 105-277.

Benefits

Payment of arrears, consistent with the controlling legislation, will help strengthen the relationship between the United States and the United Nations and other international organizations, and will further the United States' leadership position within these organizations.

ARREARAGE PAYMENTS

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PART THREE
INTERNATIONAL COMMISSIONS

OVERVIEW

This section contains the FY 2002 appropriations in the International Commissions title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2000 Actual	FY 2001 Estimate /a	FY 2002 Request	Increase/ (Decrease)
International Boundary & Water Commission:				
Salaries & Expenses	\$19,470	\$7,126 /h	\$7,452	\$326
Construction, Operations & Maintenance	5,915	22,900 /h	25,654	2,754
Subtotal, International Boundary & Water Commission	25,385	30,026	33,106	3,080
International Fisheries Commissions	15,485	19,349	19,780	431
American Sections:				
International Boundary Commission	758	968	989	21
International Joint Commission	5,568	3,763 /i	7,282 /i	3,519
Border Environment Cooperation Commission	1,534	1,996	2,040	44
Subtotal, American Sections	7,860	6,727	10,311	3,584
TOTAL APPROPRIATIONS	\$48,730	\$56,102	\$63,197	\$7,095

/a FY 2001 reflects adjustments for 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.

/h Prior to FY 2001, funds for the Operations and Maintenance activity were included in the IBWC - Salaries and Expenses appropriation.

/i \$2,150,000 of the FY 2000 Actual provided through the Emergency Supplemental Act, 2000 (P.L. 106-246) to initiate 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 Request includes \$3,432,000 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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Administration	\$4,322	\$4,930	\$5,321	\$391
Engineering	1,613	2,196	2,131	(65)
Operations and Maintenance	13,535	-- /a	-- /a	--
Appropriation Total	\$19,470	\$7,126	\$7,452	\$326

/a Pursuant to the FY 2001 appropriation, the Operations and Maintenance activity was transferred to the IBWC — Construction Account.

Explanation Of 2002 Request

The FY 2002 request provides \$7,452,000 for Administration and Engineering activities for the International Boundary and Water Commission, a net increase of \$326,000. Increased needs in Administration include wage and price increases (\$152,000); telecommunications services procured from GSA (\$28,000); increased costs of financial management services procured through the Department of the Interior's National Business Center (\$100,000); and software and services to address recent audit findings concerning inventory management and internal controls (\$111,000). Increased needs in Engineering include wage and price increases (\$75,000) which are offset by the transfer of Construction Administration to the IBWC-Construction appropriation (-\$140,000). The IBWC-Salaries and Expenses appropriation continues to reflect the transfer of the Operations and Maintenance (O&M) activity in FY 2001 to the IBWC-Construction appropriation.

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 and engineering activities using funds appropriated to IBWC.

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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or (Decrease)
Boundary Wide Construction	\$1,375	\$2,919	\$3,107	\$188
Facilities Renovation	1,375	424	725	301
Heavy Equipment Replacement	--	998	500	(498)
Land Mobile Radio Systems Replacement	--	499	750	251
Hydrologic Data Collection System Rehab.	--	499	750	251
Tijuana River Diversion	--	499	--	(499)
Construction Administration	--	--	382	382
Rio Grande Construction	3,840	2,679	2,954	275
Rio Grande American Canal Extension	2,090	200	250	50
Rio Grande Canalization	1,750	200	800	600
Rio Grande Flood Control System Rehab.	--	1,282	1,150	(132)
Safety of Dams Rehabilitation	--	997	754	(243)
Colorado River Construction	700	803	340	(463)
Colorado River Boundary & Capacity Preservation	700	803	340	(463)
Subtotal, Construction	5,915	6,401	6,401	--
Operations & Maintenance ^{/a}	--	16,499	19,253	2,754
Subtotal, Construction, O&M Appropriation	5,915	22,900	25,654	2,754
Add Unobligated Balances Applied	7,644	9,258	--	(9,258)
CONSTRUCTION, O&M TOTAL	\$13,559	\$32,158	\$25,654	(\$6,504)

/a Prior to FY 2001, funds for the Operations and Maintenance activity were included in the IBWC—Salaries and Expenses appropriation.

Explanation of 2002 Request

The FY 2002 request for the Construction activity (projects) is \$6,401,000, the same level as the FY 2001 appropriation. FY 2002 Construction activity funds have been redistributed among construction projects to accurately reflect current funding needs, including Construction

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

Administration. The FY 2002 request also reflects the transfer in FY 2001 of the Operations and Maintenance (O&M) activity from the IBWC-Salaries and Expenses appropriation. The FY 2002 request for the O&M activity is \$19,253, an increase of \$2,754,000 over FY 2001 to fund wage and price increases (\$629,000), workers' compensation charges (\$71,000), and audit findings resolution (\$54,000); initial implementation of Public Law 106-457, the Tijuana River Valley (CA) Estuary and Beach Sewage Cleanup Act of 2000 (\$1,500,000); the Amistad Dam and Reservoir (TX) Silt Survey (\$100,000); the Nogales Wash (AZ) Planning Study (\$150,000); and enhanced boundary monuments maintenance (\$250,000).

Explanation of Projects

The FY 2002 request permits program support at levels consistent with overall foreign policy objectives. Following is the status of the major projects and activities in FY 2002:

CONSTRUCTION ACTIVITY (\$6,401,000)
--

Boundary-Wide Construction (\$3,107,000)

Facilities Renovation (\$725,000) – Continuing a program funded since FY 1992, new FY 2002 funding will be used to continue a multi-year program of facilities renovation to rehabilitate and modernize deteriorated U.S. Section facilities along the U.S.-Mexico border. FY 2002 scheduled work includes the continuation of structural, electrical, and plumbing upgrades at various field office sites; replacement of existing underground storage tanks with environmentally safe above ground fuel tanks; field office and project yards paving/resurfacing; and the modification of project facilities to comply with environmental and safety requirements.

Heavy Equipment Replacement (\$500,000) - FY 2002 funds will be used to continue a multi-year program, begun last year, to replace existing deteriorated and obsolete heavy construction equipment that currently incur excessive repair and maintenance costs. Heavy construction equipment such as bulldozers, scrapers, cranes, front-end loaders, etc., are critical during flood events and other emergency situations in which protection of lives and property is of utmost importance.

