

THE BUDGET IN BRIEF
FISCAL YEAR 2006 BUDGET REQUEST



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THE BUDGET IN BRIEF - FISCAL YEAR 2006

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Department of State Overview

Mission

Create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.

Values

Loyalty:	Commitment to the United States and the American people.
Character:	Maintenance of high ethical standards and integrity.
Service:	Excellence in the formulation of policy and management practices with room for creative dissent. Implementation of policy and management practices, regardless of personal views.
Accountability:	Responsibility for meeting the highest performance standards.
Community:	Dedication to teamwork, professionalism, diversity, and the customer perspective.

Performance Management Methodology

The Department is committed to and focused on utilizing the funds it receives from Congress - the tax dollars of American citizens - to produce successful results. To do so, the Department utilizes a six-tiered performance management methodology, as depicted in the pyramid which follows. Each of the components of the pyramid is explained below:

<i>Strategic Objectives</i>	An organizing layer between the mission statement and the strategic goals, with related strategic goals grouped under a specific strategic objective.
<i>Strategic Goals</i>	The Department's long-term goals as detailed in its Strategic Plan.
<i>Performance Goals</i>	Desired outcomes the Department is planning to achieve that are necessary for attaining the strategic goals. The Department has thirty-eight performance goals.
<i>Initiatives/Programs</i>	Specific functional and/or policy areas, including OMB Program Assessment Rating Tool (PART) programs, to which the Department of State devotes significant resources.

Performance Indicators

Values or characteristics that the Department utilizes to measure progress achieved towards stated annual performance goals. The indicators are drawn from bureau and mission performance plans.

Performance Targets

Expressions of desired performance levels or specific desired results targeted for a given fiscal year. Achievement of targets defines success. Where possible, targets are expressed in quantifiable terms.

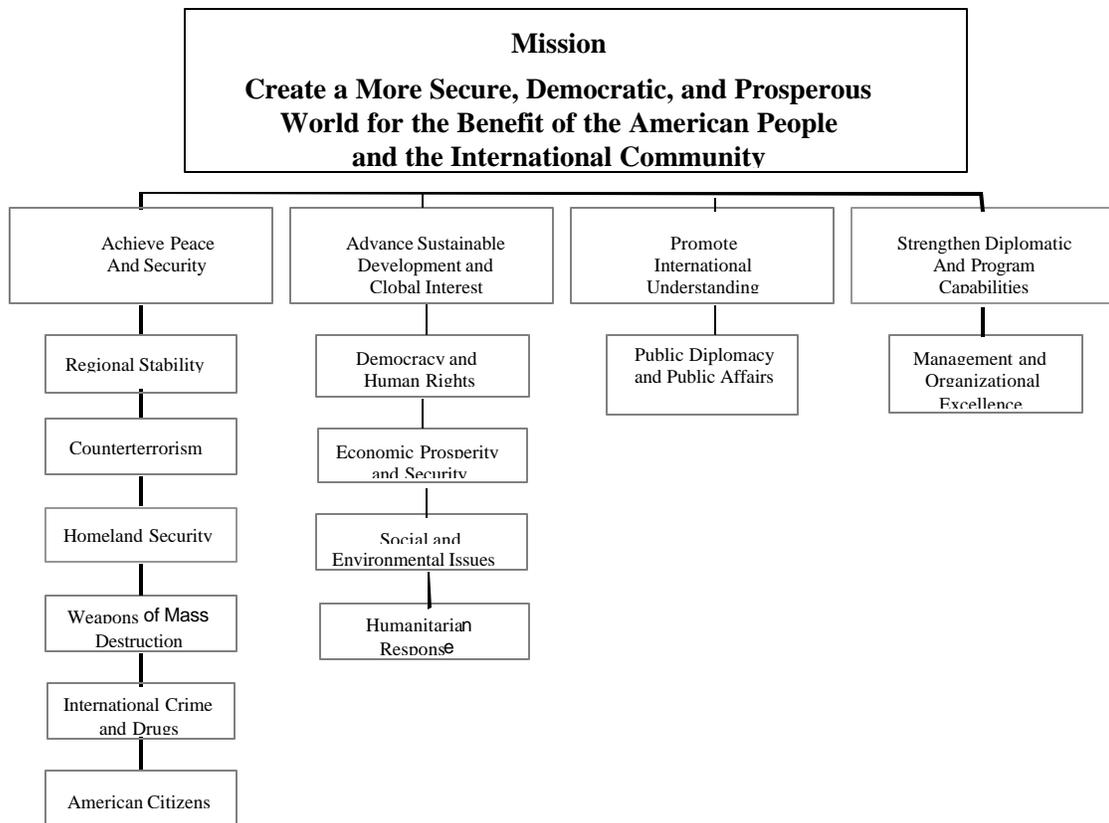
Performance Management Model



Strategic Planning Framework

Consistent with their performance management methodology, the Department and USAID focus their work around twelve strategic goals that capture the breadth of their mission and specific responsibilities. The Department's twelve strategic goals are centered around four core strategic objectives:

