

**OTHER ADMINISTRATION OF FOREIGN AFFAIRS**

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## **CIVILIAN STABILIZATION INITIATIVE**

## Proposed Appropriation Language

### CIVILIAN STABILIZATION INITIATIVE

For necessary expenses to establish, support, maintain, mobilize, and deploy a civilian response corps [in coordination with the United States Agency for International Development,] and for related reconstruction and stabilization assistance to prevent or respond to conflict or civil strife in foreign countries or regions, or to enable transition from such strife, [\$45,000,000] \$323,272,000, to remain available until expended: *Provided*, That [up to \$23,014,000] *such funds* may be made available [in fiscal year 2009] to provide administrative expenses for the Office of the Coordinator for Reconstruction and Stabilization: *Provided further*, That [notwithstanding any other provision of law and following consultation with the Committees on Appropriations, the President may exercise transfer authorities contained in the Foreign Assistance Act of 1961 for reconstruction and stabilization assistance managed by the Office of the Coordinator for Reconstruction and Stabilization, United States Department of State, only to support an actively deployed civilian response corps, subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That not later than 60 days after enactment of this Act, the Secretary of State and the Administrator of the United States Agency for International Development shall submit a coordinated joint spending plan for funds made available under this heading and under the heading "Civilian Stabilization Initiative" in title II of this Act] *the Secretary of State may transfer and merge funds made available under any other heading in Titles I, III and IV of this Act with funds made available under this heading to maintain and deploy a civilian response corps and to provide reconstruction and stabilization assistance: Provided further, That the Secretary may appoint, compensate and remove Civilian Reserve Corps personnel without regard to Civil Service or classification laws. (Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.)*

# CIVILIAN STABILIZATION INITIATIVE

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Positions	0	351	361	10
Funds	0	45,000	323,272	278,272

In addition to these funds, \$30 million was made available to S/CRS from D&CP in FY 2008, plus \$10 million in FY 2009.

### *Overview*

The Civilian Stabilization Initiative (CSI) builds on three years of interagency development, exercises, and pilot efforts to create a robust Civilian Response Corps, the need for which has been consistently highlighted by the Administration. The Reconstruction and Stabilization Civilian Management Act of 2008 (Title XVI of Public Law 110-447) charged the Department of State with leading the interagency effort to significantly improve the ability of the United States to respond to conflict and create a civilian counterpart to the U.S. military ready and capable to stabilize countries in the transition from war to peace. This vital initiative establishes a permanent interagency civilian reconstruction and stabilization response capacity. This capacity is an essential part of this Administration's strategy to enhance the tools of soft power projection and to permit the Defense Department to focus on its core military mission responsibilities. The requested resources will provide funding to build, train, equip, and deploy a 4,250-member interagency Civilian Response Corps managed by the Office of the Coordinator for Reconstruction and Stabilization (S/CRS).

### *Program Description*

The FY 2010 request includes \$323.3 million to build and sustain a coordinated capacity across the United States Government (USG) for a "Whole of Government" response to emergent Reconstruction and Stabilization (R&S) crises. This will provide the ability to further American interests abroad by providing new soft power tools and increased capabilities. CSI will enable the President and Secretary to react to unanticipated conflict in foreign countries through the Interagency Management System (IMS), which produces interagency analysis and planning and puts civilian experts on the ground as they are needed, improving assistance, effectiveness, and increasing options available to support countries in crisis. Experience in Iraq and Afghanistan has underscored the need for quick engagement in reconstruction and stabilization activities. Populations need to have essential services restored, including restoration of confidence in local institutions. The resources requested for CSI enable the USG to rapidly respond to these situations. It puts experts on the ground quickly to provide the initial planning and prioritization of activities and provides the institutional structure to coordinate the many actors who need to integrate their individual plans into cohesive national, provincial, and sub-provincial plans. Having a Civilian Response Corps ready to respond will reduce the threat of failed states and will reduce or eliminate the need for large military deployments in such crises. Increasing the USG's

## CIVILIAN STABILIZATION INITIATIVE

options for assistance will mitigate the dangers of conflict and state failure that threaten American interests around the world.

This request supports the recruitment, development, and training of a Civilian Response Corps (CRC), which includes a 250-member interagency Active component (CRC-A) and a 2,000-member Standby component (CRC-S). The Civilian Response Corps Active and Standby components will be situated in, and drawn from, the Departments of State, Justice, Commerce, Treasury, Agriculture, Health and Human Services, Homeland Security, and the U.S. Agency for International Development. The request also supports a Reserve component (CRC-R) of 2,000 new Civilian Reservists in FY 2010.

This interagency initiative is extensively coordinated within the USG and receives regular input from major partners with similar capabilities including the United Kingdom, Canada, the European Union, and the North Atlantic Treaty Organization (NATO). The Interagency Management System has the flexibility to integrate partners, build on coalition support, and otherwise operate as part of a broader international mission.

### *Performance*

Performance since FY 2006 has focused on building the infrastructure of the three Civilian Response Corps components. With resources provided in FY 2007 and FY 2008, progress has been made as outlined below to recruit the first CRC-A responders, enroll CRC-S responders, and demonstrate the value of establishing a robust Civilian Response Corps through limited reconstruction and stabilization deployments.

Beginning in late FY 2008, the ramp-up of the first 100 Active responders was funded through FY 2008 supplemental funding appropriated separately to Department of State and the U. S Agency for International Development. To date, the Reserve Component (CRC-R) has not been funded.

The indicators for the CRC-A and CRC-S are based on the number of each component who have been trained, equipped and are deployable within 7 days (CRC-A) or 30-60 days (CRC-S). The number of CRC-A and CRC-S responders who have been recruited, trained, and equipped measures progress in achieving the planned build-up of the internal USG civilian response capacity. The annual targets track this progress until the total capacity of 250 CRC-A members and 2,000 CRC-S members has been achieved, at which point operational indicators will be developed. The indicators for the CRC-A and CRC-S are the best measure of program effectiveness, as the Reserve component has not been funded.

<b>STRATEGIC GOAL: ACHIEVING PEACE AND SECURITY</b>	
<b>Strategic Priority: Conflict Prevention, Mitigation, and Response</b>	
<b>Indicator:</b> Sufficient numbers of Interagency CRC-A and CRC-S are trained, equipped, and deployable within 7 days (CRC-A) or 30-60 days (CRC-S) to support R&S operations.	
Target FY 2010	CRC-A will have 250 hired, trained, and deployable. CRC-A members will have completed core readiness and force protection courses. Total of 1,250 CRC-S component members have been trained of the 2,000 total. USAID, DOC, DOJ, USDA, DHS, HHS, and Treasury retain their CRC-A members for year two.

## CIVILIAN STABILIZATION INITIATIVE

Target FY 2009	CRC-A will have 250 interagency personnel identified. Approximately 22 will be managed directly by S/CRS, while others will be managed by participating agencies. The new interagency CRC-A will complete core readiness and appropriate force protection courses, as well as attending specialized courses and civil-military exercises focused on Interagency Management Systems (IMS) operations. A total of 1,250 interagency CRC-S personnel will be identified at State, USAID, DOC, DOJ, USDA, DHS, HHS, and Treasury, and at least 750 interagency civilian members will be trained in R&S core courses. As required, mission-specific and force protection training will be provided for IMS-related operations.
Target FY 2008	CRC-A will have 12 officers on board with four Full Time Equivalent (FTE) employees all of whom have completed core readiness and appropriate force protection courses and attended specialized courses and civil-military exercises. CRC-A members respond to multiple requests by the Secretary and State Department bureaus to deploy on short notice to R&S operations, support Embassies in the field, and set up a forward U.S. expeditionary presence. One hundred CRC-S complete core training.
Results FY 2008	<b>Rating: Improved over prior year, but not met</b> Target not met because funding was not provided. By the end of FY 2008, a total of 13 CRC-A personnel were aboard on details. All CRC-A members completed R&S training. CRC-A deployed to Kosovo, Darfur, Afghanistan, Nepal, AFRICOM and Georgia. Over 350 serving State Department employees retained on the CRC-S roster, which includes 250 retirees enrolled through the Department's Retirement Network (RNet). Of the 350 CRC-S members registered, more than 50 participated in S/CRS sponsored training. Five CRC-S members deployed to Afghanistan and one in Iraq under DOD missions. Standard Operating Procedures (SOPs) were better prepared and interest was increasing.
Impact	Increasing demand for S/CRS assistance while limited capability is being provided. Stretched use of S/CRS capacity in assisting other bureaus, missions, and countries. Employees are deployed consistently and spread thinly at times resulting in better and improved services, but less of the 100 percent of goal met for the year. The program led to increased collaboration with other agencies.
Steps to Improve	With the initial supplemental funding received late FY 2008, the Department is expediting recruitment, training, and pre-positioning of equipment.
Results FY 2007	Target not met because funding was not provided. By the end of FY 2007, a total of 12 CRC-A personnel were aboard on detail. All CRC-A members completed R&S training. CRC-A members deployed to Darfur, Haiti, Iraq, Liberia, and AFRICOM. Over 90 serving State Department employees retained on the CRC-S roster, along with over 250 retirees enrolled through the Department's Retirement Network. Nine CRC-S members participated in S/CRS sponsored training. Two CRC-S members deployed to Sudan and Chad. SOPs worked through with participating bureaus to release CRC-S members.
Results FY 2006	By end of FY 2006, 12 CRC-A personnel were aboard on detail (no FTE provided) and fully trained. Six had deployed to Darfur and Chad. Over 90 State Department employees selected and placed on CRC-S roster, along with over 250 retirees enrolled through RNet. Training and exercise requirements identified.
Results FY 2005	Options analysis completed on how CRC-A would be used in training, military exercises, and emergencies. Training program conceptualized. Roster of eligible individuals under development.
<b>VERIFICATION AND VALIDATION</b>	
Data Source and Quality	Foreign Service Institute Report on Training; Standby Component Sign Up Sheets; Check-out and Check-In Deployment sheets and reports; After Action Review reports; Travel Reports; and Expenses Paid. Data Quality Assessment revealed no significant data limitations.

## CIVILIAN STABILIZATION INITIATIVE

The primary indicator for the overall readiness of the Civilian Response Corps Reserve component (CRC-R) is the total number of CRC-R members who have been selected, vetted, trained, and are able to deploy to augment Active and Standby USG component members. Annual training goals track orientation training for initial hires and refresher training for CRC-R members in follow-on years. Annual targets are set until the full 2,000 member capacity is reached and initial orientation training and follow-on annual refresher training for all 2000 members target is provided.

<b>STRATEGIC GOAL: ACHIEVING PEACE AND SECURITY</b>	
<b>Strategic Priority: Conflict Prevention, Mitigation, and Response</b>	
<b>Indicator:</b> Status of U.S. CRC-R members recruited from outside the USG, selected, vetted, trained, and able to act in their areas of expertise. CRC-R ready to deploy in 60-90 days of Presidential call-up to staff Reconstruction and Stabilization (R&S) operations.	
Target FY 2010	CRC-R roster grows to over 2,000. Over eighty-five percent will have completed orientation training and over thirty percent completed annual refresher training.
Target FY 2009	Five hundred CRC-R recruited, selected, screened, and hired. Orientation training designed and delivered to up to 500 CRC-R.
Target FY 2008	CRC-R Home Office established and beginning to hire staff, recruit civilian reservists, and design reservist training courses.
Results FY 2008	<b>Rating: Below Target</b> CRC-R Home Office was not established and was not able to begin to hire staff, recruit civilian reservists, or design reservist training courses because the Reserve component was not funded. Received minimal supplemental funding authorized to recruit and train up to 100 CRC-A and 250 CRC-S.
Impact	Inability to stand-up target reserve civilian response capability could result in decreased readiness and a delay in the build up of adequate civilian response capacity.
Steps to Improve	The initial funding received in the middle of September, 2008, provided for recruitment and training of allowable number of CRC-A and CRC-S members only. Will continue to promote funding for the CRC-R.
Results FY 2007	Funding for the CRC-R not authorized.
Results FY 2006	An extensive Management Study for Establishing the CRC-R was completed to document the actions, detailed planning activities, and resources needed to recruit, train, and manage a 2000-member CRC-R response capacity.
Results FY 2005	Indicator established in 2006.
<b>VERIFICATION AND VALIDATION</b>	
Data Source and Quality	Interagency task force approved decision documents on design of Civilian Response Corps, including Reserve component. FSI training records for CRC-A and CRC-S. The S/CRS rosters for the CRC-S. Data Quality Assessment revealed no significant data limitations.

# CIVILIAN STABILIZATION INITIATIVE

## *Justification of Request*

The CSI reflects an integrated strategy by the USG to build the necessary civilian capacity, based on analysis of recent USG experiences in Haiti, Bosnia, Kosovo, East Timor, Afghanistan, and Iraq. The strategy works to ensure that the United States is ready to meet the next crisis, bringing all necessary expertise to bear. CSI provides the trained, equipped, and mission-ready civilian experts and institutionalized systems to meet national security imperatives, including in partnership with the U.S. Armed Forces. The FY 2010 budget will enable U.S. civilians to respond rapidly in countries in crisis, coordinating with U.S. or international military forces, delivering effective assistance, deploying R&S teams to support U.S. embassies (where they exist), and to partner with local citizens and international actors on the ground.