Land Mobile Radio (LMR) Systems Replacement (\$750,000) - FY 2002 funds will be used to continue a three-year upgrade project, begun last year, to replace the agency's current LMR system, which does not comply with the requirements set forth by the Department of Commerce's National Telecommunications and Information Administration. The LMR systems consist of base station consoles, repeaters, mobile radios, and hand-held portable radios. The multi-year project includes radio system design and evaluation, procurement of equipment, removal of the existing LMR system, and installation of new, completely functional and compliant LMR systems at thirteen USIBWC field offices along the U.S.-Mexico border. FY 2002 work will include the procurement of radio equipment for six of the field offices. The purpose of the work is to assure that wireless/radio communications are available for day-to-day coordination of field activities or during emergency flood situations.

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

Hydrologic Data Collection System Rehabilitation (\$750,000) - FY 2002 funds will be used for the second year of a three-year project to renovate gauging stations and replace the existing hydrological data collection and transmission system (telemetry), which is antiquated and unreliable. The work scheduled in FY 2002 will include the rehabilitation of the remaining Rio Grande telemetry and gauging stations as well as the telemetry for the Colorado and Tijuana Rivers. The telemetry system is used to remotely monitor river flows and obtain data that is critical to the safe monitoring of flood events and the operation of flood control dams and diversion and containment structures. Additionally, the 1944 Water Treaty requires the USIBWC to provide flood control and water accounting data and determine international ownership of waters in the international reaches of the Rio Grande, Colorado and Tijuana Rivers.

Construction Administration (\$382,000) - This program, new in FY 2002, will fund the executive direction and oversight required for the continuing USIBWC Construction program. Management personnel assigned to this sub-activity would include a Principal Engineer, a Division Engineer, and an Administrative Services Clerk. The Principal Engineer, transferred from the Engineering activity in the IBWC-Salaries & Expenses appropriation (\$140,000), is responsible for overseeing, managing, coordinating, and identifying future needs of the USIBWC construction program. The Division Engineer assists in the day-to-day operations and oversight of the construction projects. The Administrative Services Clerk support enhances the engineers' abilities to carry out their duties. Funding for these two positions, currently distributed to the various projects within the Construction appropriation, will be consolidated into this activity.

Rio Grande Construction (\$2,954,000)

Rio Grande American Canal Extension (\$250,000) - Originally funded in FY 1991, requested FY 2002 funding will be used to continue a multi-year project for the design and construction of an extension to the American Canal at El Paso, TX. The FY 2002 new budget authority will be combined with prior year unobligated balances to perform subsidence monitoring and complete the design for the reconstruction of the American Canal (from the American Diversion Dam to the International Diversion Dam, approximately 1.5 miles). The remaining balance of funds necessary to complete this project will be requested in future years.

Rio Grande Canalization (\$800,000) - Originally funded in FY 1993, new FY 2002 funds will be used to complete environmental compliance studies and provide erosion protection to three irrigation structures. These irrigation structures are an essential conduit for the irrigation of farmland; their failure would have severe economic impacts to the area. This project is authorized by the Act of August 29, 1935 (49 Stat. 961) to facilitate water deliveries to Mexico under the 1906 Convention and to protect against Rio Grande floods, and was recorded in 22 USC 277d-29, Rio Grande Canalization Project. Scouring has exposed foundations of bridges, siphons, and diversion dams in portions of the Rio Grande channel, jeopardizing their structural integrity. The U.S. Section will construct necessary features to control the scouring process throughout the channel. Future work will include channel rehabilitation, erosion control riprap placement, construction of silt retention dams, rehabilitation of structure foundations, levee reconstruction and raising, other mitigation works, and real estate acquisition.

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

Rio Grande Flood Control System Rehabilitation (\$1,150,000) - FY 2002 funds will be used to continue hydraulic and geo-physical studies, and initiate environmental and cultural resources investigations along the Rio Grande from El Paso, Texas, to the Gulf of Mexico. In FY 2002, the USIBWC plans to complete geo-physical studies for the lower Rio Grande Valley that began last year. USIBWC also performed hydraulic studies of the Rio Grande flood control system at Laredo and Presidio, Texas in FY 2001, and will continue with the Rio Grande system hydraulic studies at Del Rio and Eagle Pass, Texas. USIBWC will also begin environmental and cultural resources investigations along the Rio Grande between El Paso and Fort Quitman, Texas. Project pre-design 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 anticipated work includes reconstruction of 380 miles of the levee system, rehabilitation and preservation of the river channel and flood plain, and production of aerial maps.

Safety of Dams Rehabilitation (\$754,000) - New FY 2002 funds will be used to continue crucial rehabilitation work at Amistad and Falcon International Dams on the Rio Grande, as recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. This multi-year effort, begun last year, also includes major rehabilitation work at the International Dam and American Dam, at El Paso, Texas. The work includes sinkhole treatment, procurement and replacement of riprap, floodgate rehabilitation, and dam break analysis at Falcon Dam.

Colorado River Construction (\$340,000)

Colorado River Boundary and Capacity Preservation (\$340,000) – Originally funded in FY 1998, FY 2002 funds for this multi-year project will be used to continue studies concerning the conveyance capacity of the international segment of the Colorado River. Due to excessive flood sedimentation in 1983 and 1993, the capacity of the Colorado River channel has been greatly reduced. Minute 291 (the underlying international agreement) requires that carrying capacity improvements be made to the international segment of the Colorado River. The issue of water salinity will also be addressed as a result of deliveries of allocated water to Mexico. Additional studies will be conducted to assure that all standards are met, in compliance with the 1944 Water Treaty and Minute 242. The project includes surveying, mapping, vegetation management, channel alignment excavation and protection, and revision of the international flow standards. The project also includes work to restore and maintain the international boundary and lands in the U.S. and Mexico. Extensive realty efforts will be necessary to accomplish this task. Due to the environmental sensitivity of this area, work must be conducted in a manner that will significantly mitigate any potential environmental impacts.

OPERATIONS AND MAINTENANCE ACTIVITY (\$19,253,000)

Operations and Maintenance Activity - In FY 2002, Operations and Maintenance (O&M) activities 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

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

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 growth in this activity is required to continue to operate and maintain aging structures along the entire 1,952-mile border and to accomplish necessary studies and special maintenance requirements, as well as to implement new legislative requirements at the South Bay International Wastewater Treatment Plant (SBIWTP). In addition to the \$754,000 increase for workers' compensation charges, wage and price, and audit findings resolution the following initiatives are proposed for FY 2002:

Tijuana River Valley Estuary and Beach Sewage Cleanup Act of 2000 (\$1,500,000) - Public Law 106-457 authorizes and directs the U.S. Section to take appropriate actions to address the treatment of sewage emanating from the Tijuana River area that flows untreated from Mexico into the United States, causing adverse public health and environmental impacts. Funding will be used for initial environmental assessments and to begin the negotiation and approval process for a new Minute or the amendment of Minute 283 which, under Section 1005, authorizes the U.S. Section to provide for secondary treatment of effluent of the SBIWTP in Mexico and of additional sewage emanating from the City of Tijuana.