- ***Achieve Peace and Security***
- ***Advance Sustainable Development and Global Interests***
- ***Promote International Understanding***
- ***Strengthen Diplomatic and Program Capabilities***



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BUDGET SUMMARY

In these momentous times, American diplomacy has three great tasks. First, we will unite the community of democracies in building an international system that is based on our shared values and the rule of law. Second, we will strengthen the community of democracies to fight the threats to our common security and alleviate the hopelessness that feeds terror. And third, we will spread freedom and democracy throughout the globe. That is the mission that President Bush has set for America in the world – and the great mission of American diplomacy today.

*Dr. Condoleezza Rice
Secretary of State
January 2005*

Budget Overview

The United States is engaged in a new kind of war – the global war on terror. This war has no locus in a single country and no clearly marked battlefields. And the terrorist foe is a constantly shifting international network of extremist groups. Defeating such an enemy requires vigilance, tenacity, and international cooperation on an unprecedented scale.

The Department of State has helped maintain American leadership of a coalition to confront the tyranny of terrorism. Together with partners on every continent, we have brought diplomacy and the other tools of statecraft to bear against terrorists and their networks. We have made it harder for them to support and finance their operations, to move about freely, to find sanctuary, to communicate, to plot, and to acquire weapons. Countless lives have been saved through these efforts because attacks did not take place.

Yet despite the altered security environment and the hard realities of terrorism, America remains committed to an historic mission – the expansion of freedom and democracy. This mission is consistent with our deepest principles and vital to our national interests. For widening the circle of human liberty is the surest way to decrease the appeal of terror and build peaceful societies on individual aspirations and hope.

The State Department has pressed this mission daily, engaging governments and publics around the world to promote human rights, economic opportunity, and international stability. We have pursued a forward strategy of freedom in Afghanistan and Iraq, where 50 million people have been liberated from brutal regimes and where sovereign new governments are now establishing democratic institutions. In addition to coalition efforts to help reconstruct these nations, we have created a partnership to further reform and democracy in the broader Middle East and North Africa.

Full funding of the FY 2006 request will provide the resources necessary to meet the nation's commitments for both the global war on terror and the mission to expand freedom and democracy. Full funding will bolster a proactive U.S. foreign policy and ensure the readiness of American diplomacy – the front line of freedom.

BUDGET SUMMARY

FY 2006 Request

The FY 2006 budget request for State Department appropriations is \$9.283 billion. This total represents an increase of \$1.108 billion over the FY 2005 enacted level. The request supports components of the Department's programs, operations, and infrastructure critical to the effective conduct of foreign affairs. It also supports vigorous U.S. engagement abroad through public diplomacy and international organizations to advance a broad spectrum of national interests.

Funding for FY 2006 will sustain initiatives for people, security, information technology, and facilities and meet new and increased diplomatic requirements, including the capability to coordinate civilian response to post-conflict situations.

The resources requested in the FY 2006 budget will enable the State Department to:

- **Support the global war on terror**

The request provides \$690 million in Worldwide Security Upgrades to increase security for diplomatic personnel and facilities in the face of terrorism. This funding will extend the program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. And because people continue to be the single most important factor in deterrence and response to terrorist acts, it will add 55 security professionals.

- **Strengthen protection of America's borders**

The FY 2006 budget provides \$931 million for the Border Security Program, including \$74 million in appropriated funds. Revenue from Machine Readable Visa (MRV) fees, Enhanced Border Security Program fees, and visa fraud fees will help fund continuous improvements in systems, processes, and programs to protect U.S. borders against the illegal entry of terrorists and others who would threaten homeland security. This funding adds 55 consular positions and supports the national security requirement to collect biometric data from visa and passport applicants.

- **Provide human resources for operational readiness**

In addition to the positions already mentioned, the request provides \$57 million for 221 new positions to meet core staffing and training requirements. These positions will provide staff for the Coordinator for Reconstruction and Stabilization and constitute a trained corps for rapid response to international crises. The new positions will also facilitate intensive training in hard languages, such as Arabic, and address program resource needs identified by the Department's staffing models, such as expanded capabilities in counter-terrorist financing, weapons control, and information systems security. Furthermore, they will strengthen the U.S. diplomatic presence on the ground in Afghanistan, Sudan, and Libya and at four regional centers in Iraq.

- **Continue to construct and upgrade secure diplomatic facilities**

The request provides \$1.526 billion to support security-related construction projects and address the major physical security and rehabilitation requirements of U.S. embassies and consulates. This funding includes \$810 million for the on-going Capital Security Construction Program to replace diplomatic facilities at the most vulnerable posts, with construction of eight new embassy compounds and four USAID annexes in FY 2006. Under the new Capital Security Cost Sharing program, all U.S.

BUDGET SUMMARY

Government agencies with an overseas presence contribute to the costs of this construction program. The request also includes \$100 million to upgrade compound security at high-risk posts and increase protection for soft targets such as schools, recreation facilities, and other symbols of U.S. presence.

- **Exploit information technology**

The Department's overall request for information technology (IT) in FY 2006 from all funding sources is \$815 million. The request provides \$249 million for Central Fund investments in IT. This funding includes \$40 million for the State Messaging and Archive Retrieval Toolset (SMART) initiative, which will replace outmoded cable and message systems with a unified and more secure system to serve inter-agency information needs. With every State Department program now dependent on IT, from simple electronic mail to specialized systems, such investments are essential to the business of foreign affairs.

- **Shape foreign opinion through public diplomacy**

The request provides \$328 million in appropriations for public diplomacy to inform and influence foreign audiences and win support for U.S. foreign policy goals. In addition to advocating U.S. policies, public diplomacy communicates the principles and values that underpin them and define the nation. The public diplomacy strategy emphasizes outreach to younger and wider audiences through powerful channels of communication, particularly television and the Internet. The strategy also places increased emphasis on research and analysis to target programs more effectively and on translations to facilitate access.

- **Execute strategic educational and cultural exchanges**

The request provides \$430 million for educational and cultural exchanges to develop mutual understanding and engage the leaders of tomorrow. Through direct contact, these programs are uniquely able to address complex and difficult issues. The requested funding includes \$100 million for the Partnerships for Learning (P4L) initiative to reach younger and more diverse audiences, including those in the Muslim world. By countering anti-American sentiment and negative stereotypes of America with constructive action and positive dialogue, the education and exchange programs under P4L can help win the war against terrorism for the next generation.

- **Meet U.S. commitments to international organizations**

The request provides \$1.297 billion to fund U.S. assessed contributions to 47 international organizations, including the United Nations. The request recognizes U.S. international obligations and reflects a commitment to maintain the financial stability and efficiency of those organizations. Multi-lateral diplomacy through such organizations advances key U.S. policy goals and interests, including promoting economic growth through market economies, settling disputes peacefully, encouraging non-proliferation and arms control, and strengthening international cooperation in agriculture and health.

- **Back international peacekeeping efforts**

The request provides \$1.036 billion to pay projected U.S. assessments for UN peacekeeping missions. This funding will help support peacekeeping missions in Africa, Europe/Eurasia, the Middle East, and the Caribbean. These include new UN missions in Burundi, Cote d'Ivoire, and Haiti, as well as a possible new mission in Sudan/Darfur. Such peacekeeping activities further U.S. objectives by ending conflicts, restoring peace, and strengthening regional stability. They also leverage U.S. political,

BUDGET SUMMARY

military, and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

President's Management Agenda

In addition to the resources required to support the American diplomatic platform and foreign affairs programs, the FY 2006 budget identifies resources for the State Department to work more effectively and efficiently. These resources are needed to advance the reform initiatives of the President's Management Agenda (PMA). They include budget and performance integration, improved financial performance, strategic management of human capital, competitive sourcing, expanded electronic government, and rightsizing the U.S. Government presence overseas.

Budget Request Details

Details of the FY 2006 budget – with specific resource requests for the programs and activities summarized above, as well as for PMA initiatives – are provided in the following sections of this volume. Discussions of program performance and results, including evaluations using the Program Assessment Rating Tool (PART), can be found in respective appropriation sections.

SUMMARY OF FUNDS

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Administration of Foreign Affairs	7,150,379	6,362,386	6,776,108	413,722
State Programs	5,090,163	4,300,483	4,605,641	305,158
Diplomatic & Consular Programs	5,011,005	4,172,220	4,472,641	300,421
Ongoing Operations (1)(2)(3)(4)(5)(6)	4,331,530	3,522,316	3,783,118	260,802
Worldwide Security Upgrades	639,896	649,904	689,523	39,619
Worldwide IT Infrastructure	39,579	0	0	0
Capital Investment Fund	79,158	51,452	133,000	81,548
Centralized Information Technology Modernization Program	0	76,811	0	(76,811)
Embassy Security, Construction & Maintenance	1,440,659	1,503,644	1,526,000	22,356
Ongoing Operations	524,423	603,510	615,800	12,290
Non-Security Construction (7)	43,900	0	0	0
Non-Security Construction/Operations - Iraq (8)	20,000	0	0	0
Worldwide Security Upgrades	852,336	900,134	910,200	10,066
Security Construction	753,388	774,831	810,200	35,369
Compound Security	98,948	125,303	100,000	(25,303)
Office of Inspector General	31,369	30,028	29,983	(45)
Educational and Cultural Exchange Programs	316,633	355,932	430,400	74,468
Representation Allowances	8,905	8,525	8,281	(244)
Protection of Foreign Missions & Officials (9)	75,395	9,762	9,390	(372)
Emergencies in the Diplomatic & Consular Service (10)(11)	32,366	987	13,643	12,656
Repatriation Loans Program Account (12)	1,326	1,203	1,319	116
Payment to the American Institute in Taiwan	18,584	19,222	19,751	529
Foreign Service Retirement & Disability Fund (mandatory)	134,979	132,600	131,700	(900)
International Organizations	1,694,886	1,649,667	2,332,000	682,333
Contributions to International Organizations	999,830	1,166,212	1,296,500	130,288
Contributions for International Peacekeeping Activities (13)	695,056	483,455	1,035,500	552,045
International Commissions	57,187	63,273	70,302	7,029
International Boundary & Water Commission - S&E	25,726	26,880	28,700	1,820
International Boundary & Water Commission - Construction	3,514	5,239	6,600	1,361
International Fisheries Commissions	19,097	21,688	25,123	3,435
American Sections	8,850	9,466	9,879	413
Border Environment Cooperation Commission	2,111	2,021	2,130	109
International Joint Commission	5,491	6,214	6,320	106
International Boundary Commission	1,248	1,231	1,429	198
Related Appropriations	77,926	99,410	104,649	5,239
The Asia Foundation	12,863	12,826	10,000	(2,826)
National Endowment for Democracy	39,579	59,199	80,000	20,801
East-West Center	17,692	19,240	13,024	(6,216)
Center for Middle Eastern -Western Dialogue - Trust Fund	6,679	6,660	0	(6,660)
Center for Middle Eastern -Western Dialogue - Program	247	622	750	128
Eisenhower Exchange Fellowship Program	495	493	500	7
Israeli Arab Scholarship Program	371	370	375	5
State Appropriations Act	8,980,378	8,174,736	9,283,059	1,108,323
Migration and Refugee Assistance (14)	780,712	763,840	892,770	128,930
U.S. Emergency Refugee and Migration Assistance	29,823	29,760	40,000	10,240
Other State Authorization Act	810,535	793,600	932,770	139,170

All FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

All FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

(1) FY 2004 Actual includes \$120.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(2) FY 2004 Actual includes \$18.503 million transferred from Emergencies in the Diplomatic and Consular Service.

(3) FY 2004 Actual includes \$1.664 million transferred from the Buying Power Maintenance Account.

(4) FY 2004 Actual includes \$35.80 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(5) FY 2004 Actual includes \$665.30 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).

(6) FY 2004 Actual includes \$105.75 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106) and transferred from Coalition Provisional Authority Operating Expenses; it does not include the anticipated transfer of \$184 million (or 1%) from the Iraq Relief Reconstruction Fund.

(7) FY 2004 Actual includes \$43.90 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(8) FY 2004 Actual includes \$20 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).

(9) FY 2004 Actual includes \$65.50 million transferred from Emergencies in the Diplomatic and Consular Service (\$32 million for reimbursement to New York City; \$8.50 million for 2003 Free Trade Area of the Americas Ministerial, and \$25 million for the 2004 Summit of the Industrialized Nations).

(10) FY 2004 Actual includes \$115.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(11) FY 2004 Actual reflects \$18.503 million transferred to Diplomatic and Consular Programs (for the 2004 Summit of the Industrialized Nations); \$65.50 million transferred to Protection of Foreign Missions and Officials; and \$0.12 million transferred to Repatriation Loans Program Account.

(12) FY 2004 Actual includes \$0.12 million transferred from Emergencies in the Diplomatic and Consular Service.

(13) FY 2004 Actual includes \$245 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(14) FY 2004 Actual includes \$25 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).

SUMMARY OF DIRECT FUNDED POSITIONS

Program Activities Summary

Summary Statement

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Administration of Foreign Affairs	19,812	19,958	20,264	306
State Programs	18,320	18,454	18,730	276
Diplomatic & Consular Programs Ongoing Operations	17,190	17,253	17,474	221
Worldwide Security Upgrades	1,130	1,201	1,256	55
	0	0	0	0
Embassy Security, Construction & Maintenance	840	852	872	20
	0	0	0	0
Other Administration of Foreign Affairs	652	652	662	10
Office of Inspector General	314	314	318	4
Educational and Cultural Exchange Programs	338	338	344	6
	0	0	0	0
International Commissions	345	345	345	0
International Boundary & Water Commission - S&E	295	295	295	0
International Boundary & Water Commission - Construction	18	18	18	0
American Sections	32	32	32	0
International Boundary Commission	8	8	8	0
International Joint Commission	24	24	24	0
	0	0	0	0
State Appropriations Act	20,157	20,303	20,609	306

**2004 EMERGENCY SUPPLEMENTAL APPROPRIATION ACT
(IRAQ & AFGHANISTAN)
(P.L. 108-106)**

(\$ in thousands)

Appropriations	FY 2004 Actual
Administration of Foreign Affairs	421,450
Diplomatic & Consular Programs	262,050
Ongoing Operations	262,050
Embassy Security, Construction & Maintenance	43,900
Non-Security Construction	43,900
Emergencies in the Diplomatic and Consular Service	115,500
International Organizations	245,000
Contributions to International Peacekeeping	245,000
Total	666,450

**2005 DEPARTMENT OF DEFENSE APPROPRIATIONS ACT
(P.L. 108-287)**

(\$ in thousands)

Appropriations	FY 2004 Actual
Administration of Foreign Affairs	685,300
Diplomatic & Consular Programs	665,300
Ongoing Operations	665,300
Embassy Security, Construction & Maintenance	20,000
Non-Security Construction/Operations-Iraq	20,000

ADMINISTRATION OF FOREIGN AFFAIRS

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
State Programs	5,090,163	4,300,483	4,605,641	305,158
Diplomatic & Consular Programs	5,011,005	4,172,220	4,472,641	300,421
Ongoing Operations (1)(2)(3)(4)(5)(6)	4,331,530	3,522,316	3,783,118	260,802
Worldwide Security Upgrades	639,896	649,904	689,523	39,619
Worldwide IT Infrastructure	39,579	0	0	0
Capital Investment Fund	79,158	51,452	133,000	81,548
Central Information Technology Modernization Fund	0	76,811	0	(76,811)
Embassy Security, Construction & Maintenance	1,440,659	1,503,644	1,526,000	22,356
Ongoing Operations	524,423	603,510	615,800	12,290
Non-Security Construction (7)	43,900	0	0	0
Non-Security Construction/Operations - Iraq (8)	20,000	0	0	0
Worldwide Security Upgrades	852,336	900,134	910,200	10,066
Security Construction	753,388	774,831	810,200	35,369
Compound Security	98,948	125,303	100,000	(25,303)
Office of Inspector General	31,369	30,028	29,983	(45)
Educational and Cultural Exchanges	316,633	355,932	430,400	74,468
Representation Allowances	8,905	8,525	8,281	(244)
Protection of Foreign Missions & Officials (9)	75,395	9,762	9,390	(372)
Emergencies in the Diplomatic & Consular Service (10)(11)	32,366	987	13,643	12,656
Repatriation Loans Program Account	1,326	1,203	1,319	116
Payment to the American Institute in Taiwan	18,584	19,222	19,751	529
F.S. Retirement & Disability Fund (mandatory)	134,979	132,600	131,700	(900)
Total, Administration of Foreign Affairs	7,150,379	6,362,386	6,776,108	413,722

All FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

All FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

(1) FY 2004 Actual includes \$120.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(2) FY 2004 Actual includes \$18.503 million transferred from Emergencies in the Diplomatic and Consular Service.

ADMINISTRATION OF FOREIGN AFFAIRS

- (3) FY 2004 Actual includes \$1.664 million transferred from the Buying Power Maintenance Account.
- (4) FY 2004 Actual includes \$35.80 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (5) FY 2004 Actual includes \$665.30 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).
- (6) FY 2004 Actual includes \$105.75 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106) and transferred from Coalition Provisional Authority Operating Expenses; it does not include the anticipated transfer of \$184 million (or 1%) from the Iraq Relief Reconstruction Fund.
- (7) FY 2004 Actual includes \$43.90 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (8) FY 2004 Actual includes \$20 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).
- (9) FY 2004 Actual includes \$65.50 million transferred from Emergencies in the Diplomatic and Consular Service (\$32 million for reimbursement to New York City; \$8.50 million for 2003 Free Trade Area of the Americas Ministerial, and \$25 million for the 2004 Summit of the Industrialized Nations).
- (10) FY 2004 Actual includes \$115.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (11) FY 2004 Actual reflects \$18.503 million transferred to Diplomatic and Consular Programs (for the 2004 Summit of the Industrialized Nations); \$65.50 million transferred to Protection of Foreign Missions and Officials; and \$0.12 million transferred to Repatriation Loans Program Account.

STATE PROGRAMS

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Diplomatic & Consular Programs Ongoing Operations (1)(2)(3)(4)(5)(6)	4,331,530	3,522,316	3,783,118	260,802
Worldwide Security Upgrades	639,896	649,904	689,523	39,619
Worldwide IT Infrastructure	39,579	0	0	0
Central Information Technology Modernization Fund	0	76,811	0	(76,811)
Subtotal, Diplomatic & Consular Programs	5,011,005	4,249,031	4,472,641	223,610
Capital Investment Fund	79,158	51,452	133,000	81,548
Subtotal, State Programs Appropriations	5,090,163	4,300,483	4,605,641	305,158
Border Security Program/MRV Fees	602,925	680,268	672,097	(8,171)
Enhanced Border Security Program Fees/Visa Fraud Fee (7)	0	110,200	184,300	74,100
IT Central Fund/Expedited Passport Fees	132,263	114,000	116,000	2,000
Other Fees	34,824	33,321	34,516	1,195
Total	5,860,175	5,238,272	5,612,554	374,282

All FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice and State Appropriated accounts and the rescission of .59% provided through the Consolidated Appropriations Act, 2004, (P.L. 108-199).

All FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice and State Appropriated accounts and the rescission of .80% provided through the Consolidated Appropriations Act, 2005, (P.L. 108-447).

(1) FY 2004 Actual includes \$120.5 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(2) FY 2004 Actual includes \$18.503 million transfer from Emergencies in the Diplomatic and Consular Service.

(3) FY 2004 Actual includes \$1.664 million transferred from the Buying Power Maintenance Account.

(4) FY 2004 Actual includes \$35.8 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(5) FY 2004 Actual includes \$665.3 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).

(6) FY 2004 Actual includes \$105.75 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106) and transferred from Coalition Provisional Authority Operating Expenses; it does not include the anticipated transfer of \$184 million (or 1%) from the Iraq Relief Reconstruction Fund.

(7) FY 2005 Estimate and FY 2006 Request include Enhanced Border Security Fees and Visa Fraud Fees, as authorized in the Consolidated Appropriations Act, 2005 (P.L. 108-447).

STATE PROGRAMS

Explanation of Request

The Department of State requires sufficient resources to maintain U.S. world leadership in the twenty-first century. With responsibility for U.S. foreign policy and relationships with foreign governments and international organizations, the Department provides sustained and secure U.S. diplomatic presence globally by serving on the front line to advance America's national interests. Given the current world environment, the Department must continue to strengthen its capacity to pursue its mission – creating a more secure, democratic, and prosperous world for the benefit of the American people and the international community.

The FY 2006 State Programs budget request addresses the full range of requirements to carry out the State Department's global mission. In line with the Department's strategic planning and budgeting process, the Department's FY 2006 State Programs request is guided by the key management priorities of people, security, information technology and facilities. The FY 2006 appropriations required to support these initiatives for Diplomatic and Consular Programs, Worldwide Security Upgrades, and the Capital Investment Fund total \$4,605,641,000, plus \$1,006,913,000 in spending from consular and other fee revenue.

Purpose of Program

The State Programs appropriations (Diplomatic and Consular Programs and the Capital Investment Fund) - when combined with Machine Readable Visa, Expedited Passport, Enhanced Border Security Program, visa fraud, and other fees - fund the salaries, operating expenses, and infrastructure required to conduct U.S. foreign policy at home and abroad. The Department's network of more than 260 posts around the world not only conducts our diplomatic relations with foreign governments