

STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES

I. Department of State

A. Administration of Foreign Affairs

State Programs

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Diplomatic and Consular Programs			
Ongoing Operations	4,256,316	3,647,918	3,856,703
Worldwide Security Upgrades	649,904	680,716	795,170
Total, Diplomatic and Consular Programs	4,906,220	4,328,634	4,651,873
Capital Investment Fund	51,452	58,143	68,298
Centralized IT Modernization Program	76,811	68,482	-
Total, State Programs	5,034,483	4,455,259	4,720,171

Overview

America stands committed to a bold mission – the expansion of freedom and democracy in the world. By extending freedom to millions who have not known it and building democratic institutions, the United States can establish a durable basis for peace and make our homeland more secure.

The Department of State continues to press this mission daily, engaging governments and publics around the world to promote human rights, international stability, and economic prosperity. Together with partners on every continent, we are working to create a balance of power that favors freedom.

To achieve such goals, America must have an equally bold diplomacy and the capacity for sustained, concerted, international application. In the FY 2007 budget, we have identified the resources required by the State Department to meet the challenges and seize the opportunities of an extraordinary time of transformation – the resources to ensure that American diplomacy remains the front line of freedom.

Diplomatic and Consular Programs (D&CP)

The FY 2007 request for D&CP – the Department’s principal operating appropriation – totals \$4.652 billion. This funding supports the people, platform, and programs required to carry out U.S. foreign policy in more than 260 embassies, consulates, and other posts around the world.

The D&CP request provides \$3.857 billion for Ongoing Operations. The request sustains current diplomatic and consular operations worldwide and enables the Department to meet new high-priority requirements for transformational diplomacy. Among these requirements are a strengthened American

presence in states making the transition to democracy and coordination of U.S. Government civilian efforts to help the world's newest democracies.

The request for Ongoing Operations includes \$351 million for vigorous public diplomacy to shape foreign opinion and win support for U.S. foreign policy goals. The public diplomacy strategy stresses outreach to younger and more diverse audiences. It also places increased emphasis on research and analysis to target programs more effectively and on translations to facilitate access. The funding will also help improve rapid response capability to counter misinformation about U.S. policies and dangerous rumors in the same news cycle.

The D&CP request also provides \$795 million for Worldwide Security Upgrades to continue to strengthen the security of diplomatic personnel and facilities in the face of international terrorism. The program will extend the core program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. Increases will address the exceptional security demands of the U.S. Mission in Afghanistan and the needs for biological/chemical protection and soft target security.

The FY 2007 request provides \$1.139 billion for the Border Security Program. Revenue from Machine Readable Visa (MRV) and other consular fees and surcharges will help fund continuous improvements in systems, processes, and programs to protect U.S. borders against the illegal entry of terrorists and others who threaten homeland security. This funding also includes \$10 million in appropriated funds to pilot a 10-fingerprint collection system to support the national security requirement to collect biometric data from visa and passport applicants.

Capital Investment Fund (CIF)

The FY 2007 request provides \$68 million for the Capital Investment Fund (CIF) to continue to make investments in Information Technology (IT). With every Department program now dependent on IT, from simple e-mail to specialized systems, these investments are essential for conducting the business of foreign affairs. The Department's request for IT from all funding sources – including CIF, D&CP, user fees, and other State appropriations – totals \$881 million.

Funding for IT infrastructure maintenance and upgrades – including classified and unclassified desktop computers, servers, network equipment, circuits, and software – that was appropriated in the Centralized Information Technology Modernization Program account in FY 2006 is being requested for FY 2007 as fee spending authority.

The funds requested will help support modernization of Local Area Networks and global IT infrastructure to provide reliable access to needed information and systems – anytime, anywhere. The funding will also facilitate collaboration and data sharing internally and with other agencies.

Embassy Security, Construction, and Maintenance

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Ongoing Operations	603,510	591,152	640,161
Supplemental	592,000	-	-
Worldwide Security Upgrades			
Capital Security Construction	774,831	799,852	800,559
Compound Security	125,303	98,722	98,809
Total, Worldwide Security Upgrades	900,134	898,574	899,368
Total, Embassy Security, Construction, and Maintenance	2,095,644	1,489,726	1,539,529

Embassy Security, Construction, and Maintenance (ESCM)

The FY 2007 request for the ESCM account totals \$1.54 billion. This funding – an increase of \$50 million over the FY 2006 level – reflects the Administration’s continuing commitment to protecting U.S. Government personnel assigned abroad and providing U.S. diplomatic and consular posts with safe and functional facilities. Full funding of the request is essential to maintain the progress made over the last four years in replacing non-secure facilities.