The U.S. Civilian Response Corps comprises four related functions: building up USG internal rapid response capacity through staffing, training, and pre-positioning of equipment; establishing a trained and equipped U.S. Civilian Reserve Corps to draw on broader American expertise; sustaining rapid responders during the immediate response (first three months); and providing initial funding to protect USG civilians on the ground in the build-up of a mission.

The FY 2010 request funds up to 1,000 CRC-A and CRC-S members to respond to reconstruction and stabilization missions in FY 2010. Over the long term, CSI will aim for an overall CRC capacity of 4,250 members, composed of a mix of 250 Active Responders, 2,000 Standby Responders, and 2,000 Civilian Reserve Responders. This total response capacity is required due to the uncertainty of necessary skill sets and assumptions on how many from each component would be able to deploy to support a given R&S mission.

The FY 2010 request reflects a net increase of \$183.3 million above the total \$140 million available to support the CSI in FY 2009. The \$140 million FY 2009 program level includes \$85 million in CSI funding available to the Department and \$55 million available to USAID. The \$85 million available to the Department includes \$45 million appropriated to CSI in the Department's FY 2009 annual appropriation; \$30 million in carry-over from FY 2008 D&CP supplemental funding; and \$10 million in FY 2009 D&CP bridge funding. Amounts appropriated to D&CP are shown within D&CP for the respective fiscal years. The \$55 million available to USAID is composed of \$25 million in FY 2008 supplemental funding and \$30 million in FY 2009 annual appropriations. The FY 2010 request regularizes supplemental funding and consolidates funding under the CSI account in the Department of State.

These funds will be applied throughout FY 2009 to fund the build-up of the interagency CRC-A component and expand the Standby component. Personnel resources reflect 361 Full Time Equivalent positions. The net increase of \$183.3 million would support the following program priorities:

### **USG First Responders: \$136,899,549**

This portion of the request will fully support USG CRC first responders, including expansion of the Active Component to 250 interagency members, through basic salaries, training, and other support costs and to sustain the 100 first responders hired in FY 2009. Training for the Standby Component will be increased from 500 members to the full complement of 2,000 members. A total of 24 ten-member R&S teams will be supported to provide in-country R&S assistance prior to or in lieu of a formal IMS engagement. Funding will also support required equipment for all three components of the Civilian Response Corps including armored vehicles, field

## CIVILIAN STABILIZATION INITIATIVE

communications technology, and support items acquired and pre-positioned to support immediate deployment in response to crisis.

**Civilian Response Corps – Reserve Component Readiness: \$63,622,269**

The Civilian Reserve Corps will expand to 2,000 Civilian Response Corps – Reserve component members. Recruiting, hiring, and training will be increased to allow for rapid start up across the spectrum of policing, rule of law, public administration, and infrastructure assistance.

**Expert Deployment: \$12,500,000**

The Office of the Coordinator for Reconstruction and Stabilization will draw from rosters of program-funded agencies including Treasury and Justice for the first three months of an operation, ensuring that critical staff such as police trainers and advisors can be deployed when they are most needed.

**Initial Deployment: \$51,250,440**

Funding will sustain deployed personnel and provide mission-specific logistics to field and sustain the initial component of rapid response (up to 130 responders) for the first three months of an operation. This will enable the initiation of stabilization and conflict mitigation activities, establishment of U.S. field presence if necessary, and cooperation with host nations and international partners on the ground. Funding will also support the operations and maintenance of an interagency Deployment Center to prepare first responders for specific country engagements.

**Civilian Force Protection (contingency-specific): \$34,257,208**

Funding will provide security for the civilian mission in country for up to three deployed field teams (up to 130 staff) and will sustain this security provision in a semi-permissive environment for three months.

**Washington Leadership and Management: \$24,742,534**

Washington-area leadership will coordinate, manage, and direct the interagency R&S response, including management of the total response capacity. This includes 10 new positions for the Office of the Coordinator for Reconstruction and Stabilization operations and staff.

### *Funds by Program Activity*

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
<b>Administrative Support</b>	0	7,075	35,560	28,485
<b>Civilian Response Readiness</b>	0	37,925	287,712	249,787
<b>Total</b>	0	45,000	323,272	278,272

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### *Funds by Object Class*

(\$ in thousands)

	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
<b>1100 Personnel Compensation</b>	0	10,958	74,352	63,394
<b>1200 Personnel Benefits</b>	0	4,261	22,629	18,368
<b>2100 Travel &amp; Trans of Persons</b>	0	7,515	22,800	15,285
<b>2300 Rents, Comm &amp; Utilities</b>	0	450	2,543	2,093
<b>2400 Printing &amp; Reproduction</b>	0	50	10,000	9,950
<b>2500 Other Services</b>	0	21,666	178,848	157,182
<b>2600 Supplies and Materials</b>	0	100	2,100	2,000
<b>3100 Personal Property</b>	0	0	10,000	10,000
<b>Total</b>	0	45,000	323,272	278,272

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**OFFICE OF INSPECTOR GENERAL**

## Proposed Appropriation Language

### OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, [\$37,000,000] *\$100,000,000*, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980 (Public Law 96-465), as it relates to post inspections, *of which \$30,000,000 shall be for the Special Inspector General for Iraq Reconstruction for reconstruction oversight, and \$23,000,000 shall be for the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight. (Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.)*

### [(INCLUDING TRANSFER OF FUNDS)]

[For an additional amount for "Office of Inspector General", \$9,500,000, to remain available until September 30, 2009: *Provided*, That \$2,500,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight, and \$2,000,000 shall be transferred to the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight.]

[For an additional amount for "Office of Inspector General", \$57,000,000, which shall become available on October 1, 2008, and remain available through September 30, 2009: *Provided*, That \$36,500,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight and \$5,000,000 shall be transferred to the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight.] (*Supplemental Appropriations Act, 2008.*)

# OFFICE OF INSPECTOR GENERAL

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Positions	329	329	329	0
Funds	52,233	101,201	100,000	(1,201)

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

FY 2008 Actual includes \$9.0 million in emergency funding provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (P.L. 110-329). FY 2008 Actual also includes \$9.5 million in emergency funding provided by the Supplemental Appropriations Act, 2008 (P.L. 110-252), of which \$2.5 million is for the Special Inspector General for Iraq Reconstruction and \$2.0 million is for the Special Inspector General for Afghanistan Reconstruction.

FY 2009 Estimate includes \$57.0 million in bridge funding provided by the Supplemental Appropriations Act, 2008 (P.L. 110-252). FY 2009 Estimate also includes \$7.201 million in emergency funding requested in the pending FY 2009 Supplemental.

### *Overview*

This appropriation provides \$100 million under the Office of Inspector General at the Department of State. Of this amount, \$47 million is for the Office of Inspector General at the Department of State, \$23 million is for the Special Inspector General for Afghanistan Reconstruction (SIGAR), and \$30 million is for the Special Inspector General for Iraq Reconstruction (SIGIR). This request represents the first time that funding for SIGAR and SIGIR has been requested under the Department of State's Office of Inspector General. As SIGAR and SIGIR staff are not Department of State employees, the resource summary chart reflects only the positions of the Department of State's Office of Inspector General.

(Funds \$ in thousands)

Appropriations	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
OIG Positions	329	329	329	0
OIG Funds (1)	38,733	52,500	47,000	(5,500)
SIGAR Positions	2	90	60	(30)
SIGAR Funds (2)	11,000	12,201	23,000	10,800
SIGIR Positions	106	145	98	(47)
SIGIR Funds (2)	2,500	36,500	30,000	(6,500)

(1) Includes \$15.5 million in supplemental funding for OIG in FY 2009.

(2) Prior to FY 2010, SIGAR and SIGIR funding was provided by supplemental appropriations.

### *Department of State Office of Inspector General Overview*

The Office of Inspector General (OIG) conducts independent audits, inspections, and investigations to promote effective management, accountability, and positive change in the Department of State, the Broadcasting Board of Governors (BBG), and the foreign affairs community. OIG provides leadership to:

- Promote integrity, efficiency, effectiveness, and economy;
- Prevent and detect waste, fraud, abuse, and mismanagement;
- Identify vulnerabilities and recommend constructive solutions;
- Offer expert assistance to improve Department and BBG operations;
- Communicate timely, useful information that facilitates decision-making and achieves measurable gains; and
- Keep the Department, BBG, and the Congress fully and currently informed.

# OFFICE OF INSPECTOR GENERAL

## *Program Description*

OIG's mandate encompasses oversight of all domestic and overseas activities, programs, and missions of the Department and the BBG. OIG's activities are global in scope, supporting the highest priorities of the Department. OIG's goal for FY 2010 is to effect positive change by being a valued resource to the Department, with specific emphasis on the following:

- **Relevance:** OIG work will be directed at Department and BBG high-cost, high-risk programs and operations, priority posts and bureaus, and emerging areas of interest.
- **Value Added:** OIG will recommend actions that result in savings, recovery of costs, prevention of losses, and improved efficiencies and security.
- **Usefulness:** OIG products will assist decision makers in improving programs and making spending decisions in an environment of dwindling financial resources.
- **Timeliness:** OIG will reduce the time for completing its audits, inspections, and reviews by using available technologies to start jobs sooner, finish them quicker, and disseminate the results broadly.

To the extent allowed by changing priorities within the Department and BBG and external factors beyond its control, OIG's funding priorities for FY 2010 are to maintain its presence in the Middle East in order to have staff dedicated to the oversight of critical Department programs in the Middle East and South Asia, including work in post-conflict areas. These priorities will enable OIG to meet its goals for conducting relevant, useful, and timely work that adds value to Department and BBG programs and operations worldwide.

### **Enhancing OIG's Presence in the Middle East and Other Post-Conflict Areas**

Strengthening OIG's presence in the Middle East and South Asia, including other post-conflict areas, is OIG's top priority. As the Department continues to commit significant resources to Iraq, Afghanistan, and other crisis/post-conflict areas, OIG's oversight responsibilities have correspondingly increased. OIG officially opened the Middle East Regional Office (MERO) in Amman, Jordan, in January 2008 to focus dedicated resources and expertise on high-risk, high-cost programs and operations in the Middle East and South Asia, particularly with respect to U.S. interests in Iraq, Afghanistan, Pakistan, Lebanon, and other post-conflict countries. The Amman regional office will be augmented by three satellite offices: a field office in Cairo, Egypt, and temporary offices in Baghdad, Iraq, and Kabul, Afghanistan. The Baghdad office opened in 2008, and the Cairo and Kabul offices are scheduled to open in 2009. OIG also provides investigative oversight in the region through investigators who are co-located with MERO staff in Amman and Baghdad. OIG will also deploy investigators to Cairo in 2009.

OIG will continue to support the Department's activities in the Middle East and South Asia by recommending improvements to policies, programs, and operations, and by conducting investigations of alleged malfeasance, provided that OIG has the resources to maintain its overseas presence.

### **Maximizing the Effectiveness of OIG's Core Capabilities**

OIG priority for its Washington-based staff is to maintain its core audit, inspection, and investigative capabilities to adequately address the wide-ranging scope of programs and operations for which it is responsible. OIG's mandate includes the traditional areas of focus—including security, diplomatic and consular affairs, international broadcasting, administrative and financial management, and information technology—as well as new initiatives and priorities. These new initiatives and priorities—including the American Recovery and Reinvestment Act of 2009, foreign assistance programs, counterterrorism, and public diplomacy—increase OIG's responsibility to provide meaningful and current feedback on these evolving programs. OIG is committed to continuing to assist the Department and BBG in strengthening the effectiveness and efficiency of their programs, operations, and initiatives.

## *Performance*

Monetary benefits, recommendations resolved, and OIG's focus on agency management challenges are indicators that reflect OIG's value-added to the Department and the BBG, and are representative of the performance measures used by OIG to manage its programs.

## OFFICE OF INSPECTOR GENERAL

Monetary benefits include cost savings, recoveries, questioned costs, funds put to better use, efficiencies, restitutions, and fines. OIG's audits, inspections, evaluations, and investigations result in potential and actual cost savings and increased efficiencies for the Department and the BBG. Monetary benefits from OIG's work result in more effective and efficient use of U.S. taxpayer dollars, and are a primary mandate of the Office of Inspector General.

<b>STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES</b>								
<b>Strategic Priority: Planning and Accountability</b>								
<b>Indicator</b>	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Monetary benefits: questioned costs, funds put to better use, cost savings, recoveries, efficiencies, restitutions, and fines	\$31.5 million	\$31.3 million	\$52.6 million	\$11.0 million	\$23.0 million	Above Target	\$12.5 million	\$12.5 million
Reasons for Exceeding Target	OIG strives to maximize the value of its work by seeking tangible monetary benefits. Out-year targets are based on operational reality at the time they are set, several years in advance. OIG cannot plan on replicating these results; therefore, out-year targets depict more realistic goals for future years.							
Impact	Improved financial accountability and transparency of funds used by the U.S. Government, and monetary benefits and recoveries realized on behalf of U.S. taxpayers.							
Data Source and Quality	Recoveries, questioned costs, and funds put to better use are based on amounts identified in OIG reports, as agreed to by the agency and tracked in OIG's compliance database. Investigative recoveries reflect court-ordered fines, restitutions, and recoveries based on information received from external prosecutorial and administrative authorities.							

