

*FY 1999-2000 Department of State Performance Plan
Diplomatic Readiness*

DIPLOMATIC READINESS INTRODUCTION

The United States has important economic, security, political and humanitarian interests on every continent. At any time, around the world, U.S. representatives are engaged in negotiating treaties, responding to crises, carrying out high-level official visits, observing foreign elections, promoting American exports, providing relief to victims of natural disasters, assisting American citizens in emergencies, and enhancing border security. To protect those interests, the United States relies on the twin pillars of the Diplomatic Readiness of our foreign affairs infrastructure and the Military Readiness of the Armed Forces.

Diplomatic Readiness is the strategic asset that enables State and the other U.S.G. agencies represented in our posts abroad to carry out our mission. The Embassies, Consulates, and other posts that State manages are the principal platforms for the activities of the U.S. Government around the world. It is from these Missions that the Ambassador and the Country Team coordinate and carry out their activities, and represent the United States to the world. Therefore, the ability of the U.S. Government to advance its foreign policy interests depends in large measure upon the quality of State's personnel, technologies, and infrastructure. As a result, there is a direct link between the resources State receives and what our posts are able to do for America overseas.

For example, the whole range of our relations with China – whether the issue is trade, human rights, or nonproliferation – is affected by our ability to staff the embassy in Beijing and the consulates in other Chinese cities with representatives who know Chinese politics, culture, and language; work in offices (and live in housing) that are efficient and safe; and report to Washington through reliable and secure communications. Similarly, the success of State's and U.S.G. agencies' efforts to promote democracy and free market economies in the republics of the former Soviet Union depends upon the quality and training of the personnel who serve there and the simple availability in the offices and homes of heat, running water, and electricity – basics we take for granted in the United States but which require much effort on State's part to deliver in those posts. Other strategic goals, including protecting American citizens abroad and pursuing law enforcement objectives, depend on an information technology infrastructure that permits timely data sharing among agencies and the production of high-technology passports, visas, and other documents criminals are hard-pressed to counterfeit.

It is Diplomatic Readiness that makes all of these things happen. It requires a high-performance organization: the right people, with the right skills and support, in the right place, to defend national security and promote national interests.

State's Strategic Plan identifies three principal components of Diplomatic Readiness:

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Human Resources: Employees with the foreign language, diplomatic, professional, and technical skills essential to represent the United States overseas, build effective working relationships with international counterparts, exercise foreign policy leadership, and provide operational support for the conduct of foreign affairs.

Information: Information resource management, information systems, and highly skilled personnel collect and communicate information for the conduct of foreign policy and efficient operations.

Infrastructure and Operations: Cost-effective and well-maintained domestic and overseas facilities, along with management, logistical, and security systems, support a worldwide network of posts and people.

This plan lays out performance goals in each of these areas: three in human resources, three in information, and seven in infrastructure and operations. In addition, two issues of exceptional importance in the FY 1999-2000 planning period are foreign affairs reorganization and overseas security. Because both of these issues cut across the full scope of Diplomatic Readiness, we have placed them at the beginning of the Diplomatic Readiness goal papers.

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DIPLOMATIC READINESS: REORGANIZATION

DIPLOMATIC READINESS GOAL: Enable the U.S. Government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce.

DIPLOMATIC READINESS GOAL: Strengthen the ability of the United States to achieve its International Affairs goals and respond to crises through effective and efficient information resources management and information systems.

DIPLOMATIC READINESS GOAL: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

PERFORMANCE GOAL: The Department of State, the United States Information Agency, and the Arms Control and Disarmament Agency are integrated into a single institution.

As required by Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, State submitted a complete “Reorganization Plan and Report” to the Congress in December 1998. That comprehensive document contains details on the implementation of the Act as it affects State, the United States Information Agency, the Arms Control and Disarmament Agency, and the U.S. Agency for International Development. The Foreword of the plan is repeated below. The reader should refer to that document, available at www.state.gov, for additional information. Because there are so many aspects involved in the reorganization, the Performance Plan does not repeat the milestones laid out in the “Reorganization Plan and Report.”

The Foreign Affairs Reform and Restructuring Act of 1998 provides the authority to implement the Administration’s plan to reorganize and strengthen the foreign affairs agencies. This initiative, which the President announced on April 18, 1997, emerged from productive consultations with the Congress and enjoys bipartisan support. Under the leadership of Vice President Gore, the Reorganization Plan and Report being submitted today were designed with careful attention to preserve the unparalleled capabilities and skills of the foreign affairs agencies and their personnel. Reorganization enhances the ability of the United States to meet the international challenges of the next century by placing arms control and nonproliferation, public diplomacy, and

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sustainable development at the heart of our foreign policy. The Administration will work closely and cooperatively with the Congress to implement this integration.

This Reorganization Plan and Report, developed through the cooperative efforts of State, the Arms Control and Disarmament Agency, the United States Information Agency, and the United States Agency for International Development, describe how reorganization will be implemented. As a result, U.S. foreign policy will benefit in a number of important ways:

- Integrating ACDA into State will better combine its unique negotiating, verification, and technical expertise with State's broad diplomatic expertise and regional experience so as to strengthen policies on arms control, nonproliferation, and other political-military affairs. Integration will also establish a structure within State that will preserve unique arms control and nonproliferation perspectives.
- Integrating USIA and bringing public diplomacy insights into play sooner will develop more effective policies that are persuasive to foreign audiences. The infusion of USIA's strategic approach to public diplomacy, open style, close ties with non-governmental organizations (NGOs), technology for open communications, and skillful Internet use will make U.S. foreign policy more agile.
- The strengthened State-USAID tie will enhance the cohesiveness of our foreign policy and sustainable development and humanitarian programs, which promote reform and conflict resolution and help vulnerable people in many areas of the world.
- The integration of policy support and management functions will create possible streamlining opportunities.

The human dimension of reorganization is vital. Specific positions are being identified for every employee who will be transferred. There are no plans for a reduction-in-force, although over time integration will yield efficiencies as well as improve effectiveness. The Act gives the Secretary of State the flexibility needed to align people and positions most effectively.

As integration advances, State will continue intensive efforts to reinvent itself. Integration offers more scope for this and widens the circle of opportunity to restructure and adopt best practices. State has already taken some important steps. The Under Secretaries have

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assumed responsibility as State's Corporate Board, chaired by the Deputy Secretary, and the Assistant Secretaries have been given more autonomy in resource management. Performance Planning has been redesigned greatly to enhance the alignment of strategy and resources.

Finally, increased efficiency is very important, but is not, by itself, enough to assure U.S. leadership in the world. For this, the foreign affairs agencies must have the wherewithal to meet growing responsibilities and take full advantage of new opportunities. American strength today results from our predecessors' bold decisions and timely investments, beginning with Lend Lease and the Marshall Plan. The Administration's plan does not propose anything this expensive, but we have to do better in order to seize the initiative. Embassy bombings in East Africa, the international financial crisis, instability in the Middle East, Kosovo, and Russia, and risks that nuclear, biological, and chemical weapons will proliferate show how the world remains dangerous and uncertain. Therefore, it is vital that our country has the resources it needs for a strong foreign policy that serves America's interests.

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DIPLOMATIC READINESS: OVERSEAS SECURITY

DIPLOMATIC READINESS GOAL: Enable the U.S. Government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce.

DIPLOMATIC READINESS GOAL: Strengthen the ability of the United States to achieve its International Affairs Goals and respond to crises through effective and efficient information resources management and information systems.

DIPLOMATIC READINESS GOAL: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

PERFORMANCE GOAL: All U.S.G. personnel on official duty abroad and under the authority of a Chief of Mission perform their duties in support of diplomatic operations in safety from serious injury due to political violence or crime.

STRATEGY

August 7, 1998 changed forever America's perception of the security threat posed by terrorism. On that day, terrorists destroyed the U.S. Embassies in Kenya and Tanzania, killing 220 and injuring over 4000 people. These murderous acts in countries with no history of terrorism proved that we can no longer regard any post as a low security threat. "Hardening" facilities traditionally viewed as susceptible to terrorist attack only encourages terrorists to seek out other "soft" targets without the same level of security. To reflect this harsh reality, the United States must therefore extend counter-measures previously carried out at the 20 percent of our posts rated as "high" and "critical" threat to 100 percent of all posts. Unfortunately, however, since we cannot retreat from the world, it is impossible to guarantee that there will not be future tragedies.

Two Accountability Review Boards (ARBs), both chaired by Admiral William Crowe with other distinguished and respected members, investigated the bombings and made recommendations to improve security. In the reports released January 8, 1999, the ARBs found that the security systems and procedures followed by the two embassies were in accord with State policy. In both cases, the terrorists were prevented from breaching the perimeter of the post involved. In neither case did U.S. employees fail in their duty. The ARBs did, however, identify a collective failure by the executive and

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legislative branches of our government over the past decade to provide adequate resources to reduce vulnerability of U.S. diplomatic missions. The ARB report stressed that additional funds for security must be obtained without diverting funds from State's major foreign affairs programs. State is now preparing our response to the ARB report within the three month deadline required by law. We are already implementing or studying the best way to implement a significant number of the recommendations. It is clear that the report will have a major impact on the way we conduct our overseas operations.

As a response to the bombings, the Administration requested and Congress enacted an emergency appropriation totaling \$1.494 billion that addresses our most pressing overseas security needs. Large as this appropriation is, it is only a first step toward permanently heightening the level of security our diplomatic posts require. The Bureaus of Diplomatic Security and Administration have worked closely with the regional bureaus to identify posts on a priority basis for major security upgrades or, in some cases, relocation. To that end, in October 1998 State requested our posts overseas to report on their security countermeasures and used the results to identify the specific security upgrades to be implemented for each post.



The emergency appropriation funds will provide:

- Reimbursement for security costs already incurred (\$20 million).
- Emergency embassy needs for Nairobi and Dar es Salaam (\$60.5 million).
- New embassies in Nairobi and Dar es Salaam (\$139.5 million).
- Additional local guard services (\$186 million).
- Hardening the perimeter of existing facilities (\$212.9 million).
- Bomb-detection equipment, metal detectors, electronic surveillance equipment (\$253.3 million).
- Post relocations, residential security, and other improvements (\$185 million).
- Armored vehicles (\$101.2 million).
- Improvements for other agencies' facilities (\$56 million).
- New personnel and their training (\$75.4 million).
- Radios (\$123.2 million).
- Disaster assistance for Kenya and Tanzania (\$50 million).
- Anti-terrorism training for Kenya, Tanzania, and other countries (\$20 million).
- Ongoing counter-terrorism and anti-terrorism earmarks (\$25.7 million).

Among the worldwide security upgrades are post-managed security enhancement projects such as Mylar window treatments, door improvements, vehicle access controls, video cameras, perimeter walls, delta barriers, bollards, and planters. State is expediting the acquisition of additional land for security setbacks around existing buildings. State will work with posts to establish priorities, ensure timely site acquisition, obtain

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cooperation from host governments and landlords, and confirm space requirements so that designs can be initiated.

EXTERNAL FACTORS

- ✓ Host governments, local authorities, and private landlords will cooperate in our efforts to obtain new facility sites and additional security setbacks around existing facilities, including making land available at affordable prices.
- ✓ Contractors will deliver their services as scheduled.
- ✓ Qualified, cleared technical experts (e.g., security and construction) are available in the time frame required.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureaus of Diplomatic Security and Administration have the primary responsibility for this performance goal, working in cooperation with other bureaus, U.S. diplomatic posts, and their constituent U.S.G. agencies.

Our highest priority is getting the embassies in Nairobi and Dar es Salaam operational in temporary facilities as soon as possible. U.S. design/build contractors are modifying existing facilities for use as interim chanceries. The longer term objective is to build new, permanent, secure facilities as soon as we can acquire sites, confirm space projections, and resolve co-location issues.

The emergency appropriation provides funding for State to establish 391 new positions:

- 200 Diplomatic Security special agents.
- 17 security engineers.
- 34 security technicians.
- 20 office management specialists for Regional Security Officers.
- 20 diplomatic couriers.
- 46 domestic support positions for Diplomatic Security.
- 20 positions for Foreign Buildings Operations.
- 16 Information Resource Management positions.
- 11 positions in the Office of the Inspector General.
- 7 positions for Logistics Management.

Based upon the analysis of the October 1998 field survey of security requirements, State will determine the type and level of counter-measures suitable for each post and implement a prioritized plan to upgrade existing facilities. When necessary, we will relocate facilities.

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State (the Bureau of Information Resources Management) will modernize its overseas wireless communications capabilities at over 200 posts within the next year. In most cases, this means replacing a post's entire radio network with a highly robust, secure, and integrated wireless system. These new systems will facilitate communications within a facility during a crisis.

The Foreign Service Institute will significantly increase the number of Crisis Management Exercises (CME) we offer in the field. After holding nine exercises in FY 1997 and 13 in FY 1998, State will conduct 100 exercises annually in FY 1999 and FY 2000. Each exercise is designed to train a post's Emergency Action Committee and validate its Emergency Action Plan. In addition to the field-based CME training, which will include FSNs as appropriate, State will incorporate crisis management training into the full range of courses and workshops at the Foreign Service Institute and at regional consular, administrative, and Chief of Mission conferences.

INDICATORS, BASELINES, AND TARGETS

◆ **Status of Nairobi and Dar es Salaam embassies.**

- FY 1998 Baseline: Both embassies are partially functioning in emergency space.
- FY 1999 Target: Dar es Salaam: Embassy functioning in interim facility by February 1999; initiate design for new permanent chancery.
Nairobi: Embassy functioning in interim facility by July 1999; initiate design for new permanent chancery.
- FY 2000 Target: Construction of new embassies starts in both locations.
- Data source: Monthly Implementation Report on Security Appropriation.

◆ **Implementation of prioritized security upgrade plan based on October 1998 field survey.**

- Baseline: Posts reported security requirements in October 1998.
- FY 1999 Target: Project management plans developed for each upgrade element in the Security Appropriation are all at least 40% through their execution phase.
- FY 2000 Target: Project management plans are 100% complete.
- Data source: Security Appropriation Upgrade Project Closing Report.

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DIPLOMATIC READINESS: HUMAN RESOURCES

DIPLOMATIC READINESS GOAL: *Enable the U.S. Government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce.*

PERFORMANCE GOAL: A Department-wide, integrated Workforce Plan determines the size, distribution, composition, and recruitment needs of the Department of State's American workforce through 2010.

PERFORMANCE GOAL: The Department of State is staffed with a fully skilled workforce and is ready to handle the surge in "baby boomer" retirements without a disruption in its work.

PERFORMANCE GOAL: The Department of State will sustain the morale, health, and well-being of employees and family members.