The ESCM request provides \$640 million for Ongoing Operations. This budget funds maintenance and repairs at overseas posts, facility rehabilitation projects, construction security, renovation of the Harry S Truman Building, all activities associated with leasing overseas properties, and management of the overseas buildings program. The value of the real estate portfolio managed by the State Department exceeds \$12 billion and includes over 15,000 properties.

The ESCM request provides \$801 million for the Capital Security Construction Program under Worldwide Security Upgrades (WSU). This program was initiated to replace diplomatic facilities at the 187 most vulnerable posts. FY 2007 funding will support the next tranche of security-driven projects, including design and construction of 10 new facilities.

FY 2007 will be the third year of the five-year phase-in of the Capital Security Cost Sharing Program. Through this program each agency with staff overseas under Chief of Mission authority contributes to the costs of constructing secure embassy compounds. In FY 2007, contributions to the Capital Security Construction Program from agencies other than the State Department will total approximately \$363 million.

The ESCM request for WSU further provides \$99 million to upgrade compound security at high-risk posts and increase protection for soft targets such as schools, recreation facilities, and other symbols of U.S. presence.

Other Administration of Foreign Affairs

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Office of Inspector General	30,028	29,645	32,508
Educational and Cultural Exchanges	355,932	426,275	474,288
Representation Allowances	8,525	8,175	8,201
Protection of Foreign Missions and Officials	9,762	9,270	9,288
Emergencies in the Diplomatic & Consular Service (1)	877	24,872	4,940
Repatriation Loans Program Account	1,313	1,302	1,285
Payment to the American Institute in Taiwan	19,222	19,499	15,826
Payment to the Foreign Service Retirement and Disability Fund [Mandatory]	[132,600]	[131,700]	[126,400]
Total, Other Administration of Foreign Affairs	425,659	519,038	546,336

(1) FY 2005 Actual excludes \$2.904 million made available by the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

Office of Inspector General

The FY 2007 request includes \$32.5 million to support activities of the Inspector General. These include audits, investigations, and inspections of worldwide operations and programs of the Department of State and the Broadcasting Board of Governors. Such activities assist in improving the economy, efficiency, and effectiveness of operations, as well as in detecting and preventing fraud, waste, and mismanagement.

Educational and Cultural Exchange Programs

The FY 2007 request provides a total of \$474 million for exchanges to increase mutual understanding and engage the leaders of tomorrow. Aligned with public diplomacy efforts, these strategic people-to-people programs help establish the trust and international cooperation necessary to advance a broad front of U.S. national interests.

Funding increases in FY 2007 will raise the number of foreign and American participants in exchange programs of proven value and create new opportunities to educate and empower, particularly in the Muslim world.

FY 2007 funding will support “key influencers” programs to bring to America opinion leaders, journalists, teachers, religious educators, and others who can shape the discourse about the United States and U.S. policies in their home institutions and communities. Funding will also institute Freedom Fellowships to reach talented students from outside traditional elites.

Furthermore, FY 2007 funding will help support the President’s National Security Languages Initiative by promoting teaching and learning by Americans of critically needed foreign languages, such as Arabic, Russian, Turkish, Chinese, Hindi, and Urdu.

The budget request provides \$258 million for academic programs, including the Fulbright Program and Gilman scholarships as well as English language programming abroad, U.S. overseas educational advising centers, American overseas research centers, and U.S. Studies programs.

The request provides \$163 million for professional and cultural exchanges, including the International Visitor Leadership Program, which supports visits to the United States by current and emerging foreign leaders, and cooperative programs with non-governmental organizations, such as the Citizen Exchange Program.

The request also provides \$3.6 million for program and performance, including evaluation and alumni activities, and \$49.8 million for exchanges support, which funds staffing costs and provides support for exchange programs management, coordination among U.S. Government agencies that administer international exchange and training programs, and the U.S. Cultural Property Advisory Committee.

Representation Allowances

The FY 2007 request of \$8.2 million will partly reimburse diplomatic and consular personnel for official representation of the United States abroad and before international organizations.

Protection of Foreign Missions and Officials

The FY 2007 request of \$9.3 million in two-year funds will help provide extraordinary protection of international organizations and foreign missions and officials in the United States.

Emergencies in the Diplomatic and Consular Service

The FY 2007 request includes \$4.9 million to help meet unforeseen emergencies and other requirements in the conduct of foreign affairs. This appropriation routinely funds emergency evacuations of American citizens and U.S. Government officials due to civil unrest, natural disasters, or viral epidemics. The appropriation also pays rewards for information concerning international terrorism, narco-terrorism, and war crimes.

Repatriation Loans Program Account

Requested FY 2007 funding of \$1.3 million will provide emergency loans to assist destitute Americans abroad who have no other source of funds to return to the United States. These include travelers without money because of theft, illness, or accident, as well as Americans residing abroad caught in disasters or needing to escape abusive situations.