Recommendations are a major product of OIG's audits, inspections, and evaluations, and serve as the vehicle for correcting vulnerabilities and realizing positive change in the Department and BBG. Resolution of recommendations reflects management's willingness to take the actions recommended by OIG to correct identified problems and improve their programs and operations. The percentage of recommendations resolved within six months (inspections) or nine months (audits and program reviews) indicates to what extent management has agreed to take timely action to correct identified problems in line with OIG recommendations, or has identified acceptable alternatives that are expected to result in improved programs and operations.

<b>STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES</b>								
<b>Strategic Priority: Planning and Accountability</b>								
<b>Indicator</b>	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Percentage of recommendations resolved within the appropriate timeframe.	Indicator established in 2006	64 percent	88 percent	80 percent	87 percent	Above Target	80 percent	82 percent
Reasons for Exceeding Target	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.							
Impact	Increased probability that deficiencies and poor practices are minimized or corrected in a timely manner.							
Data Source and Quality	Percentage of recommendations resolved is based on information tracked in OIG's Compliance Analysis Tracking System database. Data Quality Assessment revealed no significant data limitations.							

## OFFICE OF INSPECTOR GENERAL

OIG audits, inspections, and reviews evaluate Department and BBG efforts to achieve results-oriented management, identify major management challenges, and recommend improvements. OIG investigations that address alleged malfeasance with respect to Department and BBG management challenges also contribute to management improvement initiatives. The percentage of OIG work related to agency management challenges demonstrates the degree to which OIG's work is focused on improving the areas of greatest vulnerability in agency operations.

<b>STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES</b>								
<b>Strategic Priority: Planning and Accountability</b>								
Indicator	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Percentage of OIG reports and investigations that focus on Department and Broadcasting Board of Governors management challenges.	Indicator and baseline were established in 2008.	Indicator and baseline were established in 2008.	Indicator and baseline were established in 2008.	N/A - baseline year	100 percent	On Target	90 percent	92 percent
Impact	Greater assurance that Department employees and contractors will conduct themselves professionally, ethically, and be held accountable if fraud, waste, abuse, or mismanagement occurs.							
Data Source and Quality	For audits and inspections, the data reflects reports issued as reported in the 3/31 and 9/30 Semiannual Reports to the Congress. For investigations, the data is from OIG's Case Management System and is reported in the Semiannual Report to the Congress and the Annual Report of the President's Council on Integrity and Efficiency.							

The FY 2010 request for Department of State OIG account includes an increase of \$10 million from the \$37 million (excluding supplemental funding) in FY 2009 Omnibus funding. The justifications of request for SIGAR and SIGIR are detailed in separate sections following the Department of State OIG request.

### ***Department of State OIG Justification of Request***

To support its efforts in FY 2010, OIG is requesting \$47 million, which represents an increase of \$10 million over the FY 2009 Omnibus baseline of \$37 million. This increase includes \$9 million to incorporate the costs of the Middle East Regional Office and the Middle East Investigative Branch (MEIB) into OIG's base funding. The FY 2010 request also includes mandatory wage and price increases of approximately \$900,000 and, consistent with the Inspector General Reform Act of 2008, \$113,000 to support the Council of Inspectors General on Integrity and Efficiency. Funding MERO and MEIB operations from OIG's base appropriations will enable OIG to meet its FY 2010 priorities to continue its presence in the Middle East, which in turn, would support OIG's goals to conduct relevant, useful, and timely work that adds value to critical Department and BBG programs and operations.

### **OIG Middle East Regional Office**

OIG's Middle East Regional Office was officially established in January 2008 to enhance OIG oversight for high-cost, high-risk Department programs in the Middle East and other post-conflict areas. MERO is being staffed with employees of all disciplines who will be capable of reacting with little immediate guidance or supervision to conduct audits or program evaluations within the region. MERO currently operates through its field office in Amman, Jordan, and a temporary satellite office in Baghdad, Iraq, supplemented with OIG staff in Washington, DC. MERO is in the process of establishing an additional field office in Cairo, Egypt, and a temporary satellite office in Kabul, Afghanistan.

OIG's FY 2010 request will enable MERO to maintain its overseas presence to support critical Department programs and initiatives in the Middle East and South Asia. To date, MERO operations have been funded by supplemental appropriations but will require funding from OIG's regular annual appropriation beginning in FY 2010.

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Funding its operations through the regular OIG appropriation will allow MERO to continue the critical work of evaluating whether the Department's financial and other resources have been properly utilized in Iraq, Afghanistan, and elsewhere in the Middle East and South Asia. MERO's tentative work plan includes assessing the effectiveness of foreign assistance programs, conducting audits and evaluations of contracts and grants, contractor performance, and procurement issues, as well as security and management inspections. MERO's tentative work plan includes follow-up work on provincial reconstruction teams, anticorruption programs, police training, and rule-of-law programs, as well as a performance audit on the effectiveness of security assistance in Afghanistan. MERO also plans to provide proactive assistance to the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) through increased oversight of post-conflict and anti-corruption activities.

### Office of Investigations

The Office of Investigations conducts investigations of criminal, civil, and administrative misconduct related to Department and BBG programs and operations by investigating specific allegations, reports, or other information indicating possible violations of law or regulation. Investigative results are referred to the Department of Justice for prosecution and to the Bureaus of Human Resources and Diplomatic Security or other agencies for administrative or other appropriate action. The office maintains the OIG Hotline, a confidential channel for complaints. OIG has established a Middle East Investigative Branch, co-locating investigative staff with MERO field offices to dedicate investigative resources in proximity to critical, high-risk and high-cost Department activities and operations. OIG investigators are currently stationed in Amman, Jordan, and Baghdad, Iraq, and will deploy to Cairo, Egypt, in 2009.

To date, MEIB operations have been funded by supplemental appropriations but will require funding from OIG's regular annual appropriation beginning in FY 2010. OIG's FY 2010 request will enable MEIB to continue to complement the work of MERO by conducting critical investigative work required in Iraq, Afghanistan, and elsewhere in the Middle East and South Asia. Working in proximity to Department facilities and operations in the Middle East and in South Asia is vital, given the level of Department and BBG financial resources dedicated to the region. Investigation of significant financial crimes requires that investigators "follow the money."

### Office of Audits

The Office of Audits conducts and coordinates audits and program evaluations of the management and financial operations of the Department and BBG, including their audited financial statements, internal operations, external activities funded by the Department through contracts or financial assistance, and programs and operations in Iraq and Afghanistan. It also conducts annual reviews of Department and BBG compliance with the Federal Information Security Management Act (FISMA). The audits evaluate whether established goals and objectives are achieved and resources are used economically and efficiently; assess whether intended and realized results are consistent with laws, regulations, and good business practices; and test financial accountability and the reliability of financial statements. The Office of Audits accommodates an ever-increasing number of requests from stakeholders, including the Department, Congress, and other federal agencies, as well as referrals from within OIG.

### Office of Inspections

The Office of Inspections assesses domestic and overseas operations and facilities of the Department and BBG. Inspections review executive direction, policy and program implementation, resource management, management controls, and security. In this context, inspectors evaluate operations' leaders and managers; review staffing and recommend consolidation and relocation of operations, if appropriate; assess posts' ability to deter, detect, and respond to threats and security vulnerabilities; consider whether counterterrorism and policy implementation efforts are coordinated among agencies overseas; examine consular processes and oversight of visa, passport, and American citizens services; evaluate information management and information security programs; evaluate the extent to which financial, human resources, procurement, and inventory management best practices are employed; and determine whether management controls are in place. To the extent that resources are available, the Office of Inspections also provides oversight of programs and operations relating to Department efforts to counter terrorism worldwide; Iraq, Afghanistan, and other crisis areas; foreign assistance funding; and public diplomacy.

## OFFICE OF INSPECTOR GENERAL

### *Special Inspector General for Afghanistan Reconstruction (SIGAR) Justification of Request*

SIGAR operates under the authority of Section 1229 of Public Law 110-181. The FY 2010 budget request of \$23 million funds the operating expenses required to conduct audits, inspections, and investigations; providing for the independent and objective supervision of \$32 billion in U.S. funds directed to the reconstruction of Afghanistan. This budget request allows the oversight of efforts aimed at preventing, detecting, and prosecuting fraud, waste and abuse consistent with Congressional mandates defined within the law.

SIGAR employs primarily highly specialized professionals with proven experience in the areas of auditing, inspections, investigations, and information management. The staff consists of temporary appointees, most of whom have 13-month renewable appointments. The estimated average annual base salary is \$126,693 and includes an estimated 3.5 percent pay increase calculated to take effect January 2010. This average annual base salary supports SIGAR's objective of utilizing senior, experienced personnel capable of fulfilling its Congressional mandate to provide for the independent and objective conduct and supervision of audits, inspections, and investigations of programs and operations funded with U.S. taxpayer dollars for the reconstruction of Afghanistan. SIGAR anticipates filling all 60 full-time equivalent (FTE) government positions by the end of the third quarter of FY 2009. Of the 60 FTEs, 26 will be based in Afghanistan. SIGAR requires \$6.8 million to meet its total base salary requirements for FY 2010.

Since SIGAR's primary mission must be conducted in Afghanistan, the organization incurs additional expenses to maintain qualified staff in a dangerous environment. These expenditures include Post Differential and Hazardous Duty Pay which must be paid to 26 Afghanistan-based personnel and eight temporary duty travel (TDY) personnel. Post Differential and Hazardous Duty Pay will cost \$2.3 million for FY 2010.

SIGAR also compensates its personnel for the overtime required to fulfill its mission, and other factors specific to Afghanistan impact personnel funding requirements. For example, the official day-off in Afghanistan is Friday resulting in premium pay for Sundays. SIGAR estimates that these additional costs will total \$1.4 million for FY 2010.

At SIGAR's request, other U.S. Government agencies, the U.S. Military and Inspectors General detail qualified employees to the SIGAR office in support of Audits, Inspections, and Investigations. Detailees are provided by their home agencies on reimbursable and non-reimbursable bases. Payments for reimbursable details include but are not limited to both compensation and personnel benefits. SIGAR anticipates having six reimbursable detailed staff members' in FY 2010. These detailees will cost \$927,393 in FY 2010. As part of total personnel compensation, SIGAR funds the employer's share of payments for life insurance, health insurance, and employee retirement, which are estimated to be 22 percent of total base salary for FY 2010. Total personnel benefits for FY 2010 are \$1.5 million.

Travel to and from Afghanistan will represent a significant portion of SIGAR's travel costs. These costs will include deployment and re-deployment of employees to Afghanistan for extended periods of time, and regular TDY of auditors, inspectors, and investigators. Afghanistan-based employees will be allowed to return to the continental United States for mid-tour breaks and to attend required training not otherwise available in OCONUS locations.

Auditors, inspectors and investigators will conduct site visits to various locations within Afghanistan. Due to security concerns, the only method of transportation is often via air, which is coordinated with USAID and Embassy Kabul. Also, the Chief of Mission's Regional Security Officer requires that protective security details, including an advance team, escort senior SIGAR officials.

SIGAR employees must occasionally travel to locations within the continental United States. In addition to TDY, employees are also required to travel to locations within the National Capital Region (NCR).

Total costs for travel and transportation of persons is estimated to be \$1.9 million for FY 2010. SIGAR will also incur shipping and logistics costs. These include shipping official packages to and from Afghanistan, trucking supplies, and paying other local transportation charges associated with activities within Afghanistan and the continental United States. Estimated costs for transportation of things are \$44,000 for FY 2010.

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SIGAR will make monthly rental payments to the Department of the Army for office space located in Arlington, Virginia. Annual obligations incurred to rent office space are estimated to be \$497,880 for FY 2010.

Effective communication within and between the Arlington and Afghanistan offices is key to the success of our mission. The information technology services required include local and long distance telephone service, and secure wireless data and voice communication services. The majority of these services are provided through contractual agreements with the private sector. In addition to communication services, there are also utility charges associated with the Arlington office. SIGAR estimates expenditures for data and voice communication services and utilities will be \$232,804 for FY 2010.

SIGAR's authorizing legislation requires the submission of quarterly reports to the U.S. Congress and the Secretaries of State and Defense. These reports – as well as audit and inspection reports – are printed and distributed to a wide audience of interested stakeholders, as well as the general public in both the U.S. and Afghanistan. The Government Printing Office will handle the majority of SIGAR's printing and reproduction requirements, but SIGAR will use private sector printing and reproduction services when the use of GPO is unavailable or limited. For example, SIGAR will use the private sector for printing requirements within Afghanistan that are not otherwise available through International Cooperative Administrative Support Services (ICASS). SIGAR will pay for the publication of notices, advertising for personnel, radio and television public service announcements on an as needed basis. Estimated expenditures for printing and reproduction requirements total \$447,500 for FY 2010.