Amistad Dam Silt Survey (\$100,000) - New FY 2002 funds will be used to perform a silt survey at Amistad reservoir. USIBWC policy has been to perform silt surveys of the Amistad and Falcon International reservoirs every ten years. Over a period of time, the capacities of reservoirs become smaller as silt accumulates, which is true for both of the IBWC reservoirs, Amistad and Falcon. This gradual change in capacities of Amistad and Falcon has a direct relationship on the amounts of water "owned" by each country. The U.S. and Mexican Sections alternate the silt surveys at the Amistad and Falcon reservoirs. In 1992, the U.S. Section performed the silt survey of Falcon reservoir and the Mexican Section performed the silt survey of Amistad reservoir; therefore, by this agreement, the U.S. Section is responsible for the 2002 silt survey of Amistad.

Nogales Wash Flood Control Study (\$150,000) - The U. S. Section will conduct a study to determine potential international solutions to the ongoing flooding problems at the Nogales Wash (stream). Construction of flood control works at the Nogales Wash is authorized by P.L. 79-490, approved July 5, 1946. This intermittent stream runs through a densely populated area in Nogales, Arizona, and Nogales, Sonora, Mexico. Past flooding has caused significant loss of life and property in both cities and current flood control works are inadequate. In 1988, the U.S. Army Corps of Engineers (Corps) formulated a plan to address flood control needs in the U.S. This new study will be a cooperative effort with the Corps and will provide a complete set of alternatives that are international in scope. Mexico will participate in the cost of the study through provision of in-kind services.

Boundary Monuments Maintenance (\$250,000) - The U.S. Section will use \$250,000 of new FY 2002 funding for the restoration/reconstruction of existing markers, monuments, and international crossings, and for the construction of new markers, monuments, and international crossings for Boundary Demarcation. The U.S. Section is responsible for the demarcation of international crossings (bridges and ports of entry) and the construction or reconstruction of boundary markers and monuments along the entire U.S.-Mexico international boundary.

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

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
- 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 FISHERIES COMMISSIONS

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Inter-American Tropical Tuna Commission	\$2,801	\$2,514	\$2,300	(\$214)
Great Lakes Fishery Commission	9,427	11,869	12,248	379
Pacific Salmon Commission	1,542	2,146	2,193	47
Other Marine Conservation Orgs.	1,715	2,820	3,039	219
Appropriation Total	\$15,485	\$19,349	\$19,780	\$431

Explanation Of 2002 Request

The FY 2002 request increases overall U.S. support for the International Fisheries Commissions by \$431,000 over the FY 2001 appropriation. The largest component of the requested increase is an additional \$379,000 for U.S. contributions towards the Great Lakes Fishery Commission's (GLFC). The increase provides for implementation and further development of existing alternative sea lamprey control techniques, such as barriers, traps and the release of sterilized male sea lampreys for all required Great Lakes streams and other aquatic areas, including the St. Mary's River. Requested funds will also be used to implement research on the physiology and behavior of the sea lamprey to develop additional alternative control techniques.

This request also provides for a \$47,000 increase for the Pacific Salmon Commission to cover wage and price increases. A decrease of \$214,000 for the Inter-American Tropical Tuna Commission request reflects the staged implementation of an equitable assessment structure which will reduce the U.S. Government's share of commission expenses.

The requested increase of \$219,000 for the Other Marine Conservation Organizations will provide for research on halibut stocks depletion and for the development of electronic data capture and monitoring systems for the International Pacific Halibut Commission (\$105,000); an estimated U.S. contribution for the first full operating year of the Inter-American Sea Turtle Convention (\$50,000) which will enter into force in May 2001, after having been ratified by the requisite eight countries, including the United States; and an anticipated increase in the U.S. assessment under a revised funding formula for the International Whaling Commission (\$15,000). For all the remaining fish commissions (\$49,000 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 strengthen regional economic stability and secure 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, three international marine science organizations, and one sea turtle commission;
- 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 BOUNDARY COMMISSION

Program Activity Summary

Summary Statement

(dollars in thousands)

	FY2000 Actual	FY2001 Estimate	FY2002 Request	Increase or Decrease (-)
Appropriation Total	\$758	\$968	\$989	\$21

Explanation Of 2002 Request

The FY 2002 request provides resources 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. FY 2001 funding was sufficient to meet current year operational maintenance requirements; however, a significant backlog of vista re-clearing and boundary monument restorations remains due to decreases in funding levels in FY 2000 and prior years.

The FY 2002 request of \$989,000 reflects a 2.2 per cent increase (\$21,000) over the FY 2001 for wage and price increases. Since FY 1997, the Commissioner for the International Joint Commission has also served as the IBC Commissioner, without compensation. The requested amount will enable the International Boundary Commission to engage three fully operational crews in field projects for five months. No new initiatives or program expansions are proposed.

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.

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;

INTERNATIONAL BOUNDARY COMMISSION

- 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 2002, the U.S. Section of the IBC will conduct three boundary maintenance operations:

- continue reference monument recovery and replacement, surveys, and boundary demarcation work along the St. Francis River segment of the Maine-Quebec border;
- continue boundary monument maintenance and vista clearing, on a limited basis, along a section of the Washington-British Columbia boundary; and,
- continue boundary monument maintenance and Global Positioning System (GPS) surveys along a segment of the Montana-Alberta/British Columbia boundary.

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. 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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
U.S. Section ^{/a}	\$5,105	\$3,288	\$6,762	\$3,474
Special & Technical Investigations by U.S. Geological Survey	463	475	520	45
Appropriation Total	\$5,568	\$3,763	\$7,282	\$3,519

/a \$2,150,000 of the FY 2000 Actual provided through the Emergency Supplemental Act, 2000 (P.L. 106-246) to initiate 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 Request includes \$3,432,000 for the second year of the study.

Explanation Of 2002 Request

The FY 2002 request of \$7,282,000 provides \$3,432,000 for the second year 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 examining the influence these regulations have on the natural environment and on those interests affected by the regulations. The requested increase also includes a modest wage and price increase (\$87,000) for the US Section (\$42,000) and the United States Geological Survey (\$45,000).