Payment to the American Institute in Taiwan

The FY 2007 request of \$15.8 million will fund the contract with the American Institute in Taiwan for economic and commercial services, cultural and information programs, and travel documents and services for Americans and the people in Taiwan.

B. International Organizations

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Contributions to International Organizations	1,166,212	1,151,317	1,268,523
Contributions for International Peacekeeping Activities	1,113,455	1,022,275	1,135,327
Total, International Organizations	2,279,667	2,173,592	2,403,850

Contributions to International Organizations (CIO)

The FY 2007 request of \$1.269 billion for CIO provides funding, consistent with statutory restrictions, to pay U.S. assessed contributions to 47 international organizations. These include the United Nations, the World Health Organization, the North Atlantic Treaty Organization, the International Atomic Energy Agency, and the Organization for Economic Cooperation and Development.

The request represents an increase of \$117 million over the FY 2006 enacted level. Many of the programmatic increases appear in areas of priority for the United States, such as supporting the work of the UN's Counter-Terrorism Committee, which seeks to monitor UN member state implementation of counter-terrorism measures, or strengthening the International Atomic Energy Agency's safeguards program.

The request for CIO recognizes the obligations of the United States to international organizations and reflects the U.S. commitment to maintain their financial stability and efficiency. Multilateral diplomacy through such organizations addresses a broad range of U.S. foreign policy goals. Among these are: promoting economic growth through market economies; settling disputes peacefully; encouraging non-proliferation, nuclear safeguards, arms control, and disarmament; adopting international standards to facilitate international trade, telecommunications, transportation, environmental protection, and scientific exchange; and strengthening international cooperation in agriculture and health.

Contributions for International Peacekeeping Activities (CIPA)

The FY 2007 request of \$1.135 billion for CIPA will allow the United States to pay its share of projected United Nations peacekeeping assessments. The requested funding will help support UN peacekeeping missions in Africa, Europe/Eurasia, the Middle East, and the Caribbean, including missions in Sudan/Darfur, Liberia, Cote d'Ivoire, the Democratic Republic of the Congo, and Haiti.

UN peacekeeping missions further U.S. objectives by ending conflicts, restoring peace, and strengthening regional stability. They also leverage U.S. political, military, and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

The Administration requests that 15 percent of the CIPA funding be appropriated as "two-year funds" because of the unpredictability of requirements in this account and the nature of multi-year operations with mandates overlapping U.S. fiscal years.

C. Related Appropriations

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
The Asia Foundation	12,826	13,821	10,000
National Endowment for Democracy	59,199	74,042	80,000
East-West Center	19,240	18,994	12,000
Center for Middle Eastern-Western Dialogue - Trust Fund	6,660	4,936	-
Center for Middle Eastern-Western Dialogue - Program	622	740	750
Eisenhower Exchange Fellowship Program	493	494	500
Israeli Arab Scholarship Program	370	370	375
Total, Related Appropriations	99,410	113,397	103,625

The Asia Foundation

The Asia Foundation (TAF) is a private, grant-making organization with a longstanding presence in Asia, in-depth knowledge of people and institutions, and rapid response capacity. TAF's programs complement U.S. Government efforts to advance U.S. national interests in the Asia-Pacific region.

The FY 2007 request of \$10 million will enable TAF to support local groups and hands-on programs that strengthen democratic institutions and leadership, develop non-governmental and regional organizations, and advance the rule of law and human rights. In response to global terrorism, TAF will continue to emphasize activities that contribute to expanding democracy and combating extremism in Asia.

National Endowment for Democracy

The National Endowment for Democracy (NED) was established by Congress in 1983 to strengthen democratic institutions around the world. Governed by an independent, nonpartisan board of directors, the NED makes grants to nongovernmental organizations and civil society groups fighting for democracy, human rights, religious tolerance, freedom of the press, and free elections.

The FY 2007 budget request for the NED of \$80 million will fund democracy-building programs in Africa, Asia, Central and Eastern Europe, Eurasia, Latin America, and the Middle East. This funding will support expanded efforts to promote democracy in the broader Middle East and North Africa.

East-West Center

The Center for Cultural and Technical Interchange between East and West was established by Congress in 1960 as a national educational and research organization. Located in Hawaii, the center promotes understanding and strengthens relations between the United States and nearly 60 nations of Asia and the Pacific.

The FY 2007 request of \$12 million provides core funding for the center's programs of cooperative study, training, and research. These programs address U.S. concerns and multilateral needs, including homeland security, internal conflict in Asia, terrorism, educational policy, and outreach to Muslim populations.