Administrative support services include but are not limited to support in the areas of information management, logistics management, office assistance, human resources support, operations management, project management, and security management. Estimated expenditures for administrative support services requirements total \$783,744 for FY 2010.

To meet its legislative requirement to provide quarterly reports to the U.S. Congress and the Secretaries of State and Defense every quarter and publish about 50 audit and Inspections Reports annually, SIGAR will enter into contractual agreements with the private sector to provide qualified consultants and subject matter experts. SIGAR estimates the expenditures for professional consultant services requirements will be \$2.6 million for FY 2010. Additionally, all quarterly reports will be translated into Pashto and Dari, the official languages of Afghanistan, and made available through SIGAR's official website and in hard copy publication. SIGAR will require \$360,000 for report translation services requirements in FY 2010.

SIGAR will require nine interpreters in Afghanistan, (six in Kabul, one in Bagram, and two in Kandahar) via government contracts with foreign nationals over a 12-month period at an estimated cost of \$299,421.

In the interest of public service, employees will attend training to develop additional skills and knowledge to help them improve in their performance of official duties. Training will also allow employees to maintain professional certifications necessary to the performance of their duties. Further, employees deploying to Afghanistan for a period of longer than 30 days are required by the State Department to attend a five-day Foreign Affairs Counter Threat (FACT) training course. Estimated costs for Government employees training requirements total \$135,000 for FY 2010.

Per SIGAR's request, the Secretary of the Army provides necessary support to SIGAR, including functional support, in some cases on a non-reimbursable basis. This includes but is not limited to the following functions: administration, logistics, acquisition and contracting, financial management, human resources, information technology, deployment, and security. Support provided by the Secretary of the Army does not affect the Inspector General's statutory authority and independence over budget, legal, management control (policy), auditing, inspection, and investigative missions, administration, logistics, acquisition and contracting, financial management, human resources (including ultimate hiring and pay-setting authority), information technology, deployment, and security decisions. Reimbursements for Army support will require \$548,163.

SIGAR's deployed employees will require administrative services available through the ICASS program. Such services include but are not limited to, motor pool operations and vehicle maintenance, travel services, reproduction services, mail and messenger services, information management, reception and telephone system services, purchases and contracting, personnel management, cashiering, vouchering, accounting, budget preparation, non-residential

## OFFICE OF INSPECTOR GENERAL

security guard services, and building operations. SIGAR has selected services appropriate for its operational requirements at an estimated cost of \$1.25 million.

SIGAR makes regular purchases of general office supplies required for the administration of the office. Supply purchases include but are not limited to items such as pencils, pens, paper, calendar pads, envelopes, file folders, publications, and information technology supplies and materials. Estimated supplies and materials requirements are \$192,000 for FY 2010.

SIGAR will purchase various weapons and ammunition for qualified Investigators and other designated personnel operating in Afghanistan and/or other designated location. Estimated expenditures for weapons and ammunitions requirements are \$45,000 for FY 2010.

Afghanistan continues to be a dangerous place to travel. Travelers face a strong risk of kidnapping, violent crime and suicide attacks across the country. In order to provide a reasonable safeguard against such risks, SIGAR must purchase four armored vehicles through the U.S. Embassy in Kabul at an estimated cost of \$600,000.

SIGAR's FY 2010 budget request also includes \$55,200 to support the Council of the Inspectors General on Integrity and Efficiency, consistent with the Inspector General Reform Act of 2008.

## OFFICE OF INSPECTOR GENERAL

### *Special Inspector General for Iraq Reconstruction (SIGIR) Justification of Request*

SIGIR operates under the authority of Public Law 108-106, section 3001 (as amended). The FY 2010 budget request of \$30 million will cover operating expenses for the conduct of audits, inspections, and investigations "of the treatment, handling, and expenditures of amounts appropriated or otherwise made available for the reconstruction of Iraq and ... the programs, operations, and contracts carried out utilizing such funds." In addition, SIGIR will also continue to provide information and analysis on Iraq reconstruction, primarily in the form of mandated Quarterly Reports, to the Congress, the Secretaries of Defense and State, and the American people.

SIGIR's FY 2010 work will provide oversight of programs funded from appropriations, without regard to the agency which expends them, for the Economic Support Fund, the Iraq Security Forces Fund, and the Commander's Emergency Response Program, among other funding sources. SIGIR will focus efforts in three broad areas:

- Improving business practices and accountability in managing contracts and grants associated with the reconstruction of Iraq;
- Assessing and strengthening economy, efficiency and effectiveness of programs and operations designed to facilitate the reconstruction of Iraq; and
- Providing for independent and objective leadership and coordination of, and recommendations on policies designed to address problems and deficiencies in reconstruction efforts in Iraq.

SIGIR has a statutory mandate to prepare a final forensic report for all amounts appropriated or otherwise made available for Iraq reconstruction. SIGIR forensic cells, combining audit and investigative expertise, have been created to identify indicators of fraud, waste and abuse. This work may produce investigatory leads and identify weaknesses in financial reporting and disbursement systems. As part of the work plan for FY 2010, computer data mining techniques will be applied to financial records from each of the major Iraq reconstruction funds from 2003 to 2009. This data mining effort will provide key input to SIGIR's final forensic audit report.

SIGIR's FY 2010 request includes \$21.3 million for 70 US- and 28 Iraq-based positions. This amount includes entitlements associated with duty in Iraq. Of the 70 US-based positions, 42 are auditors, investigators, and inspectors. The remaining 28 positions include management, Quarterly Report staff, human resources, procurement, budget, information technology, general counsel, and congressional/public affairs. Of the 28 Iraq-based positions, 26 consist of auditors, investigators, and inspectors. The remaining two positions include operational support.

Also included in the request is \$646,000 for travel. This includes travel related to 28 Iraq-based and 12 Washington, DC-based employees who rotate on 30 to 60 day assignments within Iraq or who travel in the U.S. and to other locations in support of investigations and audits, in addition to training.

SIGIR requires office space in the Washington metropolitan area as well as information technology (supporting among other things a robust website with more than 25,000 pages of information) and communication services. SIGIR's request includes \$2 million for rent, communications, and utilities.

SIGIR contracts for Quarterly Report production/printing support and document imaging/data processing services associated with its investigative efforts. SIGIR's request includes \$383,000 for these services.

SIGIR also engages the private sector to provide support in two other areas: administrative support services and operational (professional/technical) support, including complex computer matching and data mining support. SIGIR's request includes \$5.4 million for these services. This amount has steadily declined over the years as SIGIR has transferred functions that were formerly contracted-out to government employees.

SIGIR's FY 2010 budget request also includes \$72,000 to support the Council of the Inspectors General on Integrity and Efficiency, consistent with the Inspector General Reform Act of 2008.

## OFFICE OF INSPECTOR GENERAL

### *Funds by Program Activity*

(\$ in thousands)

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Administration and Staff Activities	10,967	13,318	11,923	(1,395)
Inspections, Audits, Investigations	25,901	36,918	33,050	(3,868)
Policy Formulation	1,865	2,265	2,027	(238)
SIGAR Activities	11,000	12,200	23,000	10,800
SIGIR Activities	2,500	36,500	30,000	(6,500)
<b>Total</b>	<b>52,233</b>	<b>101,201</b>	<b>100,000</b>	<b>(1,201)</b>

### *Funds by Object Class*

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
1100 Personnel Compensation	30,875	61,595	59,792	(1,803)
1200 Personnel Benefits	8,568	13,170	12,198	(972)
2100 Travel & Trans of Persons	4,769	7,541	7,550	9
2300 Rents, Comm & Utilities	1,277	3,561	3,586	25
2400 Printing & Reproduction	711	1,095	1,238	143
2500 Other Services	4,910	12,356	13,939	1,583
2600 Supplies and Materials	1,009	1,266	1,144	(122)
3100 Personal Property	114	617	553	(64)
<b>Total</b>	<b>52,233</b>	<b>101,201</b>	<b>100,000</b>	<b>(1,201)</b>

## **EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS**

## Proposed Appropriation Language

### EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized, [~~\$538,000,000~~] \$633,243,000, to remain available until expended: *Provided*, That not to exceed \$5,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, educational advising and counseling programs, and exchange visitor programs as authorized. (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

# EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Positions	362	381	410	29
Funds	501,347	538,000	633,243	95,243

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

### *Overview*

The Educational and Cultural Exchanges (ECE) programs foster engagement and encourage dialogue with citizens around the world, particularly with key influencers, such as educators, clerics, journalists, women, artists, and youth. In supporting educational and professional exchange programs that promote mutual understanding between the people of the United States and other countries, the Bureau of Educational and Cultural Affairs (ECA) advances the Department's mission of creating a more secure, democratic and prosperous world. ECA programs inform, educate, influence, and connect participants across strategic sectors of society, increasing the number of individuals who have first-hand experience with Americans, and the values of freedom, representative government, rule of law, economic choice, and individual dignity. ECA programs build capacity among Americans to be more competitive and engaged global citizens.

Over 300 current and former heads of state and government are alumni of ECA programs – one reflection of the tremendous opportunity the Department has to reach the leaders of tomorrow and expose them to democratic values. ECA program evaluations confirm the power of exchanges to open minds and societies to democratic ideals. In FY 2010, ECA will expand its engagement with young people and other key influencers, using a combination of proven exchange models and innovative new programs. More specifically, ECA will continue to advance alumni programs; support the Partnership for Latin American Youth; expand the number of emerging leaders who travel to the U.S.; extend English language programs to more disadvantaged students, host country universities, and overseas teachers of English; and grow its youth programs to foster leadership skills and mutual understanding. The ECE program has four program activities: Academic Programs, Professional and Cultural Exchanges, Program and Performance, and Exchanges Support.

### *Program Description*

#### **Academic Programs**

Academic Programs serve to broaden cooperation between Americans, American institutions, and their counterparts overseas through academic study and professional activities. These programs include exchanges for U.S. and foreign citizens: the J. William Fulbright Scholarship Program for the exchange of scholars, students, and teachers; the Hubert H. Humphrey Fellowships for mid-career professionals from developing nations (a Fulbright activity); and the Benjamin Gilman program for American undergraduates with financial need to study abroad. Other Academic Programs involve bringing foreign participants to the United States; English language programming abroad; English Access Microscholarships for underserved populations; U.S. overseas educational advising centers; U.S. studies programs designed to promote better foreign understanding of the United States; and exchanges involving specially targeted teachers, graduate students, and postdoctoral scholars.

#### **Professional and Cultural Exchanges Programs**

The Bureau's Professional and Cultural Exchanges include the International Visitor Leadership Program (IVLP) and the Citizen Exchanges Program (CE). IVLP provides opportunities for current and emerging foreign opinion makers to gain firsthand knowledge about U.S. policies, politics, society and culture. The Citizen Exchanges Program unites an extensive network of U.S. private sector and non-governmental organizations and U.S. professional experts to perform professional, youth, cultural, and sports programs. Alumni of professional programs include many prominent leaders around the world in a wide range of fields who have a multiplier effect within their own societies.

Professional exchanges increase understanding of and appreciation for U.S. foreign policy goals by foreign decision-

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

makers, opinion leaders and broader publics, and allow Americans to share their expertise and broaden U.S. participation in global issues and events. Cultural programs are particularly effective in providing a means to engage with audiences that might otherwise be hostile to American views. Youth and sports programs open young minds to American perspectives on a range of issues and develop leadership skills and a sense of citizen responsibility toward community.

### Program and Performance

Program and Performance includes funding for several functions vital to the success of ECA's mission. The Evaluation division monitors and evaluates the impact of Bureau programs, earning OMB's highest rating for effectiveness, and providing policy makers with relevant, timely and actionable information. The Office of Alumni Affairs works to establish and maintain productive engagement with ECA's nearly 1,000,000 alumni worldwide, creating enduring links to these individuals with first-hand experience of America and Americans. The Cultural Heritage Center provides government-wide leadership in the area of cultural heritage and preservation, one of the most effective and rapidly expanding areas of public diplomacy.

### Exchanges Support

Exchanges Support includes funding for employee compensation and benefits for domestic staff and Regional English Language Officers (RELOs) abroad, as well as program direction and administration. It also includes the costs related to implementing USG exchanges coordination and the Convention on Cultural Property Implementation Act. The Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training (IAWG) works to improve the coordination, efficiency, and effectiveness of the 15 Federal departments and nearly 50 independent U.S. Government agencies that sponsor international exchanges and training. IAWG staff serves as an information clearinghouse, conducting research, data collection, analysis and reporting on international exchanges and training government-wide, and works to improve their coordination.

Exchanges Support administers ECA's Exchange Visitor Program Designation and its Grants Management activities. ECA designates U.S. organizations to administer exchange programs using the "J-visa" category. This program enables designated organizations to facilitate the entry of foreign nationals to the United States temporarily for participation in a variety of exchange programs. These programs include academic, government, foreign medical graduates, trainees, camp counselors, summer work/travel and au pairs. In addition, in FY 2008, Exchanges Support managed, monitored, or executed approximately 1,100 ongoing and new grants to U.S. cooperating private institutions. This included cooperative agreements and grant actions totaling approximately \$390,000,000, including the competitive review of approximately 550 proposals for new grants, the award of approximately 220 new grants, and approximately 160 amendments to existing grants.