In FY 2002, 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). These half-century-old orders do not take into consideration the protection of the environment and the needs of interests that have grown in the region over the last five decades. Given the tremendous economic and social impact on the region of the continuing drop in water levels on the Great Lakes and an ongoing Federal Energy Regulatory Commission (FERC) re-licensing action on the control facility, continuation of the study is a priority. Major projects will include analysis of shoreline erosion along Lake Ontario, studies of wetland habitat and recreational boating uses, development of hydrologic and hydraulic regulation models, and continuation of public involvement activities.

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.

INTERNATIONAL JOINT COMMISSION

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 these projects;
- 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.

During FY 2002, 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 affected by water levels. Unpredictable water supplies occasioned by a third extremely dry winter period, and greater demands on the resource will draw further attention to water level issues.

The IJC also will initiate development of a plan of study for a review of the IJC orders of approval of the authorized projects on the St. Mary's River at Sault Ste. Marie, Michigan and submit the plan of study to the Governments for their approval and future funding. The IJC orders, which affect the levels and flows on Lakes Superior, Michigan, Huron, and Erie, have not been reviewed since 1977 and must be analyzed with respect to their impact on the environment, the potential consequences of climate change, and changes in requirements of system users.

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 2002 and will carry out its responsibilities under the Great Lakes Water Quality Agreement. These activities include:

- follow-up on requests by governments for actions in response to its recommendation on mitigating flood damages in the Red River basin, North Dakota, Minnesota and Manitoba;
- development of international watershed boards in the U.S.-Canada border region to improve cross-border communication and coordination 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, and preparation and submission of its 11th Biennial Report on progress under the Agreement;

INTERNATIONAL JOINT COMMISSION

- ❑ subject to the receipt of referrals from governments, an assessment of potential transboundary effects of a proposed emergency outlet from Devil's Lake in North Dakota and an 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 to meet apportionment requirements 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. Joint fact-finding is used as a basis to resolve existing and prevent potential environmental or other disputes.

INTERNATIONAL JOINT COMMISSION

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BORDER ENVIRONMENT COOPERATION COMMISSION

Program Activity Summary

Summary Statement

(dollars in thousands)

	FY 2000 Actual	FY 2001 Proposed	FY 2002 Request	Increase or Decrease (-)
Appropriation Total	\$1,534	\$1,996	\$2,040	\$44

Explanation Of 2002 Request

The \$2,040,000 request for FY 2002 is the U.S. contribution to the Border Environment Cooperation Commission (BECC). BECC is a bi-national institution, jointly funded in equal shares by the United States and Mexico. The FY 2002 contribution will enable the BECC to continue assisting border communities in designing, financing, coordinating, and constructing large and small scale 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 \$22,500,000 in funds to the BECC that are used to provide technical assistance to communities to develop water and wastewater projects; however, these funds cannot be used for solid waste projects or to support the BECC's revised mandate to include hazardous waste, air quality and other projects. The only funds available for technical assistance for solid waste and pilot projects under the BECC's revised mandate are BECC operating funds. The BECC has set aside \$320,000 in FY 2002 for solid waste and pilot projects under mandate expansion. The remaining funds will be used to maintain operations at the FY 2001 level.

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 design, environmental assessment, and public participation--to border communities seeking to develop environmental infrastructure projects. The BECC reviews and certifies environmental infrastructure projects, focusing primarily on the areas of wastewater treatment, water pollution, and municipal solid waste. The BECC also notifies the public about specific projects and receives comments from affected communities to ensure extensive public participation and support in the policies and decisions of the Commission. The BECC mandate covers water, wastewater, solid waste and related matters. In December 2000, the BECC Board of Directors

BORDER ENVIRONMENT COOPERATION COMMISSION

elected to expand related matters to include industrial and hazardous waste, air quality, public transportation, projects related to clean and efficient energy, and projects that improve municipal planning and development of water management. These projects must still be consistent with the definition of environmental infrastructure projects contained in BECC's charter.

Under an evolving process of broad bi-national public consultation, forty-three environmental infrastructure projects with an estimated investment of \$1.0 billion have been certified. 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 2000 the BECC received 25 applications, of which 22 involved projects that satisfied the BECC basic criteria, which are: (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. Of these 22 projects, 15 are under development and 7 are under study. The BECC intends to increase the number of certified projects from approximately 18 in 2001 to over 25 in 2002.

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 design, siting, and other technical aspects of such projects;
 - analyzing the financial feasibility and/or the environmental 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
- provision of 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 2002 appropriations in the Related Appropriations title.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2000 Actual	FY 2001 Estimate /a	FY 2002 Request	Increase/ (Decrease)
The Asia Foundation	\$8,216	\$9,230	\$9,250	\$20
National Endowment for Democracy	30,872 /j	30,931	31,000	69
East-West Center	12,449	13,470	13,500	30
North-South Center	1,743	-- /k	-- /k	--
Eisenhower Exchange Fellowship Program	523	499	500	1
Israeli Arab Scholarship Program	346	374	375	1
TOTAL APPROPRIATIONS	\$54,149	\$54,504	\$54,625	\$121

/a FY 2001 reflects adjustments for 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.

/j Excludes \$3,025,000 in new budget authority transferred from the United States Agency for International Development (USAID).

/k In FY 2001, funding for the North-South Center was appropriated as an earmark within the Educational & Cultural Exchange (ECE) Programs appropriation; funding for FY 2002 is requested as a line item within ECE.

THE ASIA FOUNDATION

Page not used.

THE ASIA FOUNDATION

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Operating Activity Expenses	\$1,602	\$1,292	\$ 1,295	\$ 3
Program Grants and Services	6,614	7,938	7,955	17
Appropriation Total	\$8,216	\$9,230	\$ 9,250	\$ 20

Explanation Of 2002 Request

The FY 2002 request will provide funding for The Asia Foundation at \$ 9,250,000, which provides an increase of \$20,000 to fund wage and price increases. The FY 2002 request for program grants and services will be used to develop stronger and more effective open market economies and to support the adoption of sound governance practices on which the region's long-term economic recovery depends; to support countries in transition to more open democratic systems by strengthening democratic institutions, the rule of law and human rights, and increasing access to judicial institutions; to assist the development of non-governmental organizations (NGOs) as independent citizen organizations, and promote women's political participation; and to assist the development of regional institutions and U.S.-Asian dialogue, including human rights. The request for operating activity expenses is the current indirect costs negotiated between the Department of State and The Asia Foundation, which calculates to be 14% of the appropriation total.