Center for Middle Eastern-Western Dialogue

The Center for Middle Eastern-Western Dialogue was established by Congress to foster the exchange of views and ideas among students and scholars on such topics as post-war Iraq and leadership in the Middle East. The FY 2007 request seeks appropriation authority to make an estimated \$750 thousand in earnings from the center's permanent trust fund available to the Steering Committee for operations of the center.

Eisenhower Exchange Fellowship Program

The Eisenhower Exchange Fellowship Program builds international understanding by bringing rising leaders to the United States, and sending their American counterparts abroad, on custom-designed professional programs. The program's trust fund will provide an estimated \$500 thousand in FY 2007 to support these exchanges.

Israeli Arab Scholarship Program

The Israeli Arab Scholarship Program fosters mutual understanding by enabling Arab citizens of Israel to study and conduct research in the United States. The program's trust fund will provide an estimated \$375 thousand in FY 2007 to support these scholarships.

II. Broadcasting Board of Governors

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Broadcasting Operations	587,906	633,257	617,338
Broadcasting to Cuba	-	-	36,279
Broadcasting Capital Improvements	10,946	10,754	18,286
Total, Broadcasting Board of Governors	598,852	644,011	671,903

Overview

The Broadcasting Board of Governors (BBG) is an independent entity responsible for all U.S. non-military international broadcasting programs. Its mission is to promote and sustain freedom and democracy by broadcasting accurate and objective news and information about the United States and the world to audiences overseas.

International Broadcasting Operations

The FY 2007 request provides \$617 million for International Broadcasting Operations. Through this account, the BBG funds operations of the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and Middle East Broadcasting Networks (including Alhurra, Alhurra-Iraq, Alhurra-Europe, and Radio Sawa), as well as related program delivery and support activities.

The FY 2007 budget expands news coverage on Alhurra television and Radio Sawa. VOA will enhance broadcasts to Venezuela and Zimbabwe. RFE/RL will shift its Russian radio broadcasting from shortwave radio transmission to more popular UKV frequencies in major cities, while RFA will add medium wave transmission to North Korea.

The FY 2007 budget focuses on specific audiences, especially in the broader Middle East, using popular media such as television and FM radio. Based on this strategy, the BBG is reducing its broadcasts in Serbian, Albanian, Bosnian, Georgian, Macedonian, Hindi, Russian, English, Croatian, Greek, Thai, and Turkish and reducing shortwave transmission.

Broadcasting to Cuba

The FY 2007 request provides \$36 million for Radio Marti and TV Marti broadcast operations to support current schedules, including operations of the aircraft funded in FY 2006. The FY 2007 budget includes funding for a replacement aerostat.

Funding for Broadcasting to Cuba was provided in the International Broadcasting Operations account in FY 2005 and 2006. In FY 2007, funding for Broadcasting to Cuba is requested as a separate account.

Broadcasting Capital Improvements

The FY 2007 request provides \$18 million for Broadcasting Capital Improvements to maintain the BBG's worldwide transmission network, including security of transmission facilities overseas. The FY 2007 budget includes funding to expand VOA television capability in order to support increased VOA programming.

III. Other Programs

(\$ in thousands)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Trade Commission	60,876	61,951	64,201
Foreign Claims Settlement Commission	1,204	1,270	1,610
United States Institute of Peace	121,893	22,065	26,979
Total, Other Programs	183,973	85,286	92,790

International Trade Commission

The International Trade Commission (ITC) is an independent, nonpartisan, Federal agency with a wide range of trade-related mandates. The ITC makes determinations with respect to unfair trade practices in import trade, as well as import injury and intellectual property-based investigations. It also exercises broad investigative powers on matters of trade, conducts economic research and fact-finding investigations of trade issues, and provides technical information and advice on trade matters to Congress and the Administration.

The FY 2007 request of \$64.2 million for the ITC will fund activities related to these mandates.

Foreign Claims Settlement Commission

The Foreign Claims Settlement Commission adjudicates the claims of American nationals (individuals and corporations) arising out of the nationalization, expropriation, or other taking of their property by foreign governments – and, in some cases, claims for personal injury and death – pursuant to the International Claims Settlement Act of 1949 and other statutes.

The FY 2007 request of \$1.6 million will enable the Commission to continue this function, while also providing technical assistance to the Departments of State and the Treasury, other Federal agencies, and the public in connection with international and war claims programs.

United States Institute of Peace

The FY 2007 request includes \$27 million for the United States Institute of Peace (USIP) to actively promote the prevention, management, and peaceful resolution of international and internal armed conflicts. USIP does this through direct involvement in peacekeeping efforts as well as by empowering others with knowledge, skills, and resources through education, professional training, and research.

In FY 2007, USIP will continue to engage the Muslim world to facilitate dialogue, promote democratization, and strengthen moderates.