### Performance

Bureau of Educational and Cultural Affairs (ECA) programs annually involve more than 40,000 U.S. and foreign exchange participants in over 180 countries. The following measure was selected to underscore the importance of long-term engagement with these key individuals. Smart power dictates that ECA support the efforts of its nearly one million exchange alumni to apply in their home countries and communities the learning and skills they acquired during their programs. This provides substantial return on investment and sustains a dialogue with individuals around the world who have first-hand knowledge of the United States.

STRATEGIC GOAL: PROMOTING INTERNATIONAL UNDERSTANDING								
Strategic Priority: Nurture Common Interests and Values								
Indicator	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Number of alumni.state.gov registrants.	Indicator established in 2006.	25,329	29,448	32,293	35,141	Above Target	38,624	42,486

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Reasons for Exceeding Target	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.
Impact	Continued efforts to engage with ECA's nearly one million exchange alumni and to support their efforts to implement the concepts they explored during their programs enables the continuation of an on-going dialogue on key issues with and among alumni. Alumni engagement also facilitates the long-term evaluation of Department programs.
Data Source and Quality	ECA's Alumni Affairs Office manages a website to promote alumni engagement.

Educational and cultural programs lead directly to greater knowledge and understanding of the United States and the American people. Greater understanding helps build a foundation of trust upon which policy makers can then establish bilateral and multilateral agreements. ECA's outreach to official figures of influence as well as expanded exchanges with youth, non-elites, religious and ethnic minorities and women, results in more accurate and informed perceptions of the United States. This measure demonstrates ECA's advancement of its mission to increase mutual understanding and develop friendly and peaceful relations.

<b>STRATEGIC GOAL: PROMOTING INTERNATIONAL UNDERSTANDING</b>								
<b>Strategic Priority: Nurture Common Interests and Values</b>								
Indicator	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Percentage of participants who increased or changed their understanding of the United States immediately following their program.	95 percent	92 percent	93 percent	93 percent	95 percent	Above Target	95 percent	95 percent
Reasons for Exceeding Target	Data not yet available							
Impact	The following indicator measures the level by which participation in public diplomacy programs engages international audiences on issues of foreign policy, society and values to create an environment receptive to U.S. national interests.							
Data Source and Quality	An assessment survey is administered at the beginning and end of each program. Capturing data on attitudinal change is difficult and sometimes reflects world events not related to an exchange experience.							

### *Justification of Request*

The FY 2010 request of \$633,243,000 will strengthen the exchanges component of public diplomacy by raising the number of participants in programs of proven value and creating new opportunities to engage, educate, and empower foreign and American participants. ECA is requesting funds for twenty-seven new full-time permanent domestic positions, two new overseas American Regional English Language Officers, and other administrative costs to coordinate and implement the significant increase in programming efforts.

Social networking and other web-based media will allow ECA to more effectively magnify the impact of its exchange programs by reaching out and staying connected with alumni and broader audiences, especially young people, not accessible through exchange programs alone. The request will also support efforts to facilitate public/private partnerships with private industry in advancing ECA's mission of increasing mutual understanding. Effective public diplomacy today requires that the resources of the private sector and the resources of the U.S. Government work in tandem in very visible ways to attract attention to social conditions, invest in human potential and local capacity, foster civil society and strengthen bilateral relations.

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

### **Maintaining the Baseline (Current Services), \$10,800,000**

The FY 2010 current services request covers domestic and overseas inflation and other built-in costs required to maintain operating and performance levels. The request includes \$10,800,000 for domestic inflation, overseas inflation, annualization of the FY 2009 COLA, and the COLA increase for FY 2010 and cost increases that must be addressed to maintain established program levels.

### **Promote Alumni Activities – Outreach and Networking, \$4,609,000, 9 Positions**

In FY 2010, ECA will significantly expand initiatives to advance alumni programs. There are nearly one million ECA alumni around the world and expanding efforts to engage these individuals is critical to ECA's mission. The ability to stay engaged with exchange program alumni is invaluable in maintaining a dialogue with former participants on issues of common concern and in aiding alumni as they implement concepts explored during their exchange experience. Participation in exchange programs marks the beginning of an ongoing relationship between the participant and the U.S., promoting the power of alumni voices to amplify the message of their experience and institute positive changes in their own countries.

This request will implement a number of activities to support ECA alumni. It supports specially targeted regional alumni training conference workshops that will sustain and develop alumni as "change agents" with a focus on building networks, leadership, alumni association development and community outreach. It will enhance ECA's current alumni project competition to include a special focus on embassies and alumni that are interested in starting a new alumni association or reenergizing an existing alumni association. ECA will increase the number of alumni coordinators who track, connect, and develop alumni communities for the individuals who have participated in the Department's exchange programs, and expand the scope and sophistication of the content of ECA's web-based community. This effort not only supports the expansion of ECA's Alumni website and social networking capabilities, it also intensifies efforts to reach alumni on other platforms, such as Facebook, and new emerging sites. The creation of additional sub-communities with specialized sections for alumni, based on programs, themes, languages or countries, strengthens ECA's reach and contact with more alumni, particularly those with limited English language skills. The Office of Alumni seeks funding for two new positions to ensure continuity and sustainability of this program.

The Office of Academic Programs requires funding for three new positions to increase alumni coordination and engagement. The first will work with U.S. and foreign Fulbright, and other academic alumni to magnify the impact of the exchanges. The second will allow ECA to establish a high level position to represent the U.S. on international higher education issues at UNESCO, the OECD and other multi-lateral fora. This position will work with other relevant Department elements and overseas missions to develop proactive approaches that represent the strengths of the U.S. higher education system. The third will support posts on the development of new exchanges and management of on-going programs, providing training and maximizing the quality of programs.

The Office of Professional and Cultural Exchanges requests funding for two new positions, one to serve as an alumni liaison manager and one coordinator to oversee the implementation, coordination, and administrative support for alumni programming. The alumni manager and the coordinator will develop and implement a comprehensive strategic plan for alumni activities and promote ECA supported websites, social networking platforms, and the State Alumni website through presentations to partner NGOs.

Participation in ECA exchange programs marks the beginning of an enduring relationship between the participant and the U.S. To sustain and encourage an active, continual relationship ECA will leverage advances in social media to connect like-minded people through the web. Launching the enhanced social networking platform in FY 2010 will solidify this connection. ECA requests funds to support social networking activities that allow participants to form communities that promote mutual international understanding through the sharing of their exchange experiences with the global web community in real time. Social networking is the logical next phase of accomplishing ECA's mandate to build mutual understanding.

In FY 2010, ECA will make connecting people online the focal point of innovative new programs as well as greatly expand the capabilities of traditional programs through emerging forms of communication and community-building. For example:

- Conducting on-line regional and global networking events, and selecting the most talented participants to

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

come to the U. S. to sustain and deepen the exchange experience.

- Establishing a permanent presence on a variety of web online platforms, including virtual worlds, social networking sites, video sharing sites, and ECA's State Alumni site, allowing engagement in a way that is far beyond the capacity of current websites.

The request supports one onsite contractor to manage content production (video, blogs, online and virtual world events); collect and manage content produced by ECA's web audience; maintain online communities and provide software and hardware support for onsite contractors, web design and development, and social networking exchange visitors. ECA seeks funding for two new positions to support these web activities.

ECA's programs annually involve more than 40,000 U.S. and foreign exchange participants in over 180 countries. Continued efforts to engage with nearly one million alumni and to support their efforts to implement the concepts they explored during their program enables the continuation of an on-going dialogue on key issues, and maintains relationships and ideals of mutual understanding. Alumni engagement facilitates the long-term evaluation of Department programs. The FY 2010 request will stimulate the development of alumni communities, expand the scope of alumni initiatives, and enhance the global web community. The number of registered members of ECA's Alumni Web Community is increasing at more than 10 percent a year. Current membership exceeds 35,000 and additional funding will allow ECA to achieve its FY 2010 target of over 42,000.

### **Partnership for Latin American Youth, \$12,000,000, 3 Positions**

In support of our major education initiative for the Western Hemisphere, ECA will conduct the following programs: Study at U.S. Community Colleges - providing funds for non-elite students from the Western Hemisphere for one year of study; English Access Microscholarship Program -awarding two-year microscholarships to study English for young people from marginalized communities; Opportunity Grants - allowing economically disadvantaged students an opportunity to come to the U.S. for study by awarding small scholarships to cover application costs; and the Study of the U.S. Institutes for Undergraduate Student Leaders - supporting four to five-week educational programs to bring disadvantaged undergraduate student leaders, including women, to the U.S. The Office of Academic Programs requests funding for three new positions to coordinate and implement this continued support of Latin American youth.

Encouraging youth from various nations to see first hand the true nature of the multicultural society in America has a positive impact on reducing ideologies of extremism that threaten regional security. The Department's request to support the Partnership for Latin American Youth increases opportunities for at-risk youth to gain knowledge and understanding of American Society. Between FY 2003 and FY 2007, 89 percent of ECA participants reported a more favorable view of the people of the United States within one year after their exchange experience. The FY 2010 funding level allows ECA to impact an additional 2,020 youths in Latin America.

### **International Visitor Leadership Program (IVLP), \$12,000,000, 4 Positions**

Each year, more than 4,000 emerging leaders from over 180 countries participate in the IVLP. Almost 300 current and former heads of state and government are alumni of IVLP programs. U.S. missions worldwide are requesting an increase in IVLP funding in FY 2010 to help achieve their top foreign policy priorities, including outreach to key influencers. These programs nurture civil society and mitigate conflict throughout the world, including Iraq, Iran and other priority countries. The Office of International Visitors requests funding for four new positions to accommodate the additional visitors.

ECA's primary strategy is to engender more positive attitudes toward and understanding of the United States and its democratic values and foster the healthy exchange of ideas. ECA's FY 2010 IVLP request will expand the number of participants by nearly 20 percent over FY 2009 levels for an estimate of 4,780 International Visitors. U.S. Embassies see these customized and tightly focused visits as the most effective of ECA's programs in terms of political impact. Given that there are so many alumni of IVLP programs, and that sixty current world leaders are IVLP alumni, this increase contributes to democratic growth and regional stability in unstable regions.

### **English Language and Youth Programs, \$41,910,000, 8 Positions**

#### **English Language Programs, \$20,000,000, 5 Positions**

In response to the worldwide demand for English language programs, the FY 2010 request significantly expands ECA's English programs to reach disadvantaged high school students, train teachers, and provide expert advice and support for host government English programs. The English Access Microscholarship program will increase the

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

number of scholarships for English classes for talented, economically disadvantaged high school students. The English Language Fellow Program will send more American educators with advanced degrees in teaching English as a foreign language to host country institutions for ten-month assignments. This increase allows ECA to expand the program activities worldwide so that it can respond fully to U.S. embassy requests and host country needs.

A new ECA English teaching and learning series will enhance our commitment to developing superior educational materials for both underserved and traditional audiences worldwide. This will be an innovative, multi-media learning and teaching tool developed in an integrated, modular way to incorporate appropriate technologies for diverse target groups. Web-based supplemental tools will enhance the core book and DVD components to promote maximum utilization. The series will have multiple proficiency levels with an emphasis on young learners. Where appropriate, ECA will pursue opportunities to develop and implement this activity in cooperation with academic and other private sector partners. This request also includes start-up costs to establish two new RELO positions to carry out English language programs in East Asia and in Western Europe with a focus on minority populations. The Office of English Language Programs also requests funding for three new domestic positions to coordinate and implement these English Language Program increases.

The ability to speak and understand English is a cornerstone to gaining an understanding of America's belief in freedom, justice, opportunity, and respect for all. Increased funding will allow ECA to expand English Access Microscholarships so that it includes more than 6,000 new students from underserved populations worldwide. In a study of more than two dozen Access schools in 2006, 87.5 percent of Access students reported a more favorable view of the American people due to their participation in the Access program, and 90 percent support democratic principles, including rule of law, equal rights under the law, the importance of voting, and free and fair elections. Thus, by increasing the number of young people who speak and understand English, ECA increases communication and access to information, sharing democratic ideals, and broadening the pool of future candidates for its exchange programs.

### **Youth Programs, \$21,910,000, 3 Positions**

ECA will expand the various Youth Programs within the Office of Citizen Exchanges (CE) including: the Youth Exchange and Study Program; Global Youth Study Initiative for disadvantaged high school students in emerging democracies; Youth Exchange and Study Americans Abroad program; U.S.-Poland Parliamentary Youth Exchange Program; Youth Leadership Programs; and the Congress-Bundestag Youth Exchange. CE activities reach significant populations of high school students in a multitude of countries, including the U.S. This request supports the expansion of programs with proven track records in identifying and shaping this generation, linking them with American counterparts, and creating a firm foundation for long-lasting partnerships between the U.S. and other countries. The increase will support three new positions in the Office of Professional and Cultural Exchanges.