The Foundation will continue to increase fund-raising efforts in the private sector and expects to raise \$4.8 million in project funds in FY 2002. Appropriated funds are critical to the Foundation's ability to attract private and other funds. In FY 2000, \$4.5 million was raised from these other sources; in FY 2001 \$1.5 million has been raised to date. 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 and plays an important facilitative role in Asia, where problems of governance have become more complex, 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

THE ASIA FOUNDATION

key foreign policy issues and opportunities; and proven capacity as a private grant maker and program manager.

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;
- 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;
- 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 2000 Actual <i>a/</i>	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Appropriation Total	\$30,872	\$30,931	\$31,000	\$69

/a Excludes \$3,025,000 in new budget authority transferred from the United States Agency for International Development (USAID).

Explanation Of 2002 Request

The FY 2002 request will provide funding for the National Endowment for Democracy (NED) at \$31,000,000, which represents an increase of \$69,000 above the FY 2001 level. This level will support Africa, the Middle East, the Newly Independent States, 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 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, free communications media, and domestic election monitoring organizations that not only discourage electoral fraud but also mobilize citizens to participate in the political process;
- provide assistance to democratic activists in authoritarian countries such as China, Cuba, North Korea, Congo, Sudan, as well as in Central Asia, the Middle East and the war-torn Balkan region;
- encourage free market reforms and develop institutions that promote political accountability, economic transparency and responsible corporate governance;
- 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 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, 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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Appropriation Total	\$12,449	\$13,470	\$13,500	\$30

Explanation of 2002 Request

The FY 2002 request of \$13,500,000 funds the Center for Cultural and Technical Interchange Between East and West. This represents an increase of \$30,000 over the FY 2001 level. The increase funds wage and price increases. Additional support is provided by private agencies, individuals, corporations, and Asian and Pacific governments. In FY 2000, such support totaled \$8,946,000. Federal funding leverages this other money and supports East-West Center (EWC) research and programs designed to:

- build an Asia-Pacific community in which the United States is a natural, valued and leading partner;
- conduct 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 becomes vastly more 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. Programs include:

- Research – The EWC Research Program conducts multidisciplinary research on issues of contemporary significance. It investigates the nature and implications of key changes and

EAST-WEST CENTER

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 good 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 more than 275 colleges and universities in 48 states in reaching American college students to expand their knowledge about Asia and the Pacific. ASDP now has 14 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. The Seminar Program is being progressively developed in accordance with the Center’s strategic plan to give greater emphasis and visibility to dialogue activities. Existing seminar activities include the Jefferson Fellowships, the New Generation Seminar, and the Northeast Asia Economic Forum, among others.
- ❑ New Initiatives – In the past two years, the Center has developed a number of new initiatives including: the Obuchi Okinawa Research and Education Program, a U.S.-Japan project to promote U.S.-Okinawa understanding of regional issues; corporate-oriented policy seminars; a national unity dialogue in Fiji; projects to promote responsible journalism; and short-term educational programs to bring outstanding Asia-Pacific students who would not otherwise study in the United States.

Benefits

The EWC advances long-term U.S. interests and addresses multilateral needs in Asia and the Pacific, including strengthening democracy and human rights and encouraging open markets. 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.

NORTH-SOUTH CENTER

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Appropriation Total	\$1,743	--	--	--

Explanation of 2002 Request

In FY 2001, Congress eliminated a separate appropriation for the North-South Center (NSC) and earmarked \$1,400,000 for this activity within the Educational and Cultural Exchange Programs appropriation (ECE). In FY 2002, the Department is requesting \$1,400,000 for this activity as a line item within the ECE appropriation.

The Center's research and programs are designed to:

- advance freedom and democracy in the Western Hemisphere;
- understand economic issues that divide rich and poor and obstruct the path toward sustainable development; and
- encourage trade partnerships that cross international borders.

NORTH-SOUTH CENTER

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EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Program Activities Summary

Summary Statement

(dollars in thousands)

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Appropriation Total	\$523	\$499	\$500	\$1

Explanation of 2002 Request

The FY 2002 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. Currently numbering 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 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Appropriation Total	\$ 346	\$374	\$375	\$1

Explanation of 2002 Request

The FY 2002 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 2002 State Department Appropriations authorized in the State Department Authorization bill, but appropriated in the Foreign Operations bill.

SUMMARY STATEMENT

(Dollars in thousands)

Appropriations	FY 2000 Actual	FY 2001 Estimate /a	FY 2002 Request	Increase/ (Decrease)
Migration & Refugee Assistance	\$622,625 /1	\$698,460	\$715,000	\$16,540
Emergency Refugee/Migration Assistance	12,453	14,967	15,000	33
TOTAL APPROPRIATIONS	\$635,078	\$713,427	\$730,000	\$16,573

/a FY 2001 reflects adjustments for 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.

/1 Of the \$622.6 million appropriated in FY 2000, \$21.0 million was not made available until September 30, 2000.

MIGRATION AND REFUGEE ASSISTANCE

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MIGRATION AND REFUGEE ASSISTANCE

Program Activities Summary

Summary Statement

(dollars in thousands)

Activities	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request	Increase or Decrease (-)
Overseas Assistance	\$455,925	\$514,270	\$509,000	(\$5,270)
Africa ^{/a}	154,847	180,900	187,500	6,600
East Asia ^{/c}	15,485	26,600	17,000	(9,600)
Europe ^{/a, c}	57,692	100,853	79,000	(21,853)
Near East	108,250	99,147	102,500	3,353
South Asia ^{/a, c}	29,879	34,800	35,500	700
Western Hemisphere	16,486	13,626	14,500	874
Multiregional Activities ^{/c}	73,286	58,344	56,000	(2,344)
Migration ^{/b}			17,000	17,000
Refugee Admissions ^{/a, c}	92,900	109,854	130,000	20,146
Refugees to Israel	60,000	59,868	60,000	132
Administrative Expenses ^{/a}	13,800	14,468	16,000	1,532
Appropriation Total	\$622,625	\$698,460	\$715,000	\$16,540

^{/a} In FY 2000, \$166.6 million was carried forward from the FY 1999 Emergency Supplemental Appropriations Act (P.L. 106-31), associated with the Kosovo crisis. These funds were obligated as follows: Admissions (\$23.3 million), Overseas Assistance in Africa (\$22.3 million), Overseas Assistance in Europe (\$117.2 million), Overseas Assistance in South Asia (\$3.4 million), and Administrative Expenses (\$0.4 million). This carry forward amount is not included in the chart above.