OVERVIEW

People are State's most valuable resource. Approximately 60% of State's budget is devoted to human resources. As of September 1998, State had 7,769 full-time, permanent (FTP) Foreign Service employees, 4,907 FTP Civil Service employees, 9,510 Foreign Service National employees, and 14,959 other employees, including foreign nationals on contracts and American family members working at post. About 36% of State's workforce is based in the United States and 64% is overseas in more than 250 diplomatic and consular posts. The reorganization of State, the United States Information Agency, and the Arms Control and Disarmament Agency will bring an additional 1,059 Foreign Service and 3,660 Civil Service employees into the organization. In addition, a small number of USAID employees will transfer to State.

The Foreign Service and the Civil Service in the Department of State and U.S. posts abroad represent the American people. With personnel from other agencies, they work together to achieve the goals of American foreign policy. The Foreign Service is a corps of professionals who are America's first line of defense in a complex and often dangerous world. A Foreign Service career is a way of life that requires uncommon

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commitment and offers unique rewards, opportunities, and hardships. Foreign Service (FS) personnel can be sent anywhere in the world, at any time, to serve the diplomatic needs of the United States. They staff all U.S. embassies, consulates, and other diplomatic missions. Most FS personnel are generalists, and can expect to be assigned to various jobs in different parts of the world during their careers. Overseas, FS personnel work in administrative, economic, political, consular, or public information and cultural affairs. A Foreign Service Officer assigned one year as a consular officer in Europe may later become an economic officer in Africa. FS specialists fill other vital functions, including information management, security, and office management.

In addition to FS personnel, a dedicated corps of Civil Service employees are based in Washington, D.C. and other U.S. locations. They work in a variety of professional, technical, and administrative capacities and provide continuity and expertise in accomplishing all aspects of State's mission. Civil Service personnel are involved in virtually every area – from human rights to narcotics control to environmental issues. They also are the domestic counterpart to consular officers abroad, issuing passports and supporting services to U.S. citizens overseas.

State's American employees cannot accomplish their work without the talents and skills of our foreign national employees. Some are full-time permanent employees, while many others are hired under Personal Service Contracts or Agreements. They work in all parts of the embassy, and provide continuity of expertise that American employees, who leave for other assignments every few years, cannot provide. They also have knowledge of their own culture, language, society, and political system that cannot be matched by any American.

Since 1993 State's American employment level has fallen approximately 10%. Most reduction in American personnel has occurred in domestic staffing. While we have avoided major reductions in State's American staffing overseas, our overseas staffing has become more widely and thinly dispersed because of emerging new priorities, such as the need to staff embassies in the republics of the former Soviet Union. This has a serious impact on State's ability to carry out our responsibilities for the U.S. Government's international affairs strategic goals.

A major workforce issue on the horizon affecting State and other agencies will be the substantial rise in the level of retirements early in the 21st century due to the departure

**STATE'S EMPLOYEES
AT A GLANCE**

Before reorganization

7,769 Foreign Service

4,907 Civil Service

9,510 Foreign Service Nationals

14,959 other personnel

37,145 TOTAL

After reorganization

14,721 Foreign/Civil Service

11,518 Foreign Service Nationals

15,162 other personnel

41,401 TOTAL

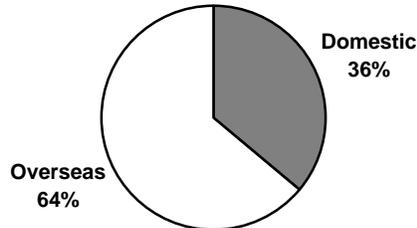
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of the “baby boomer” generation from the Civil Service workforce. (Retirements from the Foreign Service, whose “up or out” promotion system sets strict time-in-grade and time-in-class rules, are not closely linked to the chronological age of the workforce.) This is important both because of the large number of potential retirees involved and because of the loss of extensive management/leadership experience their departure will cause.

In addition to the Civil Service and Foreign Service personnel systems, State’s workforce management task is further complicated by the fact that we have a multiplicity of foreign service national personnel programs and administer the Foreign Service National programs for other U.S.G. agencies that operate overseas. Each system has distinct requirements for hiring, promoting, and retiring employees, a challenge most other agencies do not face. In addition, as part of our efforts to complete foreign affairs reorganization, State and USIA will harmonize disparate Foreign Service personnel policies to achieve “best practices” and consistency in areas such as employee evaluations and assignment policies.

State and other agencies have a wider set of responsibilities for their employees working abroad than for those working domestically. This is a reflection of the different conditions employees face outside the United States. In some cases, public utilities are

WHERE STATE'S AMERICAN EMPLOYEES ARE



unreliable (e.g., electricity, water, heat, telephones), health conditions and medical infrastructure and care are inadequate by American standards, there are climate extremes, crime and other forms of civil disorder are endemic, and the political environment may be restrictive, including the assumption that host government authorities are

monitoring activities of American employees and their families. These are among the factors State must address in considering how best to hire and retain qualified employees. The ramifications are twofold. First, State must ensure that we can provide a viable working and living environment. Second, State must ensure that the people we recruit are flexible enough to deal with unpredictable living and working conditions. As do all employers, State also has certain responsibilities for ensuring our U.S.-based employees have safe and functional workplaces, and providing a family friendly workplace.

In the FY 1999 and FY 2000 planning period, our focus in the area of human resources is on the following three goals:

- **A Department-wide, integrated Workforce Plan determines the size, distribution, composition, and recruitment needs of the Department of State’s American workforce through 2010.**

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- **The Department of State is staffed with a fully skilled workforce and is ready to handle the surge in “baby boomer” retirements without a disruption in its work.**
- **The Department of State will sustain the morale, health, and well-being of employees and family members.**

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HUMAN RESOURCES: AMERICAN WORKFORCE PLANNING

DIPLOMATIC READINESS GOAL: Enable the U.S. Government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce.

PERFORMANCE GOAL: A Department-wide, integrated Workforce Plan determines the size, distribution, composition, and recruitment needs of the Department of State's American workforce through 2010.

STRATEGY

We must develop and implement an integrated strategy to handle the many human resources challenges facing State. Working with USIA and ACDA, State will create a unified Workforce Plan that integrates all employment categories and produces a comprehensive, strategic assessment of the number, type, and location of employees needed, and will recruit against those needs. The Workforce Plan will identify differences between current and future employment requirements, from which State will develop action plans to meet future targets.

The Workforce Plan will permit us to assess which jobs are best filled by Civil Service and Foreign Service employees, and which overseas jobs can be filled by family members or by career Civil Service employees on excursion tours from their normal duties. The results of the Foreign Service Job Analysis Survey will give us a clearer picture of the tasks performed by the Foreign Service generalist. We will also study the tasks of the Civil Service workforce in major occupational series. With those surveys as a basis, the Workforce Plan will determine the future skill needs as we move into the next century.



A major workforce issue affecting the reorganized State will be the substantial rise in the level of retirements in the next decade due to the departure of the “baby boomer” generation from the Civil Service workforce. (Retirements from the Foreign Service, whose “up or out” promotion system sets strict time-in-grade and time-in-class rules, are not closely linked to the chronological age of the work force.) This is important both because of the large number of potential retirees involved and because of the loss of extensive management/leadership experience their departure will cause.

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In looking at whether the current composition of the USIA, ACDA, and State combined workforce adequately reflects emerging needs, we will place a greater focus on global issues such as the environment, labor, migration, human rights, and international crime. The end of the Cold War has brought these issues to the forefront of our diplomatic relationships and they often need to be addressed in a multilateral context rather than in a more traditional bilateral setting. State will make assignments to the bureaus handling global issues more attractive to Foreign Service employees through a combination of incentives including revised promotion precepts that give greater recognition to service outside the more traditional areas of Foreign Service work.

State also faces significant staffing shortfalls in administrative and consular core generalists and a number of specialized employment categories, including Information Management Specialists, Information Management Technical Specialists, Office Management Specialists, and Diplomatic Security Special Agents and Security Engineering Officers. State will target recruitment efforts in these areas.

In addition to the Civil Service and Foreign Service personnel systems, State's workforce management task is further complicated by the fact that we have a multiplicity of foreign service national personnel programs and we administer the Foreign Service National personnel programs of other U.S.G. agencies that operate overseas. Each system has distinct requirements for hiring, promoting, and retiring employees, a challenge most other agencies do not face. In addition, as part of our efforts to complete foreign affairs reorganization, State and USIA will harmonize disparate Foreign Service personnel policies to achieve "best practices" and consistency in areas such as employee evaluations and assignment policies.

We continue to implement the Overseas Staffing Model which is used to justify and fund overseas American staffing. While a domestic staffing model counterpart is not feasible, State will develop an alternate method to define personnel needs in Washington and other domestic locations.

Knowing what kind of staff we need and where we need them is only the first step. State must convince a wider and more diverse audience that viable and productive careers await them at State. State will use established relationships with educational institutions and professional organizations to publicize career opportunities.

EXTERNAL FACTORS

- ✓ Competition for recruitment of qualified applicants will continue to be strong, as demand for these employees remains high in the U.S. economy.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Personnel has the primary responsibility for this performance goal, working in cooperation with other bureaus, ACDA, and USIA.

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Under the direction of a Bureau of Personnel Deputy Assistant Secretary and with the participation of other State bureaus, USIA, and ACDA, a working group will develop a unified State workforce plan implementing the foreign affairs reorganization.

State will place more Foreign Service employees in bureaus handling global issues and will reduce Civil Service vacancy rates in those bureaus to ensure we have the personnel necessary to meet these challenges.

We will focus recruitment efforts on specific deficit skill areas, such as information technology and office management specialists, and on recruiting individuals with scientific and other skills necessary to meet the Secretary's global agenda. The implementation of Law Enforcement Availability Pay will help to recruit and retain Special Agents in the Bureau of Diplomatic Security. A targeted recruitment effort for Security Engineering Officers will allow State to attract engineers with the skills needed both in security and information systems providing for the right cadre of employees.

Currently most Foreign Service Officers (FSOs) enter State as Junior Officers through the Foreign Service Written Examination process. We will explore alternatives to supplement the examination to improve our ability to target the full range of skills needed in the FSO corps. We will simultaneously update the examination to ensure that it continues to accurately identify individuals capable of meeting the full range of FSO tasks.

State employs about 20,000 and other agencies 10,000 foreign nationals to provide essential and cost-effective continuity at our overseas missions. Since State is responsible for administering the foreign national employment program for all agencies, we will modify conditions of employment to guarantee our ability to be competitive in local labor markets, and which reflect American values in treatment of the local labor force.

Deficits of Foreign Service personnel at certain levels and in certain skill areas will continue to make non-traditional employment a key factor in filling positions overseas. Eligible Family Members (EFMs), who accompany career American employees abroad, have become an increasingly critical part of our workforce in recent years, as budget cuts led to decreased hiring of career Foreign Service personnel. We will develop programs to facilitate EFM employment, both to maximize use of a cost-effective source of talent and to support morale of foreign service families whose Eligible Family Members wish to work.

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INDICATORS, BASELINES, AND TARGETS

◆ **Status of unified Department-wide Workforce Plan.**

FY 1998 Baseline: State has no universal Workforce Plan; existing Human Resources planning processes are unlinked and operate in isolation from each other; USIA and ACDA are independent agencies.

FY 1999 Target: State completes and issues an integrated Workforce Plan, including USIA and ACDA.

FY 2000 Target: State develops and implements a hiring plan based on the Workforce Plan.

Data source: Final report of the Workforce Plan Working Group and the FY 2000 hiring plan.

◆ **Hiring rates in specific deficit skill areas.**

FY 1998 Baseline: 28 IM Specialists hired.
37 Office Management Specialists hired.

FY 1999 Target: Target hiring is as follows:
70 IM Specialist positions.
80 Office Management Specialist positions.

FY 2000 Target: Target hiring is as follows:
65 IM Specialist positions.
67 Office Management Specialist positions.

Data source: Department of State Hiring Plan.

◆ **Number of Foreign Service positions in global bureaus.**

FY 1998 Baseline: 154 authorized Foreign Service positions in the Bureaus of Democracy, Human Rights, and Labor; International Narcotics and Law Enforcement ; Oceans and International Environmental Scientific Affairs; and Population, Refugees, and Migration.

FY 1999 Target: 5% increase (i.e., 8 positions).

FY 2000 Target: 5% increase (i.e., 8 positions).

Data source: Bureau of Personnel.

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HUMAN RESOURCES: CAREER DEVELOPMENT

DIPLOMATIC READINESS GOAL: Enable the U.S. Government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce.

PERFORMANCE GOAL: The Department of State is staffed with a fully skilled workforce and is ready to handle the surge in “baby boomer” retirements without a disruption in its work.

STRATEGY

Our most current projections show that Civil Service retirements at State will increase by approximately 4% annually from 1998 through 2010, as baby boomers begin to leave government service. This means that annual retirements will grow from 61 retirements in 1998 to 179 retirements in 2010. Although this does not represent a drastic increase, what is of concern is that the majority of these retirements will come from the ranks of senior, experienced managers. (Retirements from the Foreign Service, whose “up or out” promotion system sets strict time-in-grade and time-in-class rules, are not closely linked to the chronological age of the work force.) This demographic reality, combined with the decrease in intake of recent years, dictates that State’s highest priority for the Civil Service is the selection and development of the employees who must replace the retirees. This requires that State take a more active role in the career development of our employees. This will include enhanced training opportunities (both short and long-term), a better linkage between career counseling and State’s skill needs, and broadening employees’ experience through details and overseas and domestic excursions.

To assist employees in developing appropriate skills, State’s Foreign Service Institute (FSI) will use the Office of Personnel Management’s key leadership competencies to create a leadership/management training continuum of courses. This continuum, in conjunction with the Leadership Competency Model developed by the Bureau of Personnel (PER), will assist employees in developing professional and leadership skills throughout their careers. PER, working closely with FSI, will establish policies and guidelines to encourage both Foreign Service and Civil Service employees to make effective use of the leadership/management training continuum. In addition to formal classroom training, the



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model includes a full range of self-directed learning activities, special work assignments, and shadowing/networking.

High-level foreign language proficiency has long been a hallmark of foreign affairs personnel. State's principle of universal representation requires language instruction in about 60 languages. Approximately 3,000 State American positions worldwide have been designated as requiring language proficiency. By regulation, all officers must obtain designated levels of language proficiency in one foreign language to be tenured in the foreign service and to progress into the senior ranks. A recurring problem is posed by the reluctance in some instances of employees who have spent a year or more learning a "hard language" (i.e., non-Romance and non-Germanic languages) to serve more than one tour in the country where that language is spoken. This reluctance is often due to factors such as harsh living conditions, and is not the most effective use of scarce language training resources and employee assignments. State will encourage repeat tours and tour extensions of language-qualified personnel by developing a revised Language Incentive Pay Program that targets use, rather than acquisition, of these languages. We anticipate a 20% increase in both return assignments and tour extensions at incentive language posts over the first five years of the new program.