The following CE programs will be initiated and expanded with increased funding:

- The Youth Exchange and Study (YES) program will cover increased cost for additional students, including international and domestic travel, and rising recruitment and placement costs;
- The new Global Youth Study Initiative will support academic semester or year-long program for disadvantaged high school students in emerging democracies and/or nations of strategic priority;
- The Future Leaders Exchange (FLEX) program will cover rising costs for international and domestic travel, as well as costs for participant recruitment and placement, and to work to ensure support for approximately 1,200 FLEX students per year;
- The Youth Leadership Programs (YLP) will expand the current, limited focus of the YLP and bring aspiring youth leaders from around the globe to the United States to take part in projects of 4-6 week duration focused on respect for cultural and religious diversity, entrepreneurship, science and technology, and community service;
- The new American Youth Leadership Program (A-YLP) will send Americans abroad to take part in projects of 4-6 weeks' duration to gain first-hand knowledge of foreign cultures and collaborate on solving global issues, and focus on leadership development, conflict resolution, and community service; and
- The Congress Bundestag Youth Exchange program will cover increased travel costs and administrative support for U.S. participants.

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

### All Other Activities (including Cultural and Professional Exchanges), \$13,924,000, 5 Positions

ECA will increase diversity, access and competitiveness in the Fulbright Program; expand participation in semester and one-year academic exchanges at U.S. colleges and universities by students from underserved and disadvantaged populations from sectors in Africa and the Western Hemisphere; expand opportunities for financially disadvantaged, ethnically diverse American undergraduates to study abroad; expose young political and NGO professionals with prior experience studying in the United States to the U.S. political process through four-to six-month internships in state legislatures and NGOs throughout the United States; increase our highly popular cultural and sports programs that reach diverse and disadvantaged populations; continue to expand ECA's statutorily mandated public-private partnership activities; better implement and monitor a growing number of cultural property bilateral agreements and manage the Ambassador's Fund for Cultural Preservation, and provide expertise and leadership on a broad range of international cultural heritage issues.

### *Funds by Program Activity*

(\$ in thousands)

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
<b>Academic Programs</b>	<b>288,929</b>	<b>311,727</b>	<b>357,416</b>	<b>45,689</b>
Fulbright Program	220,842	234,864	253,826	18,962
Students, Scholars, Teachers, Humphrey, Undergraduates	220,842	234,864	253,826	18,962
Global Academic Exchanges	28,289	38,293	63,115	24,822
Educational Advising and Student Services	10,586	12,043	12,908	865
English Language Programs	17,703	26,250	50,207	23,957
Special Academic Exchanges	39,798	38,570	40,475	1,905
Regional Graduate Fellowships	22,020	22,020	22,660	640
American Overseas Research Centers	3,785	4,000	4,145	145
South Pacific Exchanges	496	500	500	0
East Timor Exchanges	496	500	500	0
Disability Exchange Clearinghouse	496	500	500	0
Benjamin A. Gilman International Scholarship Program	5,810	7,200	10,420	3,220
George Mitchell Fellowship Program	496	500	500	0
University of Miami Hemispheric Program	496	500	500	0
Tibet Fund	744	750	750	0
One-Time Special Grant Competition	4,959	2,100	0	(2,100)
<b>Professional and Cultural Exchanges</b>	<b>160,413</b>	<b>168,251</b>	<b>208,872</b>	<b>40,621</b>
International Visitor Leadership Program	77,621	79,211	96,308	17,097
International Visitor Leadership Program	77,621	79,211	96,308	17,097
Citizen Exchange Program	70,088	77,377	103,805	26,428
Professional/Cultural/Youth	70,088	77,377	103,805	26,428
Special Professional and Cultural Exchanges	12,704	11,663	8,759	(2,904)
One-Time Special Grant Competition	4,958	3,900	0	(3,900)
Congress-Bundestag Youth Exchange Program	3,230	3,230	4,166	936
Mike Mansfield Fellowship Program	1,862	1,862	1,902	40
Institute for Representative Government	496	496	496	0
Irish Institute	992	1,000	1,020	20
Youth Science Leadership Institute of the Americas	149	150	150	0
Ngwang Choephel Fellows (Tibet)	645	650	650	0

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Pakistan Literacy Training	372	375	375	0
<b>Program and Performance</b>	<b>3,144</b>	<b>3,145</b>	<b>6,374</b>	<b>3,229</b>
Evaluation	1,894	1,895	1,939	44
Evaluation	1,894	1,895	1,939	44
Alumni	1,250	1,250	4,185	2,935
Alumni	1,250	1,250	4,185	2,935
Social Networking	0	0	250	250
<b>Exchanges Support</b>	<b>48,861</b>	<b>54,877</b>	<b>60,581</b>	<b>5,704</b>
Exchanges Support	48,861	54,877	60,581	5,704
Exchanges Support	48,861	54,877	60,581	5,704
<b>Total</b>	<b>501,347</b>	<b>538,000</b>	<b>633,243</b>	<b>95,243</b>

### *Funds by Object Class*

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
1100 Personnel Compensation	31,708	34,708	38,043	3,335
1200 Personnel Benefits	8,062	9,062	10,034	972
2100 Travel & Trans of Persons	1,593	1,825	2,023	198
2200 Transportation of Things	299	340	354	14
2300 Rents, Comm & Utilities	875	1,007	1,025	18
2400 Printing & Reproduction	602	699	702	3
2500 Other Services	17,769	20,824	21,409	585
2600 Supplies and Materials	440	506	510	4
3100 Personal Property	39	45	54	9
4100 Grants, Subsidies & Contributions	439,960	468,984	559,089	90,105
<b>Total</b>	<b>501,347</b>	<b>538,000</b>	<b>633,243</b>	<b>95,243</b>

## **REPRESENTATION ALLOWANCES**

## Proposed Appropriation Language

### REPRESENTATION ALLOWANCES

For representation allowances as authorized, [\$8,175,000] \$8,175,000. (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

# REPRESENTATION ALLOWANCES

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Funds	8,109	8,175	8,175	0

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

### *Overview*

Pursuant to Section 905 of the Foreign Service Act of 1980, as amended, Representation Allowances permit Ambassadors, Principal Officers at constituent posts, and other Foreign Service officers with vital contacts in the host country, to obtain partial reimbursement of costs incurred for official representation. These official contacts help establish and maintain close personal ties with local government officials and influential private citizens who have expertise in the fields of politics, economics, business, journalism, labor, and science. Representational functions are vehicles to convey U.S. foreign policy goals and objectives and to gather information central to the formulation of U.S. bilateral and multilateral policies.

Representation is vital to the Department's foreign policy objectives of advancing its economic interests, and maintaining national security interests. In addition to the normal bilateral events, the Department concentrates on representational activities that support U.S. positions on trade issues associated with the European Union (EU), Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), Central American Free Trade Agreement (CAFTA), Free Trade of the Americas (FTAA), African Growth and Opportunity Acts (AGOA) and the North American Free Trade Agreement (NAFTA).

### *Program Description*

The central feature of representational activities continues to be the promotion of American interests through the establishment and maintenance of solid working relationships with, and the gathering of information from, foreign officials and representatives. Funding is also used to promote economic activities through strengthening relationships among individuals (e.g., business and labor leaders) who perform duties such as trade promotion; protection of American business interests; economic, commercial, and labor reporting; and negotiations. Representation funding is also required for adherence to certain protocols or traditions that must be observed, such as the installation or inauguration of national leaders, recognition of deaths or marriages of prominent citizens, and presentation of credentials to heads of state.

### *Justification of Request*

Funds requested for FY 2010 will continue support of U.S. national interests, economic activities, and other diplomatic functions at the more than 260 embassies, missions, and consulates worldwide. With the requested amount of \$8.2 million, the Department will stage appropriate representational events and apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests.

## REPRESENTATION ALLOWANCES

For example, missions in nations with Muslim populations often strengthen communication with the Muslim community through the hosting of annual Iftar dinners, to break the fast during the Islamic holy month of Ramadan. By hosting these Iftar dinners, Ambassadors and other mission officials are able to demonstrate tangible evidence of U.S. openness toward the Islamic faith and religious freedoms supported by the people of the United States. Many posts have reported that the events have given the mission excellent access to the Muslim community, and efforts in this respect have repeatedly resulted in very positive press.

Worldwide, missions also traditionally host Election Day/Night events to explain the U.S. election process and provide real-time election results to local news media and interested host-government officials and populations. These events foster discussions of political and social issues which provide a platform for advancing U.S. foreign policy.

Use of representation funds also facilitates less formal meetings and events that often serve to bring together diverse ethnic and religious groups and promote key U.S. pro-democracy objectives. For example in Burma, despite the military regime's attempts to keep its diverse population divided, representational events and informal roundtables have allowed a variety of ethnic and religious leaders to engage in dialogue about Burma's future and its path toward democracy.

Representation events can help foster relationships to promote U.S. interests, and can also be used to even more directly advance U.S. foreign policy. As an example, events hosted in Abidjan successfully paved the way for compromise in the implementation of programs that allow the Government of Cote d'Ivoire to meet the Harkin-Engle Protocols, which required that the cocoa region be almost free of child labor or child slavery by July 2008. A similar event pushed the cashew industry to develop a way forward to meet and expand their value added production goals which promotes prosperity.

### *Funds by Program Activity*

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Commemorative and Ceremonial Requirements	277	277	277	0
Promotion of Economic Activities	610	608	608	0
Promotion of U.S. Citizens' Interests	210	214	214	0
Promotion of U.S. National Interests	5,207	5,217	5,217	0
Public Diplomacy	1,805	1,859	1,859	0
<b>Total</b>	<b>8,109</b>	<b>8,175</b>	<b>8,175</b>	<b>0</b>

### *Public Diplomacy*

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2010 Request	0	0	1,859	0

## REPRESENTATION ALLOWANCES

Activities under Public Diplomacy aim to garner understanding and support for U.S. policies and values through interactions with influential individuals and organizations. Functions that include the local media, key political elites, academics, and members of non-governmental organizations are designed to assess the overseas public affairs climate and convey and reinforce acceptance of U.S. policies and values. These activities promote peaceful relations between the U.S. and other countries by fostering mutual understanding through academic, professional, and cultural activities.

### *Promotion of U.S. National Interests*

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2010 Request	0	0	5,217	0

Strengthening contacts with foreign officials, prominent citizens, and long-term residents who are knowledgeable in various fields enables Foreign Service officers to promote U.S. national interests more effectively. The majority of official representational expenditures are for receptions, small working luncheons, and informal dinners that help to establish and maintain personal relationships, and to reciprocate courtesies previously extended. These relationships permit officers to gather information used to report trends, policies and opinions abroad, to conduct negotiations, and to present or further the acceptance of American policies or viewpoints.

### *Promotion of U.S. Citizens' Interests*

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2010 Request	0	0	214	0

Establishing relationships with foreign officials in the country of their assignment allows Foreign Service officers to serve citizens' interests more responsively. Knowing the right people on an immediate basis can help them extend visa and immigration assistance, provide police and prison liaison, solve citizenship and related problems, arrange transportation of effects in the case of death, and arrange transportation and subsistence for destitute Americans overseas. Personal relationships are also important in developing and testing emergency plans, as well as dealing with the actual event of a natural disaster or act of terrorism.

## REPRESENTATION ALLOWANCES

### *Promotion of Economic Activities*

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2010 Request	0	0	608	0

Foreign Service officers meet with foreign and American officials, business representatives, labor leaders, academics, and other individuals involved in production and trade investment in the country or district of their assignment. These contacts help them to perform duties of an economic nature (such as trade promotion, protection of American business interests, and economic, commercial and labor reporting) and conduct negotiations related to these activities.

### *Commemorative and Ceremonial Requirements*

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2010 Request	0	0	277	0

Ambassadors, Charges d'Affaires, and their representatives are frequently called upon to participate in ceremonial or commemorative occasions such as national days, installations or inaugurations of national leaders, deaths or marriages of prominent citizens, and presentation of credentials to heads of state. On these occasions certain protocols or traditions (such as the presentation of a wreath, flowers, or other articles) must be observed. Foreign Service officers overseas are also responsible for the presentation of visiting noted personages and personnel of visiting U.S. naval vessels and special U.S. Government aircraft to local leaders.

### *Funds by Object Class*

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
2500 Other Services	8,109	8,175	8,175	0
<b>Total</b>	<b>8,109</b>	<b>8,175</b>	<b>8,175</b>	<b>0</b>

## **BUYING POWER MAINTENANCE ACCOUNT**

## Proposed Appropriation Language

### BUYING POWER MAINTENANCE ACCOUNT

To offset adverse fluctuations in foreign currency exchange rates and/or overseas wage and price changes, as authorized by section 24(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(b)), [\$5,000,000] \$10,000,000, to remain available until expended. (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

# BUYING POWER MAINTENANCE ACCOUNT

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Funds	0	5,000	10,000	5,000

### *Overview*

The Buying Power Maintenance Account (BPMA) is authorized under section 24 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696). The BPMA is intended to offset adverse fluctuations in foreign currency exchange rates or overseas wage and price changes.