^{/b} In FY 2000 and FY 2001, funds for Migration activities were included within the individual Overseas Assistance regions (\$16.0 million in FY 2000 and \$16.6 million in FY 2001). In FY 2002 they will be separated out into a new Overseas Assistance category.

^{/c} Of the \$622.6 million appropriated in FY 2000, \$21.0 million was not made available until September 30, 2000. These funds are available in FY 2001 as follows: Overseas Assistance in East Asia (\$1.0 million), Overseas Assistance in Europe (\$3.6 million), Overseas Assistance in South Asia (\$0.2 million), Multiregional Activities (\$1.5 million), and Refugee Admissions (\$14.7 million).

Explanation of 2002 Request

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

MIGRATION AND REFUGEE ASSISTANCE

(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 provision 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 2002 request of \$715 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 refugee 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 2002 request for Overseas Assistance is \$509 million, a decrease of \$5.3 million from the FY 2001 estimate. This decrease primarily reflects a downsizing of MRA funding for the Balkans and Timor. Support for Africa, on the other hand, will increase by \$6.6 million. Policy priorities in FY 2002 will include:

- assuring that basic international life-sustaining **standards of care** and protection are provided across geographic regions, particularly in Africa, and especially focusing on health;
- 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
- 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.

MIGRATION AND REFUGEE ASSISTANCE

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 - \$187,500,000.** Some 3.5 million of the world's refugees are spread across the African continent. While there have been large repatriations (e.g., to Rwanda and Mozambique), ongoing warfare in such places as Angola, Burundi, Congo, Sierra Leone, and Sudan have displaced hundreds of thousands of people and underscore 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 Guinea (Sierra Leonean refugees), Tanzania (Burundi and Congolese refugees), Kenya (Sudanese and Somali refugees), and Zambia (Angolan and Congolese refugees).
- **East Asia - \$17,000,000.** Burmese refugees in Thailand and Bangladesh constitute the largest groups of refugees requiring support in this region while violence in several areas of Indonesia has uprooted tens of thousands of people. In addition to supporting these refugees and conflict victims, funds will also be dedicated for reintegration needs of those who returned to Burma, East Timor, and Laos.
- **Europe - \$79,000,000.** Funds for European assistance will be used primarily for humanitarian relief for refugees and displaced persons from the Kosovo conflict and in the Caucasus and repatriation of refugees from Bosnia and Croatia. 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 - \$102,500,000.** The majority of funds requested for this region will support the programs of UNRWA. UNRWA provides education, medical assistance, vocational training, relief and social services, and small-scale income generation projects to approximately 3.6 million Palestinian refugees – the world's largest registered refugee population.
- **South Asia - \$35,500,000.** Funds primarily will support IO and NGO programs providing humanitarian assistance to Afghan refugees in Pakistan, especially women and girls. ICRC will address life-support needs inside Afghanistan while UNHCR will aid returned refugees. Funds will also be used to assist the internally displaced and repatriate populations in Sri Lanka, and Tibetan and Bhutanese refugees.
- **Western Hemisphere – \$14,500,000.** Among the programs funded, UNHCR will focus on capacity building with governments in the region. In addition to its regular activities, ICRC will

MIGRATION AND REFUGEE ASSISTANCE

provide direct assistance to internally displaced persons in Colombia. Funds will also support follow-up activities to the Regional [North and Central America] Conference on Migration and other migration initiatives.

- **Multiregional Activities - \$56,000,000.** Funds will support the multiregional activities of UNHCR and other relevant international and non-governmental organizations. Ongoing initiatives will be continued in policy areas such as emergency preparedness and response, children, women, and meeting international standards of care. Funds will also provide a contribution to the ICRC headquarters budget and the U.S. assessment to IOM.
- **Migration - \$17,000,000.** This new category under Overseas Assistance consolidates funds for migration activities that were previously reported in the regional and multi-regional categories. Funds will support efforts to promote orderly migration and to provide protection to vulnerable migrants. Special emphasis will be placed on migration management through participation in regional migration dialogues.

Refugee Admissions

The FY 2002 request for Refugee Admissions is \$130 million. This \$20 million increase over the FY 2001 enacted level reflects a grant increase in our Reception and Placement program. In addition, \$14.7 million of FY 2000 funds were carried over into FY 2001 for admissions activities, thus reducing the amount of FY 2001 funds required to support this activity by that amount. The FY 2002 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 2000 Actual	FY 2001 Ceiling
Africa	17,549	20,000
East Asia	4,561	6,000
Former Yugoslavia	22,551	20,000
NIS/Baltics	14,542	17,000
Latin America/Caribbean	3,233	3,000
Near East/South Asia	10,079	10,000
Unallocated Reserve	--	4,000
Total	72,515	80,000

MIGRATION AND REFUGEE ASSISTANCE

Refugees to Israel

The FY 2002 request for Refugees to Israel (\$60 million) is straight-lined from the FY 2001 appropriation, before the FY 2001 0.22% rescission was applied. The request will provide a grant in support of humanitarian migration to Israel.

Administrative Expenses

The FY 2002 request of \$16,000,000 for administrative expenses is an increase of \$1,532 million from the FY 2001 estimate. The requested increase will fund full year support costs of several refugee coordinator positions to be filled by the end of FY 2001 (\$721,000) and International Cooperative Agreement Support Services (ICASS) System costs associated with these same new positions (\$180,000). In addition, the increase is needed to fund domestic and overseas wage increases (\$431,000) and historical increases for ICASS (\$200,000).

The FY 2002 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 small staffs dedicated to international population activities and, if the move is approved, to global humanitarian demining 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

MIGRATION AND REFUGEE ASSISTANCE

- 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);
- 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 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 maintain 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;
- obtain 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 2001 Opening Balance	FY 2002 Request
ERMA Fund	\$164,536 ^{/a}	\$15,000

/a Of this amount, \$160,276,659 was available for drawdown: \$145,309,659 in deferred funds carried forward from FY 2000 and \$14,967,000 appropriated in FY 2001. The balance also includes \$4,259,778 in funds previously drawdown.

Explanation of FY 2002 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 2000, and through the first five months of FY 2001, a total of \$95 million was drawn down from the ERMA Fund for the following needs:

AFRICA

- 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.
- 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.