In addition to the American workforce, 9,510 of State's direct-hire employees are Foreign Service Nationals and another 12,440 foreign nationals are employed on Personal Services Contracts or Agreements. These employees are critical to the functioning of our overseas diplomatic posts. They need training and promotion opportunities that will enable them to continue to perform their vital roles. State will expand their training opportunities, including through long-distance learning methods.

EXTERNAL FACTORS

- ✓ The high demand for employees in the U.S. economy makes it more difficult to hire and retain qualified employees.
- ✓ Lack of employment opportunities for family members overseas makes it more difficult to recruit and retain Foreign Service employees.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Personnel and the Foreign Service Institute have the primary responsibility for this performance goal, working in cooperation with other bureaus.

State will continue to improve career counseling for all employees. Foreign Service employees will benefit from more personalized attention by Career Development Officers, who will propose training and assignments which will equip officers to handle the Secretary's priorities. We will enhance the Career Development Resource Center's role by identifying additional tools and techniques to facilitate greater use by employees and making counseling available to employees at remote annexes. By the end of

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FY 2000, FSI will integrate a comprehensive continuum of leadership and management training throughout its curriculum. State will establish policies and guidelines for ensuring that employees, both Civil and Foreign Service, have access to this continuum of training and are given opportunities to develop their leadership and management skills. FSI will develop a tracking mechanism for capturing the number of employees in leadership and management designated positions taking leadership and management courses.

State will make earlier decisions on Chief of Mission and Deputy Chief of Mission assignments. By doing this and providing better career counseling, we will be better able to place the officers not selected for these assignments in other positions best suited to their capabilities and career development needs.

To take advantage of State's large investment in incentive and hard language training programs, we will develop a new Language Incentive Pay Program to emphasize use rather than acquisition, and revise training and assignment policies and promotion precepts. In order to expand the pool of employees eligible for hard language assignments, State will also experiment with allowing untenured junior officers to spend 44 weeks in hard-language training.

State will develop and implement competency prototype models for the most populous occupational groups. These models will identify those knowledge, skills, abilities, and attributes required for successful performance in each occupational group, e.g., foreign affairs, intelligence, budget, finance, human resource management, computer specialists. The models will help employees and managers to focus on formal training and learning activities which will promote the development of professional and technical skills during various career stages.

INDICATORS, BASELINES, AND TARGETS

◆ **Civil and Foreign Service employees taking courses in leadership and management (does not include The Senior Seminar, which has an enrollment ceiling).**

- FY 1998 Baseline: 634 (224 FS and 410 CS) employees take courses in leadership and management.
- FY 1999 Target: 15% increase (i.e., 729 total) over FY 1998 in number of employees taking courses in leadership and management.
- FY 2000 Target: 25% increase (i.e., 793 total) over FY 1998 in number of employees taking courses in leadership and management.

Data source: FSI registration records.

◆ **Foreign Service assignment cycle.**

- FY 1998 Baseline: By March 27, 1998, 76% of FS-1s and 59% of Senior Foreign Service (SFS) officers were assigned. Chief of mission (COM) selections were made in late October 1997

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and deputy chief of mission (DCM) assignments in mid-December 1997.

FY 1999 Target: By March 24, 1999, 80% of FS-1s and 65% of SFS officers assigned. COM selections in late September 1998 and DCM assignments in late November 1998.

FY 2000 Target: By February 29, 2000, 80% of FS-1s and 65% of SFS officers assigned. COM selections in late September 1999 and DCM assignments in late November 1999.

Data source: Weekly “snapshots” of FS assignment cycle prepared by PER/CDA.

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HUMAN RESOURCES: RETENTION

DIPLOMATIC READINESS GOAL: Enable the U.S. Government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce.

PERFORMANCE GOAL: The Department of State will sustain the morale, health, and well-being of employees and family members.

STRATEGY

Our ability to attract and retain the qualified personnel needed to carry out the U.S. Government's foreign policy is influenced by many factors beyond monetary compensation. State continues to pursue initiatives that make employment with the Department an eagerly sought opportunity. State will provide a supportive environment for all employees, retirees, and their families by raising standards of customer service in all areas, from intake through career development and on into retirement.

State's employees must have work places with adequate physical security, including protection from fire, unsafe and unhealthy conditions, and environmental hazards such as asbestos, earthquakes, contaminated water, pesticides, and chemicals. State has programs in place that address these concerns domestically. We face even greater challenges abroad, including the increased risk of terrorist attacks. Overseas, State's responsibility extends beyond the workplace to include employee residential facilities. The task is further complicated in the many countries that do not have the same safety and health conditions as in the United States. In addition, State has responsibility for the needs of most of the other U.S.G. agencies represented in our diplomatic missions.

State will respond to family and other needs that may impact performance on the job. Although child care issues have been and continue to be important for many employees, care of elderly relatives is an emerging issue which our employees, and thus State, will face with greater frequency. We will continue to develop flexible hours and place-of-work options to benefit all employees. State must also facilitate overseas local employment opportunities for those Foreign Service spouses who wish to pursue careers both within and outside of our missions.



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State and other U.S.G. agencies have employees stationed in the more than 160 countries. They often face conditions very different from those in the United States, in terms both of the hardships encountered and the cost of living. To compensate employees for the drawbacks they encounter in serving abroad, the U.S. Government offers financial incentives such as hardship and danger pay and cost of living allowances on a country-by-country basis. To ensure equal treatment for all employees, State is responsible for determining those allowances for all U.S.G. agencies operating in our diplomatic posts.

One of the other fundamental issues faced by U.S.G. employees abroad is the quality and the availability of educational facilities for their children. State's Overseas Schools program, established in 1964, assists about 200 American-sponsored schools in more than 120 countries to enable them to provide high quality, U.S.-style education. State plans and implements grants, provides professional guidance, and delivers technical assistance to the schools. Most of them are accredited for grades K through 12, some for elementary school only, and others for high school only. Supporting international schools locally at post contributes to the maintenance of family-friendly environments that encourage employees with school-age children to take overseas assignments. It also provides significant savings over the costs that would otherwise be incurred by sending employees' children to boarding schools.

The Overseas Briefing Center (OBC) provides State and other U.S.G. employees and their family members current and comprehensive information services so that they can bid on and prepare for assignments overseas and help them readjust after their return to the United States. This includes information on security awareness, cross-cultural issues, and the many logistical details associated with moving from place to place.

Through the Career Transition Center, we will continue to provide counseling and job placement assistance to employees who are voluntarily or involuntarily separated from State.

EXTERNAL FACTORS

- ✓ The high demand for employees in the U.S. economy makes it more difficult to retain qualified employees.
- ✓ What is regarded as essential infrastructure within the United States is often not available overseas, e.g., safe drinking water, medical care, reliable utilities, environmental regulations, adequate educational opportunities.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Personnel, the Bureau of Administration, and the Office of Foreign Buildings Operations have the primary responsibility for this performance goal, working in cooperation with other bureaus and other U.S.G. agencies with personnel assigned to U.S. diplomatic missions.

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In FY 1999 and FY 2000, State will conduct surveys and assessments on a variety of safety issues, including fire protection inspections and training at high-priority posts (based on the relative fire safety of the facilities and the availability and competence of local fire protection services), Safety, Health, and Environmental Management training, asbestos surveys, and seismic assessments.

State currently has a child care program at two sites in the Washington area, with 98 spaces. We will review the feasibility of establishing an on-site child care center at the National Foreign Affairs Training Center.

Many spouses of our American employees overseas have professional skills which they want to continue to pursue. Often the post may not require their services or host government regulations limit their ability to work. State negotiates bilateral work agreements and de facto arrangements that allow people in such situations to work on the local economy. Restrictive regulations on the use of government-leased or government-owned housing limit some of the most common “portable” careers for Foreign Service family members (e.g., teaching, consulting, writing).

Dependent children of U.S.G. personnel serving overseas must receive a quality education to prepare them to reenter the U.S. educational system when their families return to the United States. Overseas schools often operate in environments that are isolated either geographically, culturally, or both. We will increase the number of school-to-school partnerships to permit teachers and students at those schools to benefit from frequent and almost instantaneous contact with schools and individuals in the United States. We will continue to work with the Overseas Schools Advisory Council as part of our public-private partnership. State will facilitate an increase in the number of accreditations and reaccreditations by working with both schools and accrediting associations to assure complete understanding of criteria, schedules, and procedures.

State must fulfill its legal responsibility to ensure a drug-free workplace. We will expand the Federal Drug-Free Workplace Program that has been in effect domestically since 1994 to our overseas posts. The emphasis will first be on posts with resident Medical Technologists. Before we can do that, we must negotiate with the American Foreign Service Association, which represents the Foreign Service. Once we are ready to begin the overseas program, we will issue the mandatory employee notifications.

INDICATORS, BASELINES, AND TARGETS

◆ **Number of posts meeting Safety, Health, and Environmental Management requirements.**

FY 1998 Baseline: 10% of 40 posts visited attain 80+ score out of 100 points.

FY 1999 Target: 50% of 75 posts visited attain 80+ score.

FY 2000 Target: 75% of 125 posts visited attain 80+ score.

Data source: State Safety, Health, and Environmental Management Office's records.

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◆ **Number of bilateral work agreements and de facto arrangements enabling family members overseas to work on the local economy.**

FY 1998 Baseline: 73 bilateral work agreements and 58 de facto arrangements are in place.

FY 1999 Target: Four additional work agreements or de facto arrangements.

FY 2000 Target: Four additional work agreements or de facto arrangements.

Data source: Department of State Family Liaison Office records.

◆ **Number of schools that are accredited by U.S. accrediting associations.**

FY 1998 Baseline: 140 out of 179 overseas schools are accredited.

FY 1999 Target: 143 are accredited.

FY 2000 Target: 146 are accredited.

Data source: Accrediting associations reports, A/OPR/OS records.

◆ **Overseas Federal Drug-Free Workplace Program.**

FY 1998 Baseline: No overseas testing program.

FY 1999 Target Implementation procedures are finalized and negotiated as appropriate with employee unions. Employees receive required notification of overseas program.

FY 2000 Target: Implement the program at 11 out of 250 posts, eight of which have resident Medical Technologists.

Data source: Federal Drug-Free Workplace Program contractor records.

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DIPLOMATIC READINESS: INFORMATION

DIPLOMATIC READINESS GOAL: Strengthen the ability of the United States to achieve its International Affairs goals and respond to crises through effective and efficient information resources management and information systems.

PERFORMANCE GOAL: The Department of State's infrastructure, including its information technology systems, works after December 31, 1999.

PERFORMANCE GOAL: The Department of State's information technology systems and the information processed and stored in them are safe from unauthorized access, change, disclosure, disruption, or denial of service.

PERFORMANCE GOAL: The Department of State has modern, integrated information technology accessible to all employees.

OVERVIEW

The FY 1999-2000 planning period will see the completion of an information technology (IT) transition at State. We will finish the infrastructure modernization program begun several years ago and shift our emphasis to enhancing the support provided to our diplomatic and consular posts. Our IT vision for the new millennium is almost total reliance on commercial solutions, freeing up resources to focus on mission critical functions.

Our evolving strategy addresses the reality that, because the total amount of resources necessary to effectively and rapidly modernize and maintain State's numerous large-scale IT networks is not going to be available immediately, we have to prioritize. Effectively and quickly modernizing even one large-scale network is challenging given today's expensive and constantly changing information technology. As our experience over the past decade proves, spreading our resources across our three or more large-scale classified and unclassified networks can result in none of them being substantially and quickly modernized. Unless we identify a primary large-scale network and invest

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accordingly, we will continue to be hampered by obsolete information technology across several networks.

State is exploring the operational and economic feasibility of developing a secure large-scale unclassified information network to link all of State internally via an Intranet. This same network would be used to link State to the world via the Internet and the World Wide Web. To handle the relatively small percentage of information that is truly classified, we would deploy a smaller scale classified system. All employees, both domestic and overseas, would be linked at their desktops to the large-scale unclassified network. The small-scale classified network, composed primarily of common use PCs, would be made available for employees needing to do classified work.

Information Resource Management (IRM) activities in State have historically been carried out on a decentralized basis and without the benefit of continuing centralized management. As a result, many development efforts have not been synchronized and the systems produced have not been interoperable. During the past few years, State has made significant strides in establishing a central management mechanism to control IT functions on a worldwide basis. In 1995 we appointed a Chief Information Officer (CIO) and established an IRM Program Board to review plans and projects to support IT investment planning. We consolidated and reorganized the Office of the CIO and the Office of Information Management in 1997 to create a comprehensive central IRM Bureau. These actions will continue to strengthen IT investment planning, synchronized project activities, and produce systems that are fully compatible with management priorities and goals.

There are a number of constraints that prevent State from capitalizing fully on technology to make operations as efficient, effective, and economical as they could be, including:

- Lack of formal standards for IT activities.
- Dependence on obsolete and non-standard equipment.
- Obsolete software and cumbersome business processes.
- Inadequate domestic and overseas communications circuits.
- Slow, unreliable, inefficient worldwide messaging, made up of multiple, non-standard e-mail and formal messaging systems held together by gateways and manual efforts.
- A workforce of system users and IT professionals that is insufficiently trained in modern technology and operations.
- Insufficient funding to overcome the above constraints.

A current thrust of State's strategic and tactical planning is consolidation and integration of information, technology, infrastructure, standards, and planning and management processes. Through integration efforts, State will continue to achieve cost savings and improved customer service through economies of scale and elimination of redundant and fragmented systems and processes. Already underway are these projects:

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- Integration of the mainframe computer facility of the U.S. Agency for International Development into State's Beltsville Information Management Center.
- Establishment of a broad-based Data Administration project to promote cross-bureau data integration, sharing and standardization.
- A joint effort with USIA to adapt USIA's CableXpress cable delivery system for worldwide use by both agencies.
- Infrastructure projects to integrate domestic and overseas networks into a uniform global network.
- Efforts to establish consolidated "server farms" to improve the management and operation of multiple processors.
- Support to projects to consolidate and coordinate State-wide efforts in such areas as security, configuration management, remote monitoring and troubleshooting, user support/help desk, and IT training.
- Consolidated, centralized deployment of the ALMA overseas infrastructure.
- Integration of all logistics business processes into a single entity, eventually to be supported by an integrated worldwide IT system.

The area of IT performance measurement is evolving as the complexities in demonstrating benefits and outcomes on IT capital investments are better understood. Information is largely intangible, and by itself, has no value. Its value is in the application. All of this makes information and information management systems difficult to measure. As part of improving our approach to IT performance measurement over the next year, State intends to strengthen our use of the "Balanced Scorecard" approach. This approach measures IT performance across four goal areas that are critical to overall IT success:

- Achieving the strategic needs of the enterprise.
- Satisfying the needs of individual customers.
- Addressing IT internal business performance.
- Addressing innovation and learning.

Currently, projects presented in the IRM Tactical Plan show output and outcome/results measures. However, input measures are also being incorporated to enable analysis of efficiency. Through efficiency measures (a ratio of output to input) we can begin to answer questions pertaining to return on investment.