Adverse exchange rate fluctuations erode the Department's buying power overseas, causing potential operating deficits. Funds may be transferred from this account to other accounts under the heading "Administration of Foreign Affairs" to maintain planned levels of activity. Managing factors include the ability to absorb exchange rate losses within the current year financial plan, offsetting gains in other parts of the world, and the balances available versus projections of exchange rate fluctuations in the current and the budget year. Decisions to transfer exchange rate gains from other accounts under the heading "Administration of Foreign Affairs" into the BPMA are made on a similar basis.

### *Justification of Request*

Historically, the BPMA was capitalized at a level of over \$20 million in the mid-1980s, and balances were depleted in subsequent years due to the decline in the value of the dollar against the currencies of virtually every major industrialized country. From FY 1997 through FY 2002, the Department built the fund back up to \$16.7 million through exchange rate gains and the transfer of balances from the former USIA Buying Power Maintenance Account. However, because of significant worldwide losses in the value of the dollar in FY 2003 and FY 2004, the BPMA account was drawn down to zero by the end of FY 2004.

In Fiscal Year 2008, the Department received authority to transfer \$26 million from the D&CP appropriation in the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28) to the BPMA, in accordance with section 1408 of the Supplemental Appropriations Act, 2008 (P.L. 110-252). These funds were transferred in FY 2008 to the D&CP appropriation to offset \$37.9 million in cumulative exchange rate losses as of August 2008.

The FY 2010 request anticipates total resources of \$20 million in the BPMA for potential exchange rate losses based upon average annual exchange rate losses sustained by D&CP since FY 2003. Of this amount, \$10 million is requested as new budget authority. The Department anticipates that an additional \$10 million in expired FY 2009 balances will be transferred into the BPMA in FY 2010. Section 24(b)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(b)(7)), as amended, authorizes the Department to transfer expired unobligated balances, from FY 2009 forward, from other accounts under the heading "Administration of Foreign Affairs" into the BPMA. Such transfers may not increase the balance of the BPMA above

## **BUYING POWER MAINTENANCE ACCOUNT**

\$100 million. While the actual extent of exchange rate gains and losses in FY2009 and FY 2010 is yet unknown, BPMA funding will mitigate the potential impact of any losses on FY2010 operations.

## **PROTECTION OF FOREIGN MISSIONS AND OFFICIALS**

## Proposed Appropriation Language

### PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services, as authorized, [~~\$22,814,000~~] \$27,159,000, to remain available until September 30, [2010] 2011. (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

# PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Funds	22,814	22,814	27,159	4,345

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

### *Overview*

The Bureau of Diplomatic Security administers the Department's two programs for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries (under certain circumstances) throughout the United States. These programs are the Extraordinary Protection of International Organizations, Foreign Missions, and Officials in New York, and the Extraordinary Protection of International Organizations, Foreign Missions, and Officials Elsewhere in the United States.

These programs fulfill the U.S. Government's obligations under the Vienna Convention on Diplomatic Relations and other international treaties to ensure reasonable security for foreign missions and officials in the United States. When the required level of protection exceeds that which local law enforcement authorities can reasonably be expected to provide to foreign missions and officials, international organizations, or certain visiting dignitaries, the Department is authorized to reimburse other federal agencies or state or local authorities for extraordinary protective services provided or to contract with private security firms to provide such services.

Examples of ongoing protective activities funded by these programs include:

- Permanent protection for certain foreign missions, consulates, and chanceries throughout the United States;
- Intermittent protection for certain other consulates in the United States;
- Protection for foreign officials and certain other distinguished foreign visitors during the annual meeting of the United Nations General Assembly; and
- Protection of foreign government officials while visiting metropolitan areas where there are multiple full-time consular or diplomatic missions, when these officials are in the United States to conduct official business with the U.S. Government.

The Vienna Convention and other international treaties require that host governments ensure reasonable security for foreign missions and officials. The events of September 11, 2001 dramatically changed the requirements for the protection of foreign missions and related personnel in the United States, especially with respect to additional protection and specialized training and equipment.

### *Program Description*

The program for *Extraordinary Protection of International Organizations, Foreign Missions, and Officials in New York* funds the special security requirements of diplomatic delegations and

## PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

officials within New York City, including those accredited to the United Nations and other international organizations, and visiting foreign dignitaries under certain circumstances.

The program for *Extraordinary Protection of International Organizations, Foreign Missions, and Officials Elsewhere in the United States* funds the special security requirements of diplomatic delegations and officials and visiting foreign dignitaries under certain circumstances throughout the rest of the United States.

### *Justification of Request*

The activities managed by this program are used by the U.S. Government to fulfill its obligations under Article 22 (2) of the Vienna Convention and other international treaties to take all appropriate steps to ensure that security is provided to foreign missions and officials in the United States. The Department will provide, as appropriate, extraordinary protection to foreign missions and officials in the United States.

The Department requests sufficient funds to reimburse the New York Police Department for providing security protection to diplomatic delegations to the United Nations and other international organizations. The City of New York has stated that \$16 million would be required annually to provide adequate reimbursement under the terms of the cooperative agreement.

This demonstrated commitment to the safety of foreign dignitaries residing in and visiting the United States will also ensure that U.S. diplomats and government officials receive reciprocal treatment when residing or traveling abroad.

### *Funds by Program Activity*

(\$ in thousands)

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
<b>Extraordinary Protection of Foreign Missions/Officials New York</b>	<b>20,814</b>	<b>20,814</b>	<b>25,159</b>	<b>4,345</b>
<b>Extraordinary Protection of Foreign Missions/Officials Rest of U.S.</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
<b>Total</b>	<b>22,814</b>	<b>22,814</b>	<b>27,159</b>	<b>4,345</b>

The program for the *Extraordinary Protection of International Organizations, Foreign Missions and Officials in New York* funds the special security requirements of diplomatic delegations and officials within New York City, including those accredited to the UN and other international organizations, and visiting foreign dignitaries under certain circumstances. The FY 2010 budget request level for this program is \$25.159 million.

The program for the *Extraordinary Protection of International Organizations, Foreign Missions and Officials Elsewhere in the United States* funds the special security requirements of diplomatic delegations and officials and visiting foreign dignitaries under certain circumstances throughout the rest of the United States. The FY 2010 budget request level for this program is \$2 million.

**PROTECTION OF FOREIGN MISSIONS AND OFFICIALS**

*Funds by Object Class*  
(\$ in thousands)

	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
<b>2500 Other Services</b>	<b>22,814</b>	<b>22,814</b>	<b>27,159</b>	<b>4,345</b>
<b>Total</b>	<b>22,814</b>	<b>22,814</b>	<b>27,159</b>	<b>4,345</b>

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## **EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE**

## Proposed Appropriation Language

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, [~~\$9,000,000~~] \$10,000,000, to remain available until expended as authorized, of which not to exceed \$1,000,000 may be transferred to, and merged with, funds appropriated by this Act under the heading "Repatriation Loans Program Account", subject to the same terms and conditions. (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

# EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Funds	8,927	9,000	10,000	1,000

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

### *Overview*

As authorized by Section 4 of the State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2671), the Emergencies in the Diplomatic and Consular Service (EDCS) account is used to meet unforeseen emergency requirements in the conduct of foreign affairs, including evacuations of personnel and their families overseas, and, in certain circumstances, private U.S. citizens and third country nationals; travel and representational expenses; confidential payments; urgent medical and travel expenses related to natural disasters or terrorist incidents; and other authorized activities that further the realization of foreign policy objectives. The EDCS account also is used for the payment of rewards for information related to international terrorism, narcotics related activities, and war crimes tribunals for the former Yugoslavia, Bosnia, Croatia, Rwanda and Sierra Leone as authorized by Section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C 2708) as amended, and by Section 102 of Public Law 105-323, as amended by Public Law 106-277. Funds appropriated for these purposes are authorized to remain available until expended.

### *Program Description*

Recent events including the evacuation of Lebanon, the Tsunami in Southeast Asia, the war in Iraq, the events of September 11, 2001, the SARS epidemic and the potential outbreak of Avian Influenza, the bombings of the U.S. Embassies in Nairobi, Kenya and Dar es Salaam, Tanzania, and the U.S. Missions in Riyadh, Saudi Arabia and Islamabad, Pakistan underscore the continuing need for a funding source from which extraordinary expenditures can be made on a timely basis to further and protect United States interests abroad. The EDCS appropriation provides funds for evacuations and other unforeseen emergencies and for rewards related to international terrorism, narcotics related activities, and war crimes.

The Department established crisis response teams that are familiar with local language, laws, customs, and personalities, to work with embassy staff in handling all aspects of a major terrorist-related disaster. These teams are trained in crisis management, emergency medical assistance, forensics capabilities, and bereavement techniques, and the personnel are well versed in all aspects of Department of State operations (e.g., the Citizens Emergency Center in the Bureau of Consular Affairs). The cost to dispatch these emergency “fly-away” teams equipped with medical provisions, equipment and supplies, satellite phones, laptop computers, facsimiles, and portable two-way radios is borne by the EDCS appropriation.

### *Justification of Request*

The FY 2010 request of \$10 million will allow the Department to meet unforeseen emergency requirements in the conduct of foreign affairs, including the safe and immediate evacuation of U.S. government personnel, private citizens and their families in times of strife, terrorism, natural disaster, or the threat of a pandemic influenza outbreak, as well as other activities vital to the successful execution of U.S. foreign policy goals, such as the escalating costs of a higher volume of investigations and apprehension of groups or individuals involved in fraudulent issuance of U.S. passports and visas, and the anticipated increase in representational activities in 2010 due to preparations for the United States hosting of the 2011 G-8 Summit and the 2011 APEC Ministerial. In addition, it will provide necessary funding to cover costs of foreign dignitaries’ lodging, meals, and representation expenses during all official visits due to the expected closure of Blair House for renovation.

## EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The FY 2010 request of \$10 million will also allow the Department to provide for the payment of rewards for information on international terrorism, narcotics trafficking and war crimes, as well as to provide for the expansion of publicity efforts. The Department anticipates that the momentum generated by the successful terrorism campaigns in Southeast Asia may result in the arrests of key terrorists from the Philippines-based Abu Sayyaf Group and the Jemaah Islamiyah terrorist group in the near future. The FY 2010 request includes \$1 million that may be transferred and merged with the Repatriation Loans Program Account.

### Evacuations and Other Activities

Evacuation-related demands faced by the State Department, including the massive evacuation of American citizens from Lebanon in 2006 and those related to the tsunami in Southeast Asia in 2005 have dramatically increased and emphasized the unpredictability of this EDCS appropriation component. In 2008, evacuations due to civil unrest occurred in Tblisi, Georgia; La Paz, Bolivia; N'djamena, Chad; Belgrade, Serbia; Yaounde, Cameroon; Sanaa, Yemen; and Kisumu, Kenya. Evacuations due to natural disaster occurred in Rangoon, Burma; Nassau, Bahamas; and Havana, Cuba.

Additionally, the EDCS appropriation funds certain activities relating to the conduct of foreign affairs by senior Administration officials. These activities generally take place in connection with the U.S. hosting of U.S. Government-sponsored conferences (such as the United Nations and OAS General Assembly), visits by foreign dignitaries, and official overseas travel by high-level members of the U.S. Government, including Members of Congress and prominent public sector delegates. Transformational diplomacy and Muslim outreach programs have contributed to a major increase in representational activity. The EDCS account also provides funding in support of confidential investigations conducted to counteract passport and visa fraud.

Demands on this account, although unpredictable, are heavily influenced by evacuations that may occur as a result from natural disasters, epidemics, terrorist acts, and civil unrest.

### Terrorism, Narcotics, and War Crimes Rewards Program

As of April 09, there are approximately \$679.5 million in standing reward offers in the Terrorism, Narcotics-related, and War Crimes Rewards programs:

- \$381 million for cases concerning terrorist acts;
- \$193.5 million for cases concerning narcotics traffickers; and
- \$105 million for cases concerning war crimes.

Rewards for Justice publicity campaigns have focused on High Value Targets in Iraq and elsewhere, as well as prominent Al-Qaeda terrorists, such as Usama bin Ladin and Ayman al-Zawahiri, with rewards of up to \$25 million each. The Department has undertaken several aggressive publicity campaigns seeking information regarding terrorist acts against U.S. persons or U.S. property. These media efforts include public service announcements in print, by telecommunications, and on the Internet. The success of these media campaigns has, in recent years, led to reward programs covering narcotics-related matters and war criminals in the former Yugoslavia and Rwanda.