EAST ASIA

- Presidential Determination 2000-07: \$30,000,000**
On November 10, 1999, for urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the Timor crisis.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE

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.
- Presidential Determination 2000-07: \$10,000,000**
On November 10, 1999, for urgent and unexpected needs of refugees, displaced persons, victims of conflict, and other persons at risk due to the North Caucasus crisis.

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 2001-10: \$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.

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.

**Department of State
Fee Collection**

(Dollars in Thousands)

Revenue Source	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Machine Readable Visas Processing Fees			
Carryforward Allocations	\$9,979	\$10,736	\$0
Prior Year Collections Unallocated	\$72,618	\$131,082	\$114,674
Current Year Collections Projected (Net)	\$376,356	\$368,000	\$368,000
Total Collections Available	\$458,953	\$509,818	\$482,674
Carryforward Allocations Planned	\$5,807	\$4,206	\$0
Current Year Allocation Plan	\$322,064	\$390,938	\$414,174
Total Allocations	\$327,871	\$395,144	\$414,174
Carryforward Allocations Returned	\$4,172	\$6,530	\$0
Unallocated Collections	\$126,910	\$108,144	\$68,500
Ending Unallocated Collections	\$131,082	\$114,674	\$68,500
Expedited Passport Fees			
Carryforward	\$40,849	\$21,804	\$10,609
Current Year Collections Projected (Net)	\$67,064	\$63,000	\$63,000
Total Collections Available	\$107,913	\$84,804	\$73,609
Carryforward Allocations Planned	\$37,304	\$11,195	\$0
Current Year Allocation Plan	\$60,000	\$63,000	\$63,000
Total Allocations	\$97,304	\$74,195	\$63,000
Unallocated Collections	\$10,609	\$10,609	\$10,609
Ending Unallocated Collections	\$10,609	\$10,609	\$10,609
Visa Fingerprint Fees			
Carryforward Allocations	\$15	\$48	\$0
Prior Year Collections Unallocated	\$2,053	\$996	\$996
Current Year Collections Projected (Net)	\$108	\$350	\$350
Total Collections Available	\$2,176	\$1,394	\$1,346
Carryforward Allocations Planned	\$0	\$48	\$0
Current Year Allocation Plan	\$1,180	\$350	\$350
Total Allocations	\$1,180	\$398	\$350
Carryforward Allocations Returned	\$15	\$0	\$0
Unallocated Collections	\$981	\$996	\$996
Ending Unallocated Collections	\$996	\$996	\$996
Affidavit of Support Fees			
Current Year Collections Projected (Net)	\$0	\$7,000	\$9,000
Current Year Allocation Plan	\$0	\$7,000	\$9,000
Ending Unallocated Collections	\$0	\$0	\$0
Diversity Lottery Fees			
Carryforward Allocations	\$476	\$351	\$0
Prior Year Collections Unallocated	\$972	\$1,181	\$1,181
Current Year Collections Projected (Net)	\$4,055	\$4,400	\$4,400
Total Collections Available	\$5,503	\$5,932	\$5,581
Carryforward Allocations Planned	\$0	\$351	\$0
Current Year Allocation Plan	\$4,322	\$4,400	\$4,400
Total Allocations	\$4,322	\$4,751	\$4,400
Carryforward Allocations Returned	\$476	\$0	\$0
Unallocated Collections	\$705	\$1,181	\$1,181
Ending Unallocated Collections	\$1,181	\$1,181	\$1,181

**Department of State
Fee Collection**

(Dollars in Thousands)

Revenue Source	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Defense Trade Control Fees			
Carryforward Allocations	\$248	\$426	\$0
Prior Year Collections Unallocated	\$679	\$0	\$0
Current Year Collections Projected (Net)	\$1,344	\$2,000	\$2,000
Total Collections Available	\$2,271	\$2,426	\$2,000
Carryforward Allocations Planned	\$248	\$426	\$0
Current Year Allocation Plan	\$2,023	\$2,000	\$2,000
Total Allocations	\$2,271	\$2,426	\$2,000
Ending Unallocated Collections	\$0	\$0	\$0
Sec. 810 USI & EE Act Fees *			
Carryforward Allocations	\$0	\$307	\$0
Prior Year Collections Unallocated	\$1,150	\$1,543	\$1,860
Current Year Collections Projected (Net)	\$5,490	\$6,800	\$8,000
Total Collections Available	\$6,640	\$8,650	\$9,860
Carryforward Allocations Planned	\$0	\$307	\$0
Current Year Allocation Plan	\$5,097	\$6,483	\$7,844
Total Allocations	\$5,097	\$6,790	\$7,844
Unallocated Collections	\$1,543	\$1,860	\$2,016
Ending Unallocated Collections	\$1,543	\$1,860	\$2,016

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

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Explanation of Language Changes

This section explains those changes in the text of appropriation 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, [~~\$2,758,725,000~~] \$3,217,405,000: *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, in fiscal year [~~2001~~] **2002 and in each fiscal year thereafter**, all receipts collected from individuals for assistance in the preparation and filing of an affidavit of support pursuant to section 213A of the Immigration and Nationality Act shall be deposited into this account as an offsetting collection and shall remain available until expended: [~~Provided further, That, of the amount made available under this heading, \$246,644,000 shall be available only for public diplomacy international information programs: Provided further, That of the amount made available under this heading, \$5,000,000 shall be available only for overseas continuing language education: Provided further, That of the amount made available under this heading, not to exceed \$1,400,000 shall be available for transfer to the Presidential Advisory Commission on Holocaust Assets in the United States]:~~ *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 2001 and 2002~~] **year 2002 and in each fiscal year thereafter**, 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 2001 and 2002~~] **year 2002 and in each fiscal year thereafter** 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 advances for services authorized by 22 U.S.C. 3620(c) may be credited to this account, to remain available until expended for such services: Provided further, That in fiscal year 2001 and thereafter reimbursements for services provided to the press in connection with the travel of senior level officials may be collected and credited to this appropriation and shall remain available until expended: 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:]~~ *Provided further*, That of the amount made available under this heading, [~~\$40,000,000~~] \$25,000,000 shall only be available to implement the 1999 Pacific Salmon Treaty Agreement[, of which \$10,000,000 shall be deposited in the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund, of which \$10,000,000 shall be deposited in the Southern Boundary Restoration and Enhancement Fund, and of which \$20,000,000 shall be for a direct payment to the State of Washington for obligations under the 1999 Pacific Salmon Treaty Agreement] *Provided further, That in fiscal year 2002 and each*

APPENDIX

fiscal year thereafter, all fees collected and retained pursuant to section 403(b) of the Intercountry Adoptions Act of 2000 (P.L. 106-279) shall be credited to this account and shall remain available until expended.