State fully recognizes the critical importance of IT to the support of U.S. diplomacy and State's effectiveness in the information age. While we have achieved significant results, there is more to do. We continue to strengthen our efforts by developing new ways of doing business that take full advantage of modern capabilities by prioritizing our initiatives, and by continuing to enhance management, resource, program and performance planning at State.

In the FY 1999 and FY 2000 planning period, our focus in the area of information is on the following three goals:

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- **The Department of State's infrastructure, including its information technology systems, works after December 31, 1999.**
- **The Department of State's information technology systems and the information processed and stored in them are safe from unauthorized access, change, disclosure, disruption, or denial of service.**
- **The Department of State has modern, integrated information technology accessible to all employees.**

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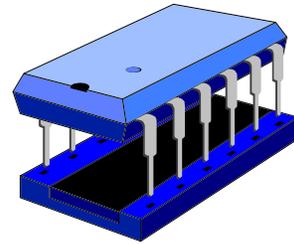
INFORMATION: Y2K COMPLIANCE

DIPLOMATIC READINESS GOAL: Strengthen the ability of the United States to achieve its International Affairs goals and respond to crises through effective and efficient information resources management and information systems.

PERFORMANCE GOAL: The Department of State's infrastructure, including its information technology systems, works after December 31, 1999.

STRATEGY

State will certify all information technology and non-information technology systems as being Year 2000 (Y2K) compliant by the GAO and OMB deadlines. As required, we are also developing contingency plans for use in the event some replacement efforts are not completed on time or if there is a failure of internal or external systems.



To meet the deadlines, State has established a Steering Committee chaired by the Under Secretary for Management and assisted by the Chief Information Officer (CIO). The Deputy CIO for Year 2000 has overall responsibility for coordinating the Y2K Program, although each bureau is responsible for making its systems and applications Y2K compliant. This responsibility includes Y2K corrections to computer systems and software applications, as well as coordination of compliance efforts for non-IT systems (e.g., telecommunications, buildings, access control systems, and biomedical equipment).

State's highest priority is mission-critical systems. Of the 239 software systems State operates on a worldwide basis, 59 are designated as mission-critical; the others, important in supporting individual office and post functions but not crucial to worldwide operations, will also be made compliant by the end of 1999. Mission-critical systems are distributed among the Bureaus of Administration, Consular Affairs, Finance and Management Policy, Information Resource Management, Intelligence and Research, Personnel, the Foreign Service Institute, the Office of Management Policy and Planning, and the Office of Medical Services. The systems run on mainframe equipment, obsolete Wang VS mini-computers, or other hardware platforms. Many are being converted or migrated to run on Y2K compliant platforms – either the mainframe or PC/LANs. Others are being retired.

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Although our highest priority is the compliance of mission-critical systems, State bureaus are working to renovate and replace lower priority, non-mission-critical applications as well. Because of these lower priority systems' smaller size, the rate of progress in fixing and replacing them has been somewhat greater than for mission-critical applications.

State will avoid considerable costs by proceeding expeditiously with the replacement/migration of our Wang-based systems, both critical and non-critical, rather than repairing obsolete systems. This modernization effort was already underway before attention was focused on Y2K issues.

The success of State's Y2K compliance effort depends in part on the actions of other organizations with which we routinely interact. State has identified nearly 300 such external interfaces: with other U.S.G. agencies, with four state governments, with banking or financial institutions, and one with a commercial traffic and travel services firm. We have Memoranda of Understanding for each of these to establish formats for data exchanges and implementation schedules. This ensures that the involved organizations are working together rather than at cross purposes.

State's task is more complicated than that facing most U.S.G. agencies because of our worldwide operation. For example, State maintains commercial banking accounts in 157 countries. We are closely monitoring the banks' own compliance efforts. Additionally, many of our mission-critical and non-mission-critical systems must be deployed to more than 250 posts overseas, and are not considered compliant until deployment is complete.

Computer chips are now so widely used that Y2K compliance extends far beyond information systems. A review of State's domestic non-IT systems identified problems with some aspects of the following: security access controls, defibrillators, emergency alarm components, elevator diagnostics, computer room air conditioning, environmental control systems, and emergency generator controls. A survey by an outside contractor indicates that embedded systems that are date-sensitive are relatively rare in State-occupied overseas facilities and most of the systems that process dates do so correctly.

Of State's 75 domestic and 545 overseas telephone exchange services, more than 90% are already Y2K compliant. Roughly 5% of the rest are off-premise exchange systems over which State has no control but will be closely monitored. The remainder will either be upgraded or can be manually operated.

EXTERNAL FACTORS

- ✓ Vendors must complete and implement Y2K compliance systems and infrastructure in a timely manner.

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- ✓ Within the United States, federal and state government agencies and private sector organizations (e.g., utility companies) with which State deals must themselves be Y2K compliant.
- ✓ Overseas, the local infrastructures supporting State facilities must remain functional.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, individual bureaus under the overall guidance and framework provided by the Deputy CIO for Year 2000 have the primary responsibility for this performance goal.

In FY 1999, we will ensure that the systems upon which State depends are Y2K compliant. In some cases, either because a system is not under State's control or a vendor fails to implement a compliance plan in time, we will implement our contingency plans.

In FY 2000, we will address any remaining issues: completing the certification of systems, performing regression testing on systems changes, refining and testing contingency plans, finalizing Business Resumption Plans and Day Zero Start-up plans. State, in coordination with Defense and FEMA, will establish a Y2K Crisis Management Center. State will ensure the excellent management practices implemented in the name of Y2K are established as permanent functions of Capitol Planning and corporate control mechanisms.

INDICATORS, BASELINES, AND TARGETS

◆ **Status of mission-critical information technology systems.**

FY 1998 Baseline: As of September 30, 1998, 22 of the 59 mission-critical systems are assessed as Y2K compliant.

FY 1999 Target: All 59 systems are compliant and implemented.

Data source: State Quarterly Y2K Report to OMB.

◆ **Status of non-critical information technology systems.**

FY 1998 Baseline: As of September 30, 56 of the 180 non-mission-critical systems are certified Y2K compliant. 19 systems will be retired.

FY 1999 Target: All systems are compliant and implemented.

Data source: State Quarterly Y2K Report to OMB.

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INFORMATION: SYSTEMS SECURITY

DIPLOMATIC READINESS GOAL: Strengthen the ability of the United States to achieve its International Affairs goals and respond to crises through effective and efficient information resources management and information systems.

PERFORMANCE GOAL: The Department of State's information technology systems and the information processed and stored in them are safe from unauthorized access, change, disclosure, disruption, or denial of service.

STRATEGY

In today's information age, reliable, secure and high quality IT is the essential tool supporting U.S. diplomacy. State's diplomatic, consular, and management initiatives depend on IT systems to support each of the following critical activities: global engagement, public diplomacy, leading cooperative efforts among disparate organizations, managing programs, collecting and analyzing data, communicating information, and decision support.

State's IT strategy is to deploy and maintain one large-scale computer network supporting all State employees and linked to the world via the Internet. Such a network will provide U.S. diplomats with rapid, interactive and global reach and access to information. These capabilities are essential to the conduct of U.S. diplomacy in today's fast-breaking, highly interdependent world of foreign affairs. As part of this strategy, State will also maintain a separate, smaller-scale classified network to process and protect sensitive and vital national security information. State simply can not afford to deploy and maintain two large-scale networks, i.e., both a large-scale, modernized Internet-linked network and a large-scale, modernized classified network.

While State's IT network linkages to the Internet and other systems both inside and outside the U.S.G. are essential and provide U.S. diplomats with access to vital information and communications, these same network links introduce significant, relatively new and constantly changing security vulnerabilities. State has robust, well-practiced and long-standing information systems security capabilities in many areas. These capabilities, however, need to be constantly updated and improved to keep pace with the continuous and rapid changes now taking place in the IT environment.

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State has numerous initiatives underway to address today's information systems security challenges. In response to Presidential Decision Directive 63 (PDD63) concerning the protection of Critical Infrastructure, State has produced a comprehensive plan to address "cyber" or IT security challenges. State's PDD63 plan was submitted as requested to the National Security Council on November 18, 1998. The plan provides a well-defined framework for how State will go about evaluating risks and threats associated with our IT systems. Based upon this analysis, the plan details how State will develop and implement programs to appropriately protect our information systems. As part of the PDD63 plan and in order to consolidate and improve State-wide IT security initiatives, the Chief Information Officer has been named as the lead official responsible for information assurance for IT systems Department-wide. State has also published, and will continue to update, State-wide Information Resource Management Strategic and Tactical Plans which detail extensive systems security efforts that are underway. State is also in the process of developing a State-wide IT architecture. Once established, this architecture will do much to standardize and control our IT infrastructure, thereby reducing the possibility of security "holes" in our systems.

For information systems security purposes, State maintains physically separated information systems, i.e., separate classified and unclassified computer systems that are not physically connected to each other. In other words, no computer client (desktop or user PC) or server is connected to both the classified and unclassified computer networks. State will continue to use this expensive but vital strategy to protect our most sensitive national security information. Multi-level security systems technologies, which in theory would allow deployment of a single computer network for both classified and unclassified processing, are not a secure or feasible strategy today.



State is emphasizing both user and IT systems manager training in order to enhance IT security. This training includes information on threats, vulnerabilities and risks, IT security practices, configuration management and control requirements, and IT security incident reporting requirements and procedures.

State is also enhancing the monitoring and evaluation activities associated with its IT systems. We are deploying intrusion detection hardware and software as part of all major IT modernization programs. We continue to expand a robust anti-virus program to protect its computers against the infiltration and damage that can be caused by malicious software. State is optimizing commercial-off-the-shelf (COTS) packages and security features in order to establish a strong configuration control program and standardized, stabilized IT hardware and software platforms throughout State. This type of standardization and configuration management will significantly reduce training costs and support requirements, while significantly increasing security oversight capabilities on our networks. We have in place and are constantly improving our network "firewalls," computer-based shields that protect State's private networks from unauthorized outside access. We are working to strengthen our Information Systems Security Officer (ISSO)

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program. This effort includes ensuring that ISSOs are established for all major and minor systems and providing comprehensive training for all ISSOs.

State also has developed and implemented procedures for assessing hardware and firmware vulnerabilities in commercial-off-the-shelf computer products being procured and deployed to diplomatic posts. State maintains a test and analysis laboratory capability to protect diplomatic posts' essential infrastructure from physical IT systems attacks.

Like the world we live in, no information systems can be made completely safe from all risk. The plans and programs detailed above, however, will ensure that State's information systems, and the information assets resident on these networks, are protected at levels consistent with the risks and threats associated with these systems. These strategies form the foundation for a comprehensive, dynamic, and successful information systems security program for the State Department.

EXTERNAL FACTORS

- ✓ Vendors must supply secure and reliable IT hardware and software products that do not introduce unknown vulnerabilities into our systems.
- ✓ Y2K compliance must be achieved in information systems linked to State but outside of the Department's control, e.g., public and private sector IT systems in the U.S., and local IT infrastructures supporting State operations overseas. Lack of Y2K compliance for these systems outside State's control could lead to denial of service problems.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within the Department of State, the Bureau of Information Resources Management has primary responsibility for this performance goal, in close cooperation with the Bureau of Diplomatic Security.

FY 1999 activities are focused on correcting deficiencies identified in the GAO study of State's computer security published in May 1998 (GAO/AIMD-98-145). This report focused exclusively on State's unclassified systems. To address these GAO findings, State is now in the process of verifying the software and hardware configurations across this entire network. Once this information has been collected, we will ensure that all systems are configured correctly in accordance with security requirements. The survey and correction effort includes addressing all security issues associated with State's client/server software and hardware, with our network routers and with activities providing remote/off-site access to the network. These efforts will also provide a baseline configuration model that will be used to enhance security, maintain standardization, and promote configuration control into the future.

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As the strategy section highlighted, information systems security initiatives are never “done” but instead are comprised of continuous efforts to keep apace with the constantly changing IT and network environment. For both FY 1999 and FY 2000 State will continue to focus on IT security fundamentals. These fundamentals include: centralized direction and oversight by the CIO; establishment and enforcement of information systems security policies; systems security training for both users and systems managers; disciplined information systems configuration control and asset management; utilization of hardware and software security features including firewall, password, and anti-virus systems; and robust intrusion detection, network monitoring, and incident response capabilities.

INDICATORS, BASELINES, AND TARGETS

◆ **Status of GAO recommendations concerning computer security.**

- FY 1998 Baseline: May 1998 GAO report makes 8 major recommendations that State needs to address to improve computer security.
- FY 1999 Target: State resolves all 8 GAO major recommendations regarding computer security.
- FY 2000 Target: N/A.
- Data source: GAO final report.

◆ **Information systems penetration testing.**

- FY 1998 Baseline: GAO penetration test documents that State is vulnerable to unauthorized access and activities, and lacks adequate ability to identify and respond to intrusion and/or other unauthorized attacks on its information systems.
- FY 1999 Target: Penetration testing done by independent entities fails 100% of the time to achieve unauthorized access and activities on State’s information systems. State identifies and responds to 100% of testers’ attempted intrusions and/or other unauthorized activities.
- FY 2000 Target: 100% level maintained.
- Data source: Test reports by independent entities.

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INFORMATION: SYSTEMS MODERNIZATION

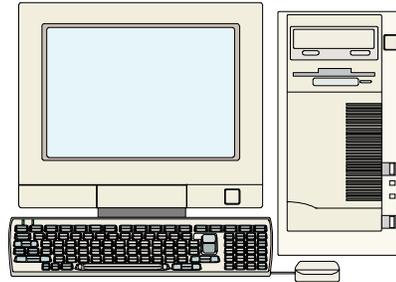
DIPLOMATIC READINESS GOAL: Strengthen the ability of the United States to achieve its International Affairs goals and respond to crises through effective and efficient information resources management and information systems.

PERFORMANCE GOAL: The Department of State has modern, integrated information technology accessible to all employees.

STRATEGY

State is working to connect its entire workforce to a single, large-scale network linked to the Internet and the World Wide Web (WWW). State calls this network "OpenNet." State currently also has a separate, small scale unclassified network known as Rich Internet Access (RIAnet). This network was established to provide urgently needed access to the WWW, which is not currently available on the OpenNet. Extensive RIAnet expansion, however, is not part of our plans, given that we will enable WWW access via the OpenNet.