There are standing reward offers that cover numerous terrorist incidents, including the terrorist attacks of September 11, 2001; the Bwindi Park murders in Uganda in 1999; the United Texas Petroleum (UTP) murders in 1997; U.S. Consulate murders in Karachi in 1995 and 2002; the murder of Wall Street journalist Daniel Pearl in 2002; the Embassy Islamabad killings; the bombings of the USS Cole in 2000; the World Trade Center bombing in 1993; the bombing of U.S. embassies in Nairobi and Dar Es Salaam in 1998; the attack on the U.S. Marine Barracks in Beirut in 1983; the bombing of the Khobar Towers in 1996; the attack on an American diplomatic convoy in Gaza in 2003; the bombings in Bali, Indonesia in 2002; and the attack on Saudi residential compounds in 2004. The Secretary of State has approved reward offers for the location and/or arrest of key leaders of the terrorist group Jemaah Islamiyah (JI) who were behind the Bali bombings and are believed to be planning further attacks in Southeast Asia. There are also standing reward offers for the arrest or conviction of Abu Sayyaf Group (ASG) members who were responsible for the kidnapping of three Americans in 2001. Given the momentum of the counter-terrorism campaign in the Philippines, it is very likely that many of these key terrorists from ASG and JI will be brought to justice in the near future. There are also standing reward offers for several members of the former regime of Saddam Hussein; the arrest or conviction of

## EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Revolutionary Armed Forces of Colombia (FARC) kidnapers in Colombia; the arrest and/or conviction of major international drug lords; and the arrest of war criminals in Rwanda and the former Yugoslavia.

### *Funds by Program Activity*

(\$ in thousands)

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Emergency Evacuations & Other Activities	3,289	6,000	7,000	1,000
International Terrorism, Narcotics & War Crimes Rewards	5,638	3,000	3,000	0
<b>Total</b>	<b>8,927</b>	<b>9,000</b>	<b>10,000</b>	<b>1,000</b>

### *Funds by Object Class*

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
9100 Unvouchered	8,927	9,000	10,000	1,000
<b>Total</b>	<b>8,927</b>	<b>9,000</b>	<b>10,000</b>	<b>1,000</b>

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## **REPATRIATION LOANS PROGRAM ACCOUNT**

## Proposed Appropriation Language

### REPATRIATION LOANS PROGRAM ACCOUNT

#### (INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, [\$678,000] \$739,000, as authorized: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, [\$675,000] \$711,000, which may be [transferred] *paid* to [, and merged with, funds made available under the heading] "Diplomatic and Consular Programs". (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

# REPATRIATION LOANS PROGRAM ACCOUNT

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Funds	1,275	1,353	1,450	97

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

### *Overview*

The FY 2010 request will allow the Department of State to subsidize and administer the Repatriation Loans program consistent with the Credit Reform Act of 1990 and at a funding level consistent with historical requirements. This activity is funded as a direct loan program in accordance with the Credit Reform Act. The Department of State receives a limited level of financing for direct loans from the Department of the Treasury in a separate financing account, disburses these funds to U.S. citizens as needed abroad, and repays the Treasury as the repatriation loans are collected from the public.

### *Program Description*

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

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

The Repatriation Loan Program directly benefits American citizens by providing them with the means to return to the United States if destitute. During FY 2008, 893 repatriation loan cases were processed abroad in the following regions: Africa 54 cases; the Americas 338 cases; East Asia/Pacific 185 cases; the Near East and South Central Asia 94 cases; and Europe 222 cases.

## REPATRIATION LOANS PROGRAM ACCOUNT

### *Funds by Program Activity*

(\$ in thousands)

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
<b>Administration</b>	<b>650</b>	<b>675</b>	<b>711</b>	<b>36</b>
<b>Subsidy</b>	<b>625</b>	<b>678</b>	<b>739</b>	<b>61</b>
<b>Total</b>	<b>1,275</b>	<b>1,353</b>	<b>1,450</b>	<b>97</b>

### *Subsidy*

(\$ in thousands)

	American Positions	FSN Positions	Total Funds	Increase / Decrease
FY 2010 Request	0	0	739	61

FY 2010 subsidy request of \$739,000 (58.05 percent) will provide a loan level of \$1,273,040. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2010, the Department is also requesting continuation of authority within the Emergencies in the Diplomatic and Consular Service account (EDCS) to allow the transfer of up to \$1 million into this account from EDCS if loan requirements exceed the requested level.

### *Administration*

(\$ in thousands)

	American Positions	FSN Positions	Total Funds	Increase / Decrease
FY 2010 Request	0	0	711	36

The FY 2010 request of \$711,000 will provide for operation and management of the loan program consistent with the Credit Reform Act. Contract positions (non Consular Affairs) to administer the loan program are funded with the administration component of the Repatriation Loan Program Subsidy. These positions handle the loans from just after Consular Affairs approval to final payoff. Currently about 90% of the administrative funding is used to support loans from previous fiscal years and 10% for current year loans. Due to changes in accounting systems and practices over the years, the older loans require a great deal of contractor hours in research to correctly account for payoffs and to track defaulted loans. The Department is requesting continuation of authority to transfer the administration portion of this request to the Diplomatic and Consular Programs account. This transfer makes administration of the program more efficient by simplifying financial planning and accounting procedures. In recent years, the

## REPATRIATION LOANS PROGRAM ACCOUNT

Department has made significant improvements in defaulted loan collections with the administration funding it has received, resulting in a 20% decrease in the subsidy costs to the U.S. Government.

### *Funds by Object Class*

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
<b>2500 Other Services</b>	<b>650</b>	<b>675</b>	<b>711</b>	<b>36</b>
<b>3300 Investments and Loans</b>	<b>625</b>	<b>678</b>	<b>739</b>	<b>61</b>
<b>Total</b>	<b>1,275</b>	<b>1,353</b>	<b>1,450</b>	<b>97</b>

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**PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN**

## **Proposed Appropriation Language**

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act (Public Law 96-8), [\$16,840,000] \$21,174,000.  
*(Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.)*

# PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Funds	16,219	16,840	21,174	4,334

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

### *Overview*

The American Institute in Taiwan (AIT) is incorporated under the laws of the District of Columbia as a nonprofit organization for the purposes of maintaining commercial, cultural, and other relations between the people of the United States and the people of Taiwan in the absence of official government representation or diplomatic relations. In performing these functions, the Institute operates under authorities granted by the Taiwan Relations Act (P.L. 96-8). In accordance with the Act, U.S. Government programs in Taiwan are conducted through AIT under a contract with the Department of State. This appropriation funds that contract, which provides funding for salaries, benefits, representation, and other expenses associated with operations in Taiwan and in the United States. Other funding is derived from visa processing fees and payments by other agencies for carrying out a variety of programs. Under the Act, Congress exercises an oversight role over AIT operations and procedures.

### *Program Description*

To support U.S. interests in Taiwan, AIT promotes U.S. exports to Taiwan, serves as the advocate to Taiwan authorities for U.S. political and security interests; provides consular services (non-immigrant and immigrant visas, as well as various American citizen services); participates in cultural, scientific, and information exchange programs; analyzes and reports on political and economic events critical to U.S. interests; and facilitates U.S. arms sales to Taiwan. In addition, AIT negotiates agreements on behalf of the United States with its Taiwan counterpart, the Taipei Economic and Cultural Representative Office in the United States (TECRO).

AIT's Washington headquarters carries out executive functions and acts as the liaison between various U.S. Government agencies and TECRO. In particular, the Washington office provides executive and administrative direction for AIT, financial oversight and contract administration of all agency agreements, and coordination of negotiations and agreements. In accordance with the AIT-TECRO Agreement on Privileges, Exemptions, and Immunities, the Washington office also issues identity cards and tax exemption cards to TECRO employees and their dependents and serves as the liaison between TECRO, the Department of State, and the Department of Homeland Security, Directorate of Border and Transportation Security, regarding visas and adjustments of status.

Support for AIT operations comes from three funding sources: this Department of State appropriation; reimbursements by USG agencies such as the Departments of Commerce, Agriculture, Defense, Homeland Security, and Energy for specific staff positions on an actual

## PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

cost-reimbursable basis; and a significant portion of the visa processing fees (charged by AIT under Department of State authority).

In FY 2010, AIT anticipates collecting a total of \$32 million from sources other than its appropriations. This includes approximately \$18 million in visa processing fees and \$14 million in reimbursements from other agency contracts, as well as compensation associated with supporting the Foreign Service Institute's Chinese Language School. Of the estimated \$18 million in visa processing fees, \$17.352 million will be needed to cover direct and indirect operating expenses in addition to the appropriation provided. The remaining funds will be set aside for the capital projects account and consular service upgrades.

In addition to ongoing efforts, AIT has been successful in resolving property issues in accordance with a full cost-reimbursement program as mandated by OMB Circular A-122 Cost Principles for Nonprofit Organizations and has continued to receive "unqualified" OMB Circular A-133 audits since instituting a commercial/accrual-based accounting system in 1998. AIT continues to work closely with the Department on planning and design of a new office building complex. AIT and the Taiwan authorities signed a ninety-nine year lease agreement for the new complex in December 2004. Design activities for the new office building project are being managed by the Department's Bureau of Overseas Buildings Operations. Ground breaking for the new office compound in Taipei is tentatively scheduled for FY 2009.

### *Justification of Request*

This request of \$21.174 million in direct funds will maintain overall operations at the FY 2009 level and ensure that some visa processing fee revenues can be transferred to the capital projects account in order to support construction of a new office compound in Taipei. AIT will use the remaining visa processing revenues to cover lease costs, indirect costs, and other special projects.

### *Funds by Program Activity*

(\$ in thousands)

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase/ Decrease
Agriculture Services	445	461	635	174
Commercial Services	1,181	1,227	1,483	256
Consular Services	3,542	3,679	4,659	980
Economic Services	1,410	1,465	1,906	441
Other Services	6,649	6,906	8,793	1,887
Public Affairs Services	1,336	1,388	1,983	595
Washington Headquarters	1,656	1,714	1,715	1
<b>Appropriation Total</b>	<b>16,219</b>	<b>16,840</b>	<b>21,174</b>	<b>4,334</b>

# PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

## *Funds by Object Class*

(\$ in thousands)

	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
<b>1100 Personnel Compensation</b>	<b>13,563</b>	<b>14,023</b>	<b>17,575</b>	<b>3,552</b>
<b>1200 Personnel Benefits</b>	<b>2,340</b>	<b>2,497</b>	<b>3,176</b>	<b>679</b>
<b>2500 Other Services</b>	<b>316</b>	<b>320</b>	<b>423</b>	<b>103</b>
<b>Total</b>	<b>16,219</b>	<b>16,840</b>	<b>21,174</b>	<b>4,334</b>

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**FOREIGN SERVICE RETIREMENT AND DISABILITY FUND**

## **Proposed Appropriation Language**

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

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, [\$157,100,000]  
\$158,900,000. (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

# FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
Funds	158,900	157,100	158,900	1,800

FY 2008 Actual, FY 2009 Estimate, and FY 2010 Request include mandatory funding for both the Department of State and the U.S. Agency for International Development.

### *Overview*

This appropriation provides mandatory funding to the Foreign Service Retirement and Disability Fund (FSRDF), financing by 30 annual installments any unfunded liability created by new or liberalized benefits, new groups of beneficiaries, and salary increases. This appropriation is one of several sources of income to the FSRDF. Funding is maintained through contributions by employees; agency contributions; special government contributions, including this program; interest on investments; and voluntary contributions. This request includes the State Department's and the United States Agency for International Development's (USAID) portions of these Foreign Service costs.

This separate payment by the State Department into the FSRDF is authorized by Section 821 of the Foreign Service Act of 1980, as amended, which provides for an appropriation to be established to the Fund, to be paid in thirty annual installments, of the amount required for the unfunded liability created by new or liberalized benefits, new groups of beneficiaries, or increased salaries on which benefits are computed. In addition, Section 822 of the Act authorizes financing of the balance of the normal cost for each fiscal year, an amount equal to the balance of annual costs to the Fund in excess of current employee and employer contributions. As a mandatory program, these resources are not included in the total DOS summary of funds.

### *Program Description*

The request funds continuing installments of unfunded liabilities created by federal salary increases, the extension of benefits to new groups of employees, by new or liberalized benefits paid from the Fund, and for normal costs not met by employee and employer contributions. The amount of the appropriation is the result of the annual evaluation of the Fund balance based on current statistical data, including Federal pay raise information.

The FSRDF includes the operations of two separate retirement systems - the Foreign Service Retirement and Disability System (FSRDS) and the Foreign Service Pension System (FSPS). The FSRDF was established to provide pensions to all eligible retired and disabled members of the Foreign Service who are enrolled in either of the two systems, and certain eligible former spouses and survivors. The purpose of this appropriation is to maintain the required funding level of the FSRDF. This appropriation is the complementary funding required, in addition to the other sources of funding previously mentioned.

## FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

### *Justification of Request*

In FY 2010, \$158,900,000 million is requested to support the FSRDF, which is an increase of \$1,800,000 million. The requested amount represents the following agency's portion of estimated Foreign Service costs: (1) State Department of \$122.5 million, and (2) USAID of \$36.4 million.

### *Funds by Object Class*

(\$ in thousands)

	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>	<b>FY 2010 Request</b>	<b>Increase / Decrease</b>
<b>9100 Unvouchered</b>	<b>158,900</b>	<b>157,100</b>	<b>158,900</b>	<b>1,800</b>
<b>Total</b>	<b>158,900</b>	<b>157,100</b>	<b>158,900</b>	<b>1,800</b>