In addition, not to exceed [~~\$1,252,000~~] \$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.

In addition, for the costs of worldwide security upgrades, [~~\$410,000,000~~] \$487,735,000, to remain available until expended. (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

Explanation of Proposed Changes:

- (1) The first insertion is to clarify that, in accordance with appropriations language in prior fiscal years, the monetary limitation on the employment of persons pertains only to that permitted under section 801 of the United States Information and Educational Exchange Act of 1948, as amended.
- (2) The second insertion is requested to establish a permanent appropriation for the retention and use of Affidavit of Support fees.
- (3) The first deletion eliminates three earmarks (for public diplomacy, overseas language training, and the Presidential Advisory Commission on Holocaust Assets). The first two 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. As to the third proviso, the Advisory Commission is scheduled to sunset in FY 2001.
- (4) The third and fourth insertions are requested to establish a permanent appropriation for the retention and use of Machine Readable Visa fees.
- (5) The second deletion removes three provisos. Two are no longer necessary – (a) a proviso that confirms a one-time transfer of certain Panama Canal Commission funds into a no-year account within D&CP; and (b) a proviso that confirms the Department's authority to accept reimbursements from the domestic press for services provided in connection with the travel of senior officials. The third proviso regarding congressional notification prior to spending funds on processing certain licenses is inappropriate, particularly in view of recent nonproliferation discussions.
- (6) The final deletion streamlines the references to implementation of the Pacific Salmon Treaty.
- (7) The final insertion is to establish a permanent appropriation for the retention and use of fees collected pursuant to the Intercountry Adoptions Act of 2000.

APPENDIX

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized, [~~\$231,587,000~~] \$242,000,000, to remain available until expended: *Provided*, That not to exceed [~~\$800,000~~] \$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 and educational advising and counseling programs, **and exchange visitor programs** as authorized. (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

Explanation of Proposed Change:

This insertion is requested in order to permit the Bureau of Educational and Cultural Exchange Programs to credit fees to this appropriation for its activities in support of exchange visitor programs. These activities are separate from those performed by the Bureau of Consular Affairs from the Diplomatic and Consular Programs account.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services, as authorized, [~~\$15,467,000~~] \$10,000,000, to remain available until September 30, [2002] 2003. [~~Provided, That, notwithstanding the limitations of 3 U.S.C. 202(10) concerning 20 or more consulates, of the amount made available under this heading, \$5,000,000 shall be available only for the reimbursement of costs incurred by the City of Seattle, Washington.~~] (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

Explanation of Proposed Change:

This deletion is requested because there is not a current need for this payment.

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 [~~Main State~~] **Harry S Truman** Building, and carrying out the Diplomatic Security Construction Program as authorized, [~~\$416,976,000~~] \$475,046,000, 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 and furnishings and generators for other departments and agencies. In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, [~~\$663,000,000~~] \$815,960,000, to remain available until expended. (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

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Explanation of Proposed Change:

The deletion and insertion in the preamble reflect the new name of the Main State Building as set forth in statute.

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, [~~\$870,833,000~~] \$878,767,000: *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 2000 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. (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

Explanation of Proposed Changes:

The two deletions are requested because the Secretary has already made such certifications in prior fiscal years and they are no longer necessary.

APPENDIX

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, [~~\$7,142,000~~] \$7,452,000. (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

CONSTRUCTION

For detailed plan preparation, [~~and~~] construction, ***and operations and maintenance*** of authorized projects, [~~\$22,950,000~~] \$25,654,000, to remain available until expended, as authorized. (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

Explanation of Proposed Change:

This change is requested in order to reflect that operations and maintenance are also funded from this line-item appropriation.

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, as authorized by [~~section 501 of Public Law 101-246~~] ***the Asia Foundation Act (22 U.S.C. 4402), as amended***, \$9,250,000, to remain available until expended, as authorized. (*Department of State and Related Agency Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-553.*)

Explanation of Proposed Change:

This deletion and insertion are requested because 22 U.S.C. 4402 is the appropriate cite to the underlying authorization; section 501 of Public Law 101-246 is an authorization of appropriations for prior fiscal years.

APPENDIX

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 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. (a) Section 1(a)(2) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(a)(2)) is amended by striking "and the Deputy Secretary of State" and inserting "the Deputy Secretary of State, and the Deputy Secretary of State for Management and Resources". (b) Section 5313 of title 5, United States Code, is amended by inserting "Deputy Secretary of State for Management and Resources." after the item relating to the "Deputy Secretary of State".]~~

SEC. [405] 404. None of the funds appropriated or otherwise made available in this Act 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.

~~[SEC. 406. Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this or any other Act may be used to allow for the entry into, or withdrawal from warehouse for consumption in the United States of diamonds if the country of origin in which such diamonds were mined (as evidenced by a legible certificate of origin) is the Republic of Sierra Leone, the Republic of Liberia, the Republic of Cote d'Ivoire, Burkina Faso, the Democratic Republic of the Congo, or the Republic of Angola with the exception of diamonds certified by the lawful governments of the Republic of Sierra Leone, the Democratic Republic of the Congo, or the Republic of Angola.]~~

~~[SEC. 407. Section 37(a)(3) of the State Department Basic Authorities Act, as amended, (22 U.S.C. 2709) is amended by (1) striking "and" at the end of subsection (a)(3)(C); and (2) by inserting at the end the following new subsections: "(E) a departing Secretary of State for a~~

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~~period of up to 180 days after the date of termination of that individual's incumbency as Secretary of State, on the basis of a threat assessment; and ``F) an individual who has been designated by the President to serve as Secretary of State, prior to that individual's appointment.".]~~

~~[SEC. 408. Funds appropriated by this Act for the Broadcasting Board of Governors and the Department of State, and for the American Section of the International Joint Commission in Public Law 106-246, 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. This title may be cited as the ``Department of State and Related Agency Appropriations Act, 2001".]~~

Explanation of Proposed Changes:

- (1) The first and third deletions are requested because the provisions amended permanent law, and there is no need for them to be repeated.
- (2) The second deletion is requested because this provision was repealed.
- (3) The fourth deletion assumes that there will be a Foreign Relations Authorization Act, FY 2002 and 2003. In the event that there is not an authorization of appropriations for the Department of State, a waiver of section 15 of the State Department Basic Authorities Act would be required.