State's ALMA program, the acronym for A Logical Modernization Approach, is an initiative to improve links to the OpenNet for all overseas posts. ALMA, already well underway, is installing an information technology infrastructure that will provide all U.S. embassies and consulates with a modern, greatly enhanced, open standards, and largely commercial off-the-shelf (COTS) based computer system. This system will directly address two of State's biggest information technology problems: unreliable e-mail and antiquated computer equipment. ALMA is providing greatly improved, rapid, and highly reliable COTS-based e-mail, enabling integrated packaging of database, spreadsheet, word processing, Internet protocol, and other information as part of the e-mail application. It is replacing a wide variety of outmoded computer equipment with new and more reliable equipment. Once fully deployed, ALMA will support enhanced office automation and modernized bureau and State-wide applications. ALMA will also significantly improve access to evolving technologies such as the Internet, video conferencing, and geographic information systems. As of the end of FY 1998, ALMA had already been installed in 130 overseas posts, and it is scheduled for deployment to all overseas missions by October 1999.



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Currently, access to the Internet through the OpenNet system is limited to e-mail. State is working to evaluate the operational, financial and security feasibility of allowing WWW access from the OpenNet system. State has been unable to provide this WWW service over OpenNet to date due to a variety of issues, including obsolete information technology, information systems security problems that precluded WWW access, and a lack of adequate communication capacity to access the WWW. If this initiative proves feasible, State would be able to quickly provide more robust Internet and WWW access to the entire Department and many overseas posts. Completion of the ALMA project and WWW expansion efforts will provide State with a modern, integrated, and advantageous information technology system supporting the Department's diplomatic, consular and management endeavors.

While ALMA constitutes State's highest priority and largest information technology modernization effort, State is also modernizing and upgrading other vital systems. These initiatives include providing classified e-mail and web-browsing access to Defense's "SIPRNET" network and the Intelligence Community's "Intelink" network. SIPRNET hosts Defense-specific information, while Intelink focuses on intelligence information. Both systems are private, classified, Internet-like networks used to share information and to collaborate on interdepartmental efforts.

State also continues to deploy new telephone systems to posts that urgently need them. State is developing and deploying applications that enhance State's traditional official telegram systems by providing electronic telegram sending, receiving, and filing features on employees' desktop personal computers.

At the same time, State is also committed to exploiting evolving information technologies. For example, State is considering new commercial telecommunications opportunities to increase our secure global communication capacity while reducing costs. These communications enhancements will be needed as State begins to more fully utilize sophisticated information technology systems like global video conferencing. Several bureaus, including European Affairs and Oceans and International Environmental Scientific Affairs, have already deployed video conferencing systems. These systems are being used to enable real-time, face-to-face meetings between U.S. and foreign diplomats and other representatives from around the world. Another example of evolving technologies that State is beginning to utilize: In November 1998, State fielded an information system to geographically plot the occurrence of security incidents and the location of landmine obstacles in Kosovo. This geographic information system (GIS) has enhanced security while greatly facilitating the work of U.S. diplomats who are leading the difficult, dangerous, and important international effort to maintain the cease-fire and stabilize Kosovo. This network has also provided a valuable means for U.S. diplomats to collaborate on Kosovo stabilization efforts with representatives from the Organization of Security Cooperation in Europe and the United Nations High Commissioner for Refugees.

Some of these new applications are now starting to appear on State's Intranet, which resides on the unclassified ALMA-based network. Applications now available on

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the Intranet include maps of the entire world and several other geographic information systems from State's Geographer, and various bureau, post, and subject specific "home pages" that provide State employees with instantaneous, on-line access to current information.

EXTERNAL FACTORS

- ✓ The Internet will continue to be the standard, ubiquitous information sharing technology. Further, the Internet will continue to operate as an ordinarily stable and reliable information sharing technology.
- ✓ Y2K compliance must be achieved in information systems linked to State but outside of the Department's control, e.g., public and private sector IT systems in the U.S., and local IT infrastructures supporting State operations overseas. Lack of Y2K compliance for these systems outside State's control could cause information sharing and collaboration problems.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Information Resources Management has the primary responsibility for this performance goal, in close cooperation with all of State's bureaus and overseas posts.

FY 1999 activities are focused on completing deployment of ALMA. ALMA will be deployed to an additional 49 overseas posts during FY 1999. Completion of this ALMA deployment effort will provide a modern, integrated information technology system for all overseas employees. In addition, during FY 1999, State will expand access through the OpenNet system to the Internet's WWW.

State also has significant, multi-year initiatives and numerous projects underway in each of the following major information technology categories: coordinated IRM planning and standards; information technology infrastructure (which includes ALMA); information technology applications and software development; human resource management and training for information technology; and enterprise resource management. Extensive detail including performance measures for each of these initiatives and all related projects is available in State's IRM Tactical Plan.

INDICATORS, BASELINES AND TARGETS

◆ **Status of ALMA deployment.**

- FY 1998 Baseline: ALMA deployed to 173 U.S. embassies and consulates.
- FY 1999 Target: ALMA deployed to an additional 49 U.S. embassies and consulates, thereby completing full deployment of ALMA. All other overseas posts not receiving ALMA installs are fully ALMA compliant, compatible, and integrated with the OpenNet network.

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FY 2000 Target: All overseas posts placed under an integrated enterprise network management system to provide centralized, on-line systems management for State's worldwide OpenNet network.

Data source: Final ALMA Project Management report.

◆ **Status of Internet services provided over the OpenNet.**

FY 1998 Baseline: 100% of both domestic and overseas OpenNet users have e-mail with attachments service to and from the Internet.

FY 1999 Target: 100% of domestic OpenNet users have e-mail with attachments service to and from the Internet, and WWW browsing service.

FY 2000 Target: 100% of overseas OpenNet users have e-mail with attachments service to and from the Internet, and WWW browsing service.

Data source: IRM bureau records.

◆ **ALMA program customer satisfaction.**

FY 1998 Baseline: 49% of ALMA system manager and users report very high satisfaction; 35% report high satisfaction; 16% report low satisfaction.

FY 1999 Target: 50% of ALMA system manager and users report very high satisfaction; 41% report high satisfaction; 9% report low satisfaction.

FY 2000 Target: 52% of ALMA system manager and users report very high satisfaction; 43% report high satisfaction; 5% report low satisfaction.

Data source: Annual ALMA customer surveys.

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DIPLOMATIC READINESS: INFRASTRUCTURE AND OPERATIONS

DIPLOMATIC READINESS GOAL: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

PERFORMANCE GOAL: The Department of State's domestic facilities are cost-effective and energy-efficient, and enable employees to perform their duties.

PERFORMANCE GOAL: Overseas facilities under the Department of State's control enable State and other U.S.G. agencies' employees to perform their duties.

PERFORMANCE GOAL: The Department of State's asset management program maximizes the economic benefits of our real property holdings overseas.

PERFORMANCE GOAL: All employees working in Department of State domestic facilities and designated foreign dignitaries within the United States are safe from physical harm.

PERFORMANCE GOAL: All classified and sensitive information at overseas and domestic facilities is safeguarded from physical and technical compromise.

PERFORMANCE GOAL: The Department of State has financial and accounting systems that meet internal and external financial management and programmatic requirements.

PERFORMANCE GOAL: Domestic and overseas Department of State customers receive goods and services when needed.

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OVERVIEW

State is responsible for a large and diverse inventory of properties worldwide. Within the United States, State owns or is responsible for the operation and maintenance of our main headquarters in Foggy Bottom, Blair House (the President's official guest house), annexes in the Washington metropolitan area, the United States Mission to the United Nations in New York City, passport agencies and Diplomatic Security field offices throughout the country, the Florida Regional Center servicing our posts in Latin America, the National Visa Center, the National Passport Center, and the Charleston Regional Center. The domestic inventory totals some 5.5 million gross square feet of space and over 175 acres of grounds.

Abroad, State is responsible for the maintenance of the United States' 250 diplomatic posts, which are made up 13,000 facilities, 3,100 of which are U.S.G.-owned or leased long-term and 9,700 of which are leased short-term (i.e., less than ten years). The facilities include office buildings, residences, warehouses, and other support structures such as motor pools. This infrastructure supports the more than two dozen U.S.G. agencies and their 300 component organizations with personnel stationed abroad.

The collapse of the Soviet Union and the end of the Cold War required us to reexamine the distribution of our diplomatic posts. We needed to establish embassies in the Newly Independent States of the former Soviet Union, places where we had never had representation before. The logistics of doing so were complicated by the fact that many of these locations had been previously closed to foreigners. We also opened posts in a number of other places of emerging priorities. We closed more than 30 smaller posts based on comparative priorities.

Domestically, State provides the same sort of administrative support services to its employees as any other domestic government agency or private employer. These include services such as financial management and accounting, payroll, retirement and other benefits management, facility security and safety, travel services, and procurement processes.

Overseas, State plays a much greater role in supporting our employees and those from other agencies represented at our posts. This is particularly so in countries without the well-developed infrastructure found in the United States. In those locations, we often face the need to supply many of the basic amenities we take for granted at home, such as 24-hour electricity, heat, and clean water. In addition, we provide for the transportation of employees' household effects to and from their assignments, medical support, and assistance to schools overseas attended by employees' children.

One area of operations that is unique to State is the interaction we have with foreign governments and their representatives in their embassies in Washington, D.C., United Nations missions in New York City, and consulates in cities throughout the United States. State is the U.S.G. expert on the international conventions governing diplomatic relations. We are therefore in the best position to coordinate with local U.S.

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authorities and private American individuals when they encounter situations involving representatives of foreign governments. We do this not only for the sake of good relations with other countries but also as a matter of self-interest. We want to ensure the best treatment for our representatives abroad, and the granting and withholding of privileges to other governments' representatives here is one way to help ensure reciprocity.

In the FY 1999 and FY 2000 planning period, our focus in the area of infrastructure and operations is on the following seven goals:

- **The Department of State's domestic facilities are cost-effective and energy-efficient, and enable employees to perform their duties.**
- **Overseas facilities under the Department of State's control enable State and other U.S.G. agencies' employees to perform their duties.**
- **The Department of State's asset management program maximizes the economic benefits of our real property holdings overseas.**
- **All employees working in Department of State domestic facilities and designated foreign dignitaries within the United States are safe from physical harm.**
- **All classified and sensitive information at overseas and domestic facilities is safeguarded from physical and technical compromise.**
- **The Department of State has financial and accounting systems that meet internal and external financial management and programmatic requirements.**
- **Domestic and overseas Department of State customers receive goods and services when needed.**

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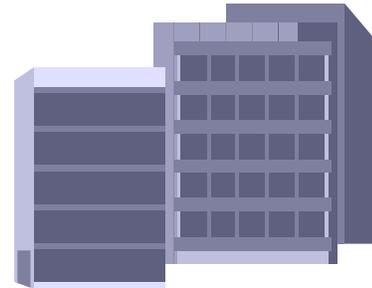
INFRASTRUCTURE AND OPERATIONS: DOMESTIC FACILITIES

DIPLOMATIC READINESS GOAL: *Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.*

PERFORMANCE GOAL: **The Department of State's domestic facilities are cost-effective and energy efficient, and enable employees to perform their duties.**

STRATEGY

In addition to the diplomatic posts State maintains overseas, State is responsible for a large and diverse inventory of domestic properties. GSA has delegated to State the management and maintenance of the Main State building and Blair House, the President's official guest house. State also provides oversight for 33 annex buildings in the Washington metropolitan area and 57 additional locations throughout the United States for State and ACDA. State will add six buildings to its inventory as a result of the reorganization of State and USIA. State owns and is responsible for all upkeep for three complexes in Beltsville, Ft. Lauderdale, and Charleston. The inventory totals over 5.5 million gross square feet of space and over 175 acres of grounds.



Providing a cost-effective and energy-efficient work environment for employees requires State in some cases to renovate existing facilities, in others to build new facilities, and in all cases to deliver ongoing maintenance. State has underway the renovation of the Foggy Bottom facilities and is awaiting Congressional approval to proceed with the construction of a new building for the U.S. Mission to the United Nations (USUN).

Based on a 1988 GSA-commissioned study, GSA and State concluded that renovation of two of State's major domestic facilities, Main State and Columbia Plaza, made more sense than constructing new buildings. State has developed a Master Real Estate Plan to renovate these rapidly deteriorating facilities, while minimizing work disruptions in the affected offices. The Master Real Estate Plan incorporates state-of-the-art building technology, and reduces and centralizes the inventory of office space in the metropolitan area in order to realize efficiencies in space and operations. The reorganization of State, ACDA, and USIA will have a major impact on the location and configuration of offices during and after the renovation. This renovation project is the

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number one priority of the GSA National Capital Region. State will contribute 25% of the funding over the life of the project.

GSA and State have also agreed to a plan currently under review by Congress and the GAO to demolish the existing USUN Mission building and to construct a new, larger building on the same site for occupancy by FY 2004. The design, construction, and workspace configuration will incorporate program, security, and energy efficiency requirements. Office and meeting space is anticipated to have 107,486 square feet, compared to the existing 46,000 square feet. The new building will be more energy efficient and will provide additional storage and meeting room space. It will be designed to house approximately 300 people comfortably. The GSA/State focus is to renovate leased space for the USUN staff in FY 2000, to prepare to move USUN to the leased space by June 2000, and to complete the design of the new building.

State's ability to maintain its domestic facilities is affected by GSA's decision to move toward becoming a policy-setting agency, requiring other agencies to obtain expertise in specific building specialties such as fire alarm, high-voltage switchgear, and energy efficiency technologies. These factors contribute to the need for new staff and intensive training for existing staff.

The law requires State and other federal agencies to reduce energy (BTU) consumption in U.S.G. domestic buildings by 30% by the year 2005. State's Energy Efficiency Action Plan designates the 10-year Main State renovation project and the new USUN building as showcases for energy efficiency. The investment cost of the energy efficiency projects included in the Action Plan will be recovered within one to ten years after their completion, due to lower energy consumption. State will continue to work with GSA, Energy, the Environmental Protection Agency, and other federal agencies and non-governmental organizations to seek opportunities for cost-effective energy savings.

EXTERNAL FACTORS

- ✓ The Columbia Plaza/Main State project will remain the number one priority of the GSA-National Capital Region.
- ✓ Contractors will deliver their services as scheduled.
- ✓ Adequate leased space at affordable cost near USUN is available for temporary use during construction.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Working with GSA, State will continue the renovation of Main State. Phase I will run from FY 1999 through FY 2003. Work on Columbia Plaza will be completed in FY 1999 and on Navy Hill in FY 2000. The Master Real Estate Plan also contains plans for providing appropriate office space for affected offices throughout the extensive renovation process, allowing staff to continue working with minimal disruptions. This

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can involve special communications and security requirements for some bureaus. The reorganization of State, ACDA, and USIA presents significant challenges with respect to implementing the Master Real Estate Plan. Efforts are under way to determine what adjustments must be made based on the additional space and configuration requirements.

Also with GSA, State will build a new USUN mission by March 2004 on the existing site. The Architecture and Engineering pre-design and design phase will be completed by March 2000. GSA will award a lease for temporary office space in May 1999, after which it will make alterations with State oversight. USUN Mission staff will be moved into the temporary space by June 2000 allowing for the demolition of the current building.

