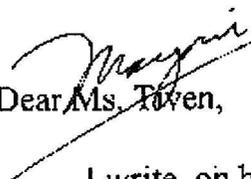


**UNDER SECRETARY OF STATE
FOR MANAGEMENT
WASHINGTON**

APR 30 2008


Dear Ms. Tiven,

I write, on behalf of the Secretary of State, to reply to the Corporation Counsel's letter of March 28 regarding property taxes and Section 643 of the Department of State, Foreign Operations and Related Programs Appropriations Act, 2008 (Div. J, P. L. 110-161) ("The Act"). In that context, he references the recent district court decision in *City of New York v. Permanent Mission of India to the United Nations, Republic of Philippines and the Bayaryn Jargalsaikhan, as Principal Resident Representative to the United Nations of the Mongolian People's Republic*, 2008 WL 706504 (SDNY) (March 17, 2008).

The Act provides, inter alia, that the Department withhold from assistance for the central government of a foreign country 10 percent of the amount of unpaid property taxes owed by that government. You request that the Department inform the City "as soon as the withholding of such assistance with respect to each of these countries has occurred." The Department does not consider the statutory obligation to be triggered at this time, as the countries in question have appealed the decision of the district court. Until the relevant appeals have been exhausted, withholding of foreign assistance is not required.

The Corporation Counsel's letter also asked that the Department use any foreign assistance funds withheld to reimburse New York City for qualified, extraordinary expenses related to the protection of foreign missions. We are not in a position to make funds withheld under section 643 available for such purposes, as those expenses are funded out a different appropriation, the "Protection of Foreign Missions and Officials" appropriation in the Act.

The Honorable

Marjorie B. Tiven, Commissioner,
New York City Commission for the United Nations,
Consular Corps and Protocol,
Two United Nations Plaza,
New York, NY 10017.

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During Fiscal Years 2007 and 2008, the Department has provided \$4.4 million in reimbursements from this appropriation to the City and expects to provide an additional \$18.9 million. Any funds withheld pursuant to section 643 would remain in the original foreign assistance appropriation account and would be made available only for reprogramming within that account for foreign assistance to another foreign country.

I look forward to working cooperatively with the City of New York on a range of issues of mutual concern.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick F. Kennedy', with a stylized flourish above the name.

Patrick F. Kennedy

cc: Michael A. Cardozo