State will carry out its Preventive Maintenance Schedule for our aging domestic infrastructure, continuing to provide ongoing facility maintenance services while responding to emergencies and other critical or unanticipated occurrences.

Along with other federal agencies, we will meet the target of a 30% reduction in our domestic BTU consumption by FY 2005. State is committed to achieving a 3% decrease by FY 2000 on our way to meeting this target.

INDICATORS, BASELINES, AND TARGETS

◆ **Status of the renovation of Main State and other Foggy Bottom facilities.**

- FY 1998 Baseline: 90% of completion of Columbia Plaza Phase 2.
- FY 1999 Target: 100% completion of Columbia Plaza Phase 2; implementation of Main State Phase 1; begin Navy Hill renovation.
- FY 2000 Target: Continue Main State Phase 1; complete Navy Hill renovation.

Data source: Master Real Estate Plan.

◆ **Status of USUN construction project.**

- FY 1998 Baseline: Plans developed and budget presented; GAO study completed. Study completed identifying acceptable alternative temporary office space for use during construction. Initial design work undertaken.
- FY 1999 Target: GSA will award a lease for temporary space and will make alterations. Pre-design phase completed.
- FY 2000 Target: Staff moved into leased space by June 2000. A-E design for new building complete.

Data source: GSA and State Master Plans; GAO study.

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◆ **BTU consumption (Main state, Beltsville Information Management Center, Blair House, ICC, and leased buildings for which State has responsibility).**

FY 1998 Baseline: The current BTU consumption is 340 million MBTUs.

FY 1999 Target: 340 million MBTUs (no reduction due to heavy increase in computer use).

FY 2000 Target: 330 million MBTUs (3% reduction).

Data source: Annual consumption reports to the Department of Energy, Public utility statements and Energy Efficiency Action Plan.

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INFRASTRUCTURE AND OPERATIONS: OVERSEAS FACILITIES

DIPLOMATIC READINESS GOAL: *Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.*

PERFORMANCE GOAL: Overseas facilities under the Department of State's control enable State and other U.S.G. agencies' employees to perform their duties.

STRATEGY

State is responsible for the maintenance of the United States' 250 diplomatic posts, which are made up 13,000 facilities, 3,100 of which are U.S.G.-owned or leased long-term and 9,700 of which are leased short-term (i.e., less than ten years). The facilities include office buildings, residences, warehouses, and other support structures such as motor pools. Some facilities are modern and state-of-the-art, others are historic structures that require adaptation to the needs of the 21st century. Many do not meet modern operating standards. Some are located in countries with well-developed infrastructures that support their operation while others face the need to provide for themselves many of the basic amenities we take for granted, such as 24-hour electricity, heat, and clean water. The one thing all these facilities have in common is that they will age and the buildings and their support systems will require maintenance, repair, or replacement. Changes in a post's mission or staffing often result in a need for new or different facilities.



State's strategy to ensure that diplomatic readiness is adequately supported through appropriate facilities is to:

- Carry out first rate preventive and routine maintenance programs;
- Continually assess the condition of facilities;
- Replace aging and obsolete building systems through major rehabilitation projects; and
- When rehabilitation is not the best alternative, lease, purchase, or construct a new facility.

In order to prioritize requirements for maintenance, repair, rehabilitation, and replacement, State conducts Global Condition Surveys of our facilities on a regular basis. Ideally, these surveys would be done on a five-year cycle, i.e., 20% of posts would be

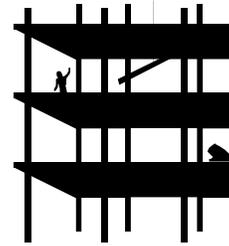
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reviewed each year. Currently, however, only 13% of posts receive global condition surveys annually. Post staff, including General Services Officers, Facility Maintenance Specialists, and Administrative Officers, determine each post's own priorities and submit them to State for consideration. Based on post submissions and other data such as Global Condition Surveys and Area Management Trip Reports, State prioritizes and allocates funds to posts worldwide.

The results of the Global Condition Surveys produce a priority listing of projects. The Office of Foreign Buildings Operations' (A/FBO) highly skilled cadre of engineers, architects, interior designers, and project managers implement large, complex projects. Posts routinely manage maintenance and repair projects themselves. Small posts with limited capabilities, however, call upon State, which may dispatch contractors from the Washington Maintenance Assistance Center (WASHMAC). WASHMAC is a State-managed contract which provides Top Secret-cleared American contractors for maintenance, repair, and renovations in secure office areas at all overseas posts. WASHMAC does not provide this support to residential properties.

Major rehabilitation projects often do more than replace a failing system. For example, they convert an old structure into a modern facility operating with up-to-date technology, or reconfigure space usage to meet current needs. The average age of U.S.G. facilities overseas is 38 years. At any given time, 15% of posts are undergoing major rehabilitation projects. Recent major projects include the consulate buildings in Hong Kong and Havana, the embassy compound in Tirana, and staff housing in Frankfurt.

State makes every attempt to keep a facility fully functional through proper maintenance, repair, and rehabilitation. Because of security, size, or location, however, rehabilitation is not always the best alternative; therefore a new facility is sometimes required. In these cases, State must either lease, purchase, or construct a building. Sometimes construction is the only option that meets all requirements, as is the case in Beijing and Berlin.



EXTERNAL FACTORS

- ✓ Security concerns will influence the choice between major rehabilitation and new construction, and affect design decisions in rehabilitation projects.
- ✓ In some countries, quality building materials or qualified workers may not be readily available.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Office of Foreign Buildings Operations within the Bureau of Administration (A/FBO) has the primary responsibility for this performance goal, working in cooperation with other bureaus and the U.S.G. agencies with personnel assigned to U.S. diplomatic posts.

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Currently, only 25 (13%) of posts with U.S.G.-owned or long-term leased facilities receive Global Condition Surveys annually. This is insufficient to maintain overseas facilities at an acceptable level. By 2002 State will increase the number of posts receiving surveys annually to 40 (20%), permitting each post to be reviewed once every five years.

A/FBO evaluates repair and maintenance projects proposed by posts and determines their priority. A/FBO then allocates funds to posts for the implementation of high priority projects (those receiving a rating of 16 on a 30-point scale). State will reach deeper into the priority list to complete important but lower priority projects.

We will expand the services that WASHMAC offers posts to include the installation of fire safety and office furniture systems. In addition, WASHMAC will begin maintenance of facility equipment (i.e., generators and air conditioning systems) supporting Post Communications Centers.

Consular facilities along the U.S.-Mexican border will receive special attention during the next several years because of the Congressionally-mandated Biometrics Border Crossing Card/Nonimmigrant Visa Program. Border Crossing Cards (BCCs) facilitate travel and trade in the region. This major program, implemented in conjunction with the Immigration and Naturalization Service, will phase out the existing four million BCCs with a modernized, fraud-resistant, time-limited card. To complete the project on time requires opening temporary facilities along the border.

State will initiate approximately 45 and continue 28 major rehabilitation projects during FY 1999-2000. These projects include such things as rewiring electrical systems, replacing outdated heating and air conditioning systems, installing modern telephone systems, and upgrading windows.

INDICATORS, BASELINES, AND TARGETS

◆ **Global condition surveys.**

FY 1998 Baseline: 25 posts (13%) received surveys.

FY 1999 Target: 25 posts (13%) receive surveys.

FY 2000 Target: 30 posts (15%) receive surveys.

Data source: Global Condition Survey records.

◆ **Status of New Office Building construction projects.**

FY 1998 Baseline: State has identified a list of unfunded capital projects.

FY 1999 Target: Complete construction in Ottawa and Vietnam.

Acquire sites for seven new facilities.

Initiate designs for eleven new facilities.

Start construction for one new facility.

FY 2000 Target: Complete construction in Lima.

Acquire sites for two new facilities.

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Initiate designs for eight new facilities.

Start construction for five new facilities.

Data source: A/FBO project records.

◆ **Status of major rehabilitation projects.**

FY 1998 Baseline: Completed projects in Ankara, Frankfurt, Shanghai, Zagreb.

FY 1999 Target: Complete projects in Berlin, Bratislava, Buenos Aires, Dhahran, Frankfurt, Havana, Jeddah, Kuala Lumpur, London, Manila, Minsk, Moscow, Paris, Rangoon, Sarajevo, Seoul, Tirana.

FY 2000 Target: Complete projects in Beijing, Moscow, Shanghai, Suva, Vientiane, Warsaw.

Data source: A/FBO project records.

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INFRASTRUCTURE AND OPERATIONS: ASSET MANAGEMENT

DIPLOMATIC READINESS GOAL: *Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.*

PERFORMANCE GOAL: The Department of State's asset management program maximizes the economic benefits of our real property holdings overseas.

STRATEGY

State maintains 13,000 properties that support the 250 diplomatic and consular posts the United States has abroad. These properties include office space, support facilities, and employee residences. This infrastructure supports the more than two dozen U.S.G. agencies and their 300 component organizations with personnel stationed abroad. State owns or leases long-term (i.e., ten years or more) 1,000 (60%) of the office and support facilities, and owns or leases long-term 2,000 (40%) of the residential facilities. The remaining 9,700 properties are leased short-term.

A relatively small but valuable portion of the U.S.G.-owned property is either excess to current or projected needs or is, in economic terms, under-utilized. As operational requirements and real property values change at posts over time, this mix of excess or under-utilized property changes. In order to realize the value of these properties, they must be sold.

There are, however, two important considerations: In most cases the excess or economically under-utilized properties are still in use. If the properties are sold, there are costs associated with relocating those functions. Also, buying and selling property internationally is more complicated than is the case for the domestic U.S. market. This is due to exchange rate fluctuations, widely varying host government real property and tax laws, and disparate local practices.

Annual lease costs exceed \$120 million. The Leasehold Account has inherent growth factors (inflation, fluctuating markets, and growing workforce). In many cases it remains cost-effective to lease, but where it is prohibitively expensive, State is moving away from leasing to ownership.

State has instituted an Asset Management Program to make the best use of its owned and leased properties. The strategy considers all aspects of a facility – its value, age, functionality, maintenance cost, and possible alternative uses – and relates them to the post's needs. There are several ways that State identifies properties to be sold. Every

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year State asks posts to identify excess, underutilized, and functionally obsolete properties. In addition, the Office of the Inspector General has added the identification of these properties to the list of inspection items. Also, A/FBO Area Managers review the status of properties during their periodic visits to posts. If it is decided that a property should be sold, proceeds of the sale are used to buy office and residential properties and to fund new construction.

Leasehold buy-down investments have been targeted principally at residential properties because that is where State is experiencing the most significant cost growth and where the investment payback is traditionally the greatest. It is rare where the acquisition of a chancery or consulate office building (either by purchase or by construction) is more economically beneficial than continuing to lease. This cost differential has become even more noticeable in recent years as special security and operational requirements have significantly increased the cost of new diplomatic facilities. In the past, landlords have welcomed the United States as a long-term, financially sound, and prestigious tenant.

State has long believed that using asset management funds to acquire residential and other support facilities (warehouses, unclassified annexes, motor pools, etc.) is a sound business approach. Reinvesting proceeds of sale in former leasehold properties maintains the current level of support facilities at no additional direct cost, i.e., the funding is self-generating. A decided added benefit of investing in residential and other support facilities, as opposed to office facilities, is that as the value or the need for these properties changes over time they can be sold to meet new requirements. Once funds are invested in chanceries or consulate office buildings, they are generally not fully recoverable later on. Usually State substantially improves or changes properties we use for chanceries or consulates (e.g., adding shielding to communications centers or installing public access control features). The cost of these expensive improvements is not typically recoverable upon future sale of the property because they do not add to the property's market value.

In recent years State has used proceeds of sales to pay for new construction on projects for which Congress has not appropriated funds. Potential proceeds from current asset management projects are earmarked for new construction requirements at posts in China and Germany, and in Luanda, Kampala, and Abuja. By providing the funds to build new chanceries, housing compounds and support facilities, the Asset Management Program allows State to meet immediate facility needs not covered by reduced levels of appropriations. Because of the finite amount of marketable excess or under-utilized properties, however, this is not a long-term or sustainable approach to funding capital requirements.

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EXTERNAL FACTORS

- ✓ The currently depressed real estate markets in Asia (where the bulk of State's marketable assets are) may adversely affect the availability of asset management funds.
- ✓ International lease costs will continue to grow at approximately 5% annually.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, Foreign Buildings Operations within the Bureau of Administration (A/FBO) has the primary responsibility for this performance goal, working in cooperation with other bureaus and the U.S.G. agencies with personnel assigned to U.S. diplomatic posts.

A/FBO, working with the regional bureaus and other U.S.G. agencies, has identified a list of properties that are excess and economically underused. In FY 1999-2000 State will sell these properties, which are in Bangkok, Beirut, Manila, and several locations in Germany.

State will use the proceeds from the sale of those properties and earlier sales to invest in either constructing new facilities where needed or buying down leases in high lease cost locations.

INDICATORS, BASELINES, AND TARGETS

◆ **Disposal of U.S.G.-owned excess and underused properties.**

FY 1998 Baseline: State (A/FBO and the regional bureaus) has identified a list of properties that are underused and can be sold.

FY 1999 Target: Sell excess properties in Aleppo, Athens, Berlin, Budapest, Dhaka, Guatemala City, Kaduna, Kinshasa, Medan, Rabat, Tangiers, Thessaloniki, Vienna, and Vilnius.

FY 2000 Target: Sell excess properties in Beirut, Lima, Nassau, and Warsaw. Sell additional properties in Berlin, Kaduna, and Rabat.

Data source: Real Estate Acquisition and Disposal Monthly Status Report.

◆ **Investment of proceeds from real estate sales in construction of new facilities or property purchases.**

FY 1998 Baseline: State (A/FBO and the regional bureaus) has priority lists of (a) locations where State is especially vulnerable to high and increasing lease costs and (b) unfunded requirements for new or expanded office facilities.

FY 1999 Target: Sales proceeds are invested in high priority projects and opportunity purchases that are not funded via appropriated

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sources from each list. Construction projects: Abuja, Frankfurt, Ljubljana, Luanda, Shanghai, and Thessaloniki. Opportunity purchases: Hong Kong, Baku, Beijing, Copenhagen, Prague, Phnom Penh, St. Petersburg, Tashkent, and Thessaloniki.

FY 2000 Target: Sales proceeds are invested in the highest priority projects from each list. Construction: Abuja, Damascus. Opportunity purchases as they arise.

Data source: A/FBO project records.

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INFRASTRUCTURE AND OPERATIONS: DOMESTIC SECURITY

DIPLOMATIC READINESS GOAL: *Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.*

PERFORMANCE GOAL: All employees working in Department of State domestic facilities and designated foreign dignitaries within the United States are safe from physical harm.

STRATEGY

State provides 24-hour security for the Secretary of State, the U.S. Ambassador to the United Nations, and protective details for visiting foreign dignitaries (other than heads of state and governments who are protected by the U.S. Secret Service), including support for the annual United Nations General Assembly and special international events convened in the United States. Protecting foreign resident and visiting dignitaries permits the conduct of foreign relations at venues within the United States and contributes to reciprocal protection from other governments for U.S. diplomats abroad. State works closely with other federal agencies and local police to provide a level of protective services commensurate with the perceived threat to the dignitaries' safety based upon an analysis of intelligence information. This analysis determines the number of security personnel assigned and the deployment of armored vehicles used for transporting them.

The logistics of protecting foreign dignitaries is a difficult challenge, especially when there are multiple protectees or the event is held outside of the Washington, D.C. and New York City areas. The complexities include staffing the shift teams, deploying equipment, such as shipping armored vehicles, and setting up command posts with communications centers, logistics, and administrative offices. Another challenge occurs when protective details cover travel to multiple cities over at least an 8 to 10 day period. Logistics and tight coordination play a major role, requiring deployment of separate advance teams to each location for quickly planning and preparing arrangements.

State secures our 89 domestic facilities to provide a safe working environment for employees. The U.S.G.-wide assessment made after the 1995 Oklahoma City bombing developed five "Levels" for buildings, ranging from a Level I facility requiring the least protection to a Level V requiring the most. The security levels are based primarily on the number of employees, use (e.g., law enforcement, classified processing, or warehouses), and the need for public access. Final assignment of a security level to a building is based on such things as threat intelligence, crime statistics, and agency mission. For example,

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the main State Department headquarters is a Level V facility, and passport agencies are typically Level III. On an annual basis, State facilities experience hundreds of security incidents, including demonstrations, bomb threats, suspicious activities, and assaults. State maintains close operational contact and liaison with a wide range of law enforcement agencies. On the federal level this includes the Federal Bureau of Investigation and GSA's Federal Protective Service. Locally, we work closely with the District of Columbia's Metropolitan Police Department, the police departments of the surrounding jurisdictions, as well as those in other areas where State has facilities. In addition, State participates in the monthly meetings of the Council of Governments' Intelligence Committee and the FBI's Washington Field Office Terrorism Task Force.

All State facilities have been surveyed and most meet security standards. Guards and physical security measures are the principal methods to protect our facilities. Additional countermeasures, including upgrades of closed circuit television equipment and intrusion detection systems, will complete the task.

Our ability to provide security is complicated by the fact that our facilities are open to the public. Daily, the Main State building receives about 1,200 visitors. This number includes both Americans and foreigners who either have business in the building, are attending a conference or social function, or participate in a building tour.

As an indication of the types and number of serious incidents that could affect the security and safety of employees, between January 1 and December 1, 1998, Main State experienced:

- Large demonstrations of 26 or more participants: 7
- Bomb threats: 14
- Threats against persons: 12
- Assaults: 4
- Suspicious activities involving packages, persons, and vehicles: 110
- Building pass violations involving misuse: 15

EXTERNAL FACTORS

- ✓ The threat of terrorism by both domestic and foreign groups within the United States continues, requiring on-going security investments.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Diplomatic Security has the primary responsibility for this performance goal, working in cooperation with other bureaus and with law enforcement agencies.

By the end of FY 1999, State will upgrade all domestic facilities with physical security countermeasures consistent with the federal security standards approved by the

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President in the Department of Justice's 1995 Vulnerability Assessment of Federal Facilities.

State will use new technology to improve access controls for employees and visitors entering our facilities. By the end of FY 2000 we will replace existing State employee passes with Smart Card technology and institute an electronic access control system for building visitors, consistent with the GSA initiative to standardized Smart Cards for all domestic facilities.

State has a fleet of 24 lightly-armored and fully-armored vehicles which are between six and 15 years old. In FY 2000 State will begin moving to a six-year replacement cycle, which will be in full effect by the end of FY 2005. This will include replacing the Secretary's current armored limousine – in service since the late 1980s -- in FY 2000.

As part of State's ongoing responsibility to protect foreign dignitaries, we will be in charge of the security arrangements for the NATO 50th Anniversary Summit in Washington in April 1999 and the United Nations Conference on the Status of Women in New York City during FY 2000. In each case, we will work closely with other federal and local law enforcement agencies.

INDICATORS, BASELINES, AND TARGETS

◆ **Number of State domestic facilities meeting 1995 Vulnerability Assessment of Federal Facilities standards.**

FY 1998 Baseline: 82 of 89 facilities meet the standards.

FY 1999 Target: All facilities meet the standards.

Data source: Diplomatic Security Domestic Operations records.

◆ **Number of incidents that result in physical harm to an employee in a State facility due to inadequate physical security or access controls.**

FY 1998 Baseline: No State employee suffered physical harm due to inadequate physical security or access controls.

FY 1999 Target: No State employee suffers physical harm.

FY 2000 Target: No State employee suffers physical harm.

Data source: Diplomatic Security Twenty-four Hour Duty Log.

◆ **Number of incidents that result in no bodily harm to a State protectee.**

FY 1998 Baseline: State was responsible for 132 foreign dignitaries (119 visitors and 13 resident). No State protectee suffered bodily harm.

FY 1999 Target: 150 foreign dignitaries incidents projected. 100% of State protectees suffer no bodily harm.

FY 2000 Target: 150 foreign dignitaries projected. 100% of State protectees suffer no bodily harm.

Data source: Office of Protection Statistics.

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INFRASTRUCTURE AND OPERATIONS: INFORMATION SECURITY

DIPLOMATIC READINESS GOAL: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

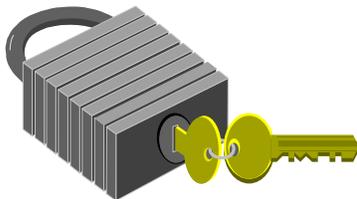
PERFORMANCE GOAL: All classified and sensitive information at overseas and domestic facilities is safeguarded from physical and technical compromise.

STRATEGY

Collecting, analyzing, and disseminating information are at the core of how State conducts its diplomatic activities. All information, whether in electronic or paper form, is vulnerable to unauthorized access, change, disclosure, or disruption. Some information compromises are inadvertent, such as having a sensitive conversation overheard or having a classified document seen on an employee's desk. Others result from deliberate actions by parties seeking the information. This can occur through electronic eavesdropping, document theft, or computer break-ins.

To make the best use of limited resources overseas, programs to protect information have generally been focused on critical and high threat posts. There are a wide range of measures that State undertakes to minimize these threats. These include conducting periodic background investigations of contractors and employees, having Diplomatic Couriers accompany diplomatic pouches, having Marine Security Guards at many diplomatic posts, securing controlled access areas with alarm systems, containing electronic emanations from equipment, and detecting outside attempts at electronic intrusion.

Detachments of U.S. Marines, supervised and managed by the Bureau of Diplomatic Security, provide 24-hour protection of controlled access areas containing Top Secret information at 122 posts. At posts without Top Secret information, meeting information security standards may require implementation of the Lock and Leave policy, which provides alarms and other physical and technical security after business hours where there is no 24-hour American presence.



The proliferation of computer software and new technologies, Internet access, and multi-level processing have all created new demands for information security. Moving away from paper files and toward corporate computer systems make State's information

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more accessible to penetration. The Information Security Technology programs ensure that information systems security safeguards are in place for all major State systems. Requirements include analysis and certification for the initial deployment of systems and software, ongoing computer security assessments, virus protection, monitoring for network intrusions, computer forensics to collect information for criminal cases, and remote evaluation capabilities eliminating the need for on-site review.

There will always be an unavoidable tension between the demand for more open accessibility to information and the requirement to ensure its proper safeguarding. There is no simple solution to this issue. State will continue to seek an appropriate balance.

Employee awareness programs are an essential element in maintaining information security. Classified discussions, information systems passwords, and secure container combinations all require conscientious employee protection. Everyone following procedures for securing work stations and escorting uncleared personnel are also essential.

EXTERNAL FACTORS

- ✓ Outside groups, including foreign governments, criminal organizations, and individual hackers, will continue to try to penetrate State's security to access information.
- ✓ Advances in technology will require continual updating of countermeasures.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Diplomatic Security has the primary responsibility for this performance goal, working in cooperation with the Bureau of Information Resource Management, other State bureaus, law enforcement agencies, and the Intelligence Community. Protecting State's information is, in the end, the responsibility of every employee.

State will enhance the physical protection of classified information overseas by assigning additional Marine Security Guard detachments at 12 additional posts, bringing the number to 134. This is in direct response to the need to protect Top Secret information.

State will install Video Entry Guard Alarm Systems (VEGAS) at 22 posts in addition to the 16 that already have them.

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INDICATORS, BASELINES, AND TARGETS

◆ **Number of reported incidents involving the compromise of classified information.**

FY 1998 Baseline: There were zero such incidents.

FY 1999 Target: Zero such incidents.

FY 2000 Target: Zero such incidents.

Data source: Diplomatic Courier Records.

◆ **Security clearance update schedule for State American direct-hire employees.**

FY 1998 Baseline: Approximately 1300 of 3500 updates required annually were completed, creating a 15-year cycle.

FY 1999 Target: 1750 of 3500 required updates completed, creating a 10-year cycle.

FY 2000 Target: All 3500 required updates completed, creating a 5-year cycle.

Data source: Personnel Security and Suitability records.

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INFRASTRUCTURE AND OPERATIONS: FINANCIAL SYSTEMS

DIPLOMATIC READINESS GOAL: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

PERFORMANCE GOAL: The Department of State has financial and accounting systems that meet internal and external financial management and programmatic requirements.

STRATEGY

Since the enactment of the Chief Financial Officers Act in 1990, State has made continuous progress in improving the development, implementation, operation and maintenance of our financial management systems both domestic and overseas. State strives to meet the requirements of all laws governing financial management programs, policies, procedures and systems as well as compliance with Federal Accounting Standards Advisory Board (FASAB) standards. Consistent with this goal is the desire to meet the needs of program managers throughout the Department to have better reporting of costs of program accomplishments, measured against standards of efficiency and effectiveness as required to meet the goal of the Government Performance and Results Act of 1993.



During 1998 we made considerable progress:

- We improved collection of accounts receivable and the accounting for working capital funds, resulting in the elimination of material weaknesses previously reported as required by the Federal Managers Financial Integrity Act of 1982.
- State obtained an unqualified opinion on FY 1997 financial statements prepared and audited in 1998.
- We issued the Department's first *Accountability Report* as a pilot agency under the authority of OMB provided by the Government Management Reform Act of 1994.
- We improved the financial management workforce with full implementation of the Foreign Service Financial Management Officer program, resulting in a 20% increase in highly qualified personnel.
- State upgraded the Central Financial Management System to the latest release, improving its performance and support to Department organizations.
- We developed and implemented plans and strategies to meet all Y2K financial systems requirements and OMB mandated deadlines.

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- We improved interfaces with CFMS for credit card payments, reports to Treasury, and electronic payments versus Treasury checks.
- State streamlined overseas financial operations with specific improvements in post-specific procedures and processing.

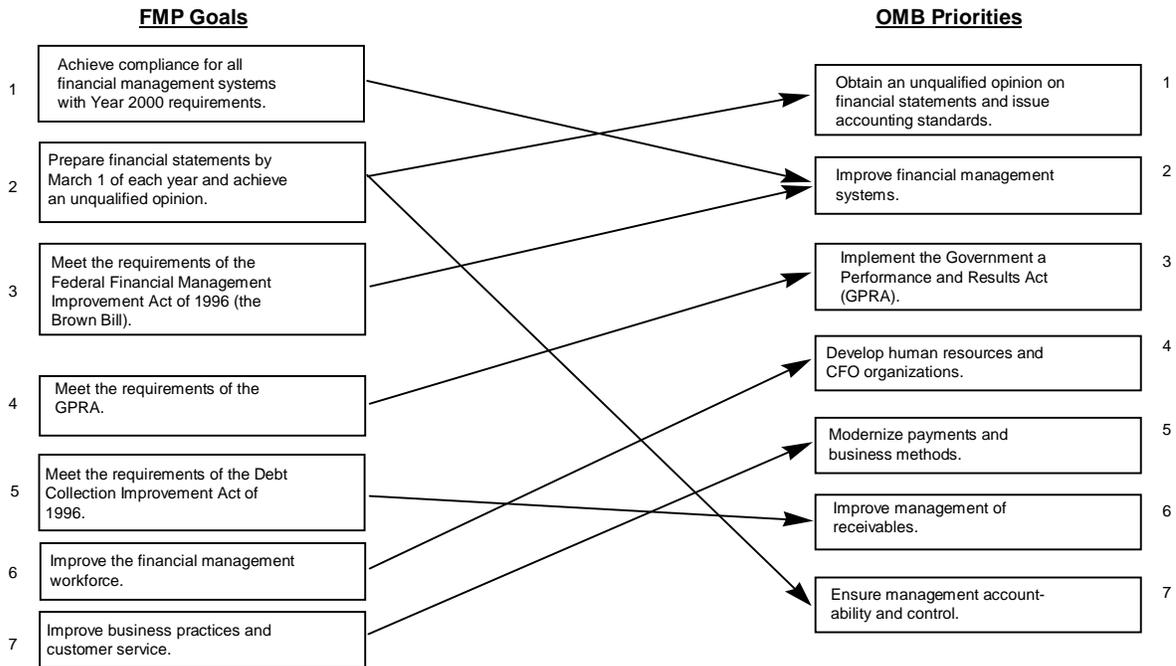
EXTERNAL FACTORS

- ✓ Y2K compliance must be achieved in information systems linked to State but outside of the Department's control, e.g., public and private sector IT systems in the U.S., and local IT infrastructures supporting State operations overseas. Lack of Y2K compliance for these systems outside State's control could impede payments to vendors because of the inability of banks to process payments quickly and accurately.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Finance and Management Policy has the primary responsibility for this performance goal.

The focus over the next two years will be on accomplishing the following goals, which are consistent with OMB's infrastructure goals for all agencies published in the *Federal Financial Management Status Report and Five Year Plan* and presented below:



State will complete the integration of GPRA implementation into the strategic planning and resource allocation process by developing an account coding structure that will provide for resource utilization measurement by foreign affairs goal and function.

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The reporting concept is being developed in 1999 for implementation in year 2000. State will also meet all FASAB accounting standards by 2000.

INDICATORS, BASELINES, AND TARGETS

- **Linkage of State resources to State's strategic goals.**

FY 1998 Baseline: The FY 1999 State Performance Plan (February 1998) identified accounts supporting strategic goals but did not match dollars against them. State's budget submission did not link resource data to goals.

FY 1999 Target: 40% of State resources will be arrayed against State's strategic goals in the State Performance Plan and budget submission.

FY 2000 Target: 100% of State resources will be arrayed against State's strategic goals in the State Performance Plan and budget submission.

Data Source: Annual State Performance Plans and budget submissions.

- **Percentage of financial transactions conducted electronically.**

FY 1998 Baseline: Domestically: 98% American payroll, 93% retirement annuity payments, and 58% domestic vendor payments are conducted electronically.

Overseas: 41% FSN payroll, 92% temporary duty payments, and 24% overseas vendor payments are done electronically.

FY 1999 Target: Domestically: 100% of all transactions are EFT, except for waivers.

Overseas: 50% FSN payroll, 95% temporary duty payments, and 30% overseas vendor payments are done electronically

FY 2000 Target: Domestically: 100% of all transactions are EFT, except for waivers.

Overseas: 60% FSN payroll, 98% temporary duty payments, and 40% overseas vendor payments are EFT, except for waivers.

Data Source: Semiannual reports submitted to Treasury Department.

- **Compliance with federal financial management systems requirements.**

FY 1998 Baseline: Determined requirements to meet FFMIA, FASAB standards, and Y2K.

FY 1999 Target: Upgrade CFMS, develop Regional FMS, develop functional account code structure, improve interfaces.

FY 2000 Target: Implement systems changes/enhancements to meet standards and correct material weakness.

Data Source: Audit of financial statements.

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INFRASTRUCTURE AND OPERATIONS: SERVICE DELIVERY

DIPLOMATIC READINESS GOAL: Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.

PERFORMANCE GOAL: Domestic and overseas Department of State customers receive goods and services when needed.

STRATEGY

There are myriad administrative support activities which together comprise part of the intricate web of Diplomatic Readiness functions upon which State and other U.S. Government agencies depend in carrying out their work abroad. The following activities are only a sample of these many functions.

The International Cooperative Administrative Support Services (ICASS) system, which became fully operational in 1998, was developed through interagency consensus and endorsed by the President's Management Council. More than simply a revised cost-distribution mechanism designed to allocate the full cost of overseas presence to each U.S.G. agency, ICASS incorporates many of the important precepts of entrepreneurial government supported by the National Partnership for Reinventing Government. Focusing on the needs of the customer, ICASS provides quality services at the lowest cost by relying on local managers to best manage their own resources, choosing their own service providers, and setting their own priorities within the administrative support delivery system.



Logistics reengineering has resulted in improved responsiveness and customer service. The logistics acquisition system now incorporates electronic commerce, eliminating paper transactions, and reducing processing time for some procurement actions from two weeks to one day. State has established an Internet acquisition website, which offers the vendor community information on world-wide procurement opportunities at State and provides procurement guidance to both vendors and contracting officers. Warehouse consolidation and expansion of the Customer Service Center concept are underway to realize further efficiencies.

State plays a lead role in providing programmatic and logistical support for the official travel abroad of the President, the Vice President, and the First Lady. State coordinates with the White House, other federal agencies, and host government officials.

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Some trips are planned months in advance; others take place on short notice in reaction to international events. The level of the demand for support services varies greatly from year to year and does not lend itself easily to long-term projections.

An important State responsibility is to record the history of U.S. foreign relations and make it accessible to scholars, researchers, and the general public. This involves preserving documentation and other records, and responding to Freedom of Information Act requests. The rapid changes in technology and the increase in electronic forms of communication and documentation greatly complicates these tasks.

State provides the U.S.G. focal point for logistical arrangements to support major international events hosted by the U.S. Government. Such events include participation by the White House, other Cabinet agencies, the Congress, state and local governments, the General Services Administration, and non-governmental organizations. Two major events in FY 1999 are the Washington Conference on Holocaust Assets (in late 1998) and the 50th Anniversary NATO summit to be held in Washington (in April 1999).

State's Office of Medical Services is responsible for maintaining the health and well-being of U.S.G. employees and their accompanying dependents assigned to diplomatic posts. State ensures that personnel proceeding to a post are in good health and that those with special medical needs are not sent to locations where the host country's health care system is inadequate. To support health needs in the field, State assigns regionally-based medical doctors and psychiatrists and at many posts maintains health units staffed by nurses.

State mirrors other agencies in the provision of various administrative services to support Departmental missions and programs. These include such functions as Department-wide procurement oversight; emergency preparedness and continuity of operations; language services involving interpretation and translation in over 50 languages; and overseas and domestic motor pools.

EXTERNAL FACTORS

We have identified no major external factors impacting the achievement of this goal.

FY 1999-2000 AREAS OF FOCUS AND LEAD BUREAUS/AGENCIES

Within State, the Bureau of Administration has the primary responsibility for this performance goal, working in cooperation with other bureaus. The ICASS Service Center is part of the Bureau of Finance and Management Policy and is staffed and funded on an interagency basis, including State.

The maintenance of the overseas administrative platform in support of all U.S.G. representatives and their families is the primary responsibility of ICASS. With new availability of cost data, the ICASS Service Center will provide post-by-post, regional,

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and worldwide analyses in support of local efforts to find new and better ways of doing business.

State will make every effort to comply with the Electronic Freedom of Information Act, which requires agencies to reduce their requests backlogs and respond to all reasonable requests within 20 days.

To avoid costs and streamline the acquisition process, State will expand electronic commerce to the desktops of its procurement officers in FY 1999. Through an interagency agreement with the Department of the Army, the Statebuy Interactive Platform (SIP) will use Internet browser software at an officer's desk to automate the issuance of solicitations, and the receipt and evaluation of proposals. The SIP works exceptionally well and is being used by domestic and overseas posts to disseminate acquisition documents and establish multiple communication paths between contracting officers and vendors. The procurement officer uses a stand-alone computer with separate telecommunications lines to the Internet service provider. This arrangement eliminates the possibility of information system security problems.

For a number of years State has been unable to meet the standard U.S.G. 5-year replacement cycle for the 1,200 vehicles in its overseas fleet. This results in increased maintenance costs and safety risks for vehicles that often operate under conditions harsher than those experienced in the United States. Starting in FY 1999, State will work through the backlog of old vehicles and reach a 5-year replacement cycle after FY 2000.

INDICATORS, BASELINES, AND TARGETS

◆ **Freedom of Information Act average response times.**

FY 1998 Baseline: Average response time to a FOIA request is 540 days.

FY 1999 Target: Average response time is 540 days.

FY 2000 Target: Average response time is 220 days.

FY 2001 Target: Average response time is 20 days.

Data source: FREEDOMS database.

◆ **Number of overseas posts on-line with electronic commerce.**

FY 1998 Baseline: 16 offices/posts on-line.

FY 1999 Target: 36 offices/posts on-line.

FY 2000 Target: 76 offices/posts on line.

Data source: Statebuy Interactive database and A/OPE records.

◆ **Percent of overseas vehicle fleet more than 5 years old.**

FY 1998 Baseline: Of 1200 vehicles, 91% are more than 5 years old.

FY 1999 Target: Of 1200 vehicles, 80% are more than 5 years old.

FY 2000 Target: Of 1200 vehicles, 90% are more than 5 years old.

Data source: Automated Vehicle Inventory System (AVIS).

FY 1999-2000 Department of State Performance Plan

INTERNATIONAL AFFAIRS PROGRAMS AND ACCOUNTS
BY STRATEGIC GOALS
AND LEAD AGENCIES

Strategic Goals	Account/program	Lead agencies
<i>Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.</i>	Foreign Military Financing (FMF) Contributions for International Peacekeeping (CIPA) Peacekeeping Operations (PKO) International Military Education and Training (IMET) Contributions to International Organizations (CIO) Diplomatic and Consular Programs (D&CP) The Asia Foundation Excess Defense Articles (EDA)	State Defense Intelligence Community The Asia Foundation
<i>Eliminate the threat to the United States and its allies from weapons of mass destruction and destabilizing conventional arms.</i>	Non-Proliferation, Antiterrorism, Demining and Related Programs (NADR) Contributions to International Peacekeeping Activities (CIPA) Contributions to International Organizations (CIO) Diplomatic and Consular Programs (D&CP)	State Defense Intelligence Community Energy Commerce U.S. Customs
<i>Open foreign markets to free the flow of goods, services, and capital.</i>	Diplomatic and Consular Programs (D&CP) Contributions to International Organizations (CIO) Support for Eastern European Democracy (SEED) FREEDOM Support Act International Organizations & Programs (IO&P)	State USTR Commerce Treasury USAID Labor Transportation Agriculture
<i>Expand U.S. exports to \$1.2 trillion early in the 21st century.</i>	Diplomatic and Consular Programs (D&CP)	Ex-Im Bank OPIC TDA Agriculture State USTR Commerce Labor

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Strategic Goals	Account/program	Lead agencies
<i>Increase global economic growth.</i>	Support for Eastern European Democracy (SEED) FREEDOM Support Act Economic Support Fund (ESF) Diplomatic and Consular Programs (D&CP) Contributions to International Organizations (CIO)	Treasury State USAID USTR Ex-Im Bank OPIC Commerce
<i>Promote broad-based economic growth in developing and transitional economies.</i>	Contributions to International Organizations (CIO) International Organizations and Programs (IO&P) Diplomatic and Consular Programs (D&CP) The Asia Foundation	State USAID Treasury OPIC TDA Agriculture USTR Ex-Im Bank Commerce Justice Labor The Asia Foundation
<i>Enhance the ability of American citizens to travel and live abroad securely.</i>	Diplomatic and Consular Programs (D&CP) Repatriation Loan Account	State Justice NTSB FAA Defense SSA Veterans Administration
<i>Control how immigrants and foreign visitors enter and remain in the United States.</i>	Diplomatic and Consular Programs (D&CP) Capital Investment Fund (CIF)	State INS

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Strategic Goals	Account/program	Lead agencies
<i>Minimize the impact of international crime on the United States and its citizens.</i>	International Narcotics Control (INC) Diplomatic and Consular Programs (D&CP) Non-Proliferation, Antiterrorism, Demining and Related Programs (NADR) Emergencies in the Diplomatic and Consular Service (EDCS)	State Justice Treasury FBI DEA Defense U.S. Coast Guard U.S. Customs Intelligence Community
<i>Reduce significantly from 1997 levels the entry of illegal drugs into the United States.</i>	International Narcotics Control (INC) Economic Support Fund (ESF)	State DEA Justice Defense Customs U.S. Coast Guard ONDCP USAID Treasury Transportation Intelligence Community
<i>Reduce international terrorist attacks, especially on the United States and its citizens.</i>	Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) Diplomatic and Consular Programs (D&CP) Emergencies in the Diplomatic and Consular Service (EDCS)	State FBI Defense FAA Intelligence Community
<i>Increase foreign government adherence to democratic practices and respect for human rights.</i>	Economic Support Fund (ESF) Support for Eastern European Democracy (SEED) FREEDOM Support Act Contributions to International Organizations (CIO) Contributions to International Peacekeeping Activities (CIPA) International Organizations and Programs (IO&P) International Military Education and Training (IMET) National Endowment for Democracy (NED)	State USAID The Asia Foundation ICITAP Defense Peace Corps

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Strategic Goals	Account/program	Lead agencies
	The Asia Foundation (TAF) Diplomatic and Consular Programs (D&CP)	
<i>Prevent or minimize the human cost of conflict and natural disasters.</i>	Migration and Refugee Assistance (MRA) Emergency Refugee & Migration Assistance (ERMA) Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) International Organizations & Programs (IO&P)	State USAID Defense Peace Corps Justice FEMA NASA NIMA
<i>Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.</i>	International Organizations and Programs (IO&P) Diplomatic and Consular Programs (D&CP) International Fishery Commissions Contributions to International Organizations (CIO) Economic Support Fund (ESF)	State USAID Treasury EPA NOAA Commerce USTR NASA Defense Justice Agriculture FDA CPSC US Fish & Wildlife Service
<i>Stabilize world population growth.</i>	International Organizations and Programs (IO&P) Diplomatic and Consular Programs (D&CP) Contributions to International Organizations (CIO)	State USAID Treasury
<i>Protect human health and reduce the spread of infectious diseases.</i>	Diplomatic and Consular Programs (D&CP) Contributions to International Organizations (CIO)	State USAID CDC

GLOSSARY OF ABBREVIATIONS AND ACRONYMS

A/FBO	Foreign Buildings Operations (State)
ACDA	Arms Control and Disarmament Agency
ACRI	African Crisis Response Initiative
ACS	American Citizen Services
ADB	Asian Development Bank
ALMA	A Logical Modernization Approach
APEC	Asia Pacific Economic Cooperation forum
ARB	Accountability Review Board
ASEAN	Association of South East Asian Nations
ATA	Antiterrorism Assistance
BCC	Border Crossing Card
CIO	Chief Information Officer (State)
COTS	Commercial, off-the-shelf software
CS	Civil Service
EBRD	European Bank for Reconstruction and Development
ESF	Economic Support Fund
EU	European Union
Ex-Im Bank	Export-Import Bank
FAA	Federal Aviation Administration
FAO	Food and Agriculture Organization
FCS	Foreign Commercial Service
FEMA	Federal Emergency Management Agency
FMF	Foreign Military Financing
FS	Foreign Service
FSA	FREEDOM Support Act (assistance to the former Soviet Union)
FSI	Foreign Service Institute
FSO	Foreign Service Officer
FTAA	Free Trade Association of the Americas
FTP	Full-time, permanent (employment)
GPRA	Government Performance and Results Act
GPS	Global Positioning System
GSA	General Services Administration
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICRC	International Committee of the Red Cross
IDB	Inter-American Development Bank
IFI	International financial institution
IIRAIRA	Illegal Immigration Reform and Immigrant Responsibility Act
ILO	International Labor Organization
IMET	International Military Education and Training
IMF	International Monetary Fund
INS	Immigration and Naturalization Service (Justice)
IOM	International Organization for Migration

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IRM	Information resources management
IT	Information technology
ITU	International Telecommunications Union
MAI	Multilateral Agreement on Investment
MDB	Multilateral Development Bank
MOU	Memorandum of Understanding
NAFTA	North American Free Trade Association
NATO	North Atlantic Treaty Organization
NGO	Non-governmental organization
NIS	New Independent States
OAS	Organization of American States
OAU	Organization of African Unity
OCS	Overseas Citizens Services
OECD	Organization for Economic Cooperation and Development
OSCE	Organization for Security and Cooperation in Europe
PER	Bureau of Personnel (State)
SEED	Support to Eastern European Democracy
U.S.G.	United States Government
UNDCP	UN Drug Control Program
UNGA	United Nations General Assembly
UNGASS	UN General Assembly Special Session
UNHRC	UN Human Rights Commission
UNICEF	UN Children's Fund
UNRWA	UN Relief and Works Agency for Palestinian Refugees
UNSC	United Nations Security Council
USAID	U.S. Agency for International Development
USIA	United States Information Agency
USTR	United States Trade Representative
USUN	U.S. Mission to the United Nations
WFP	World Food Program
WMD	Weapons of Mass Destruction
WTO	World Trade Organization
WWW	World Wide Web
Y2K	Year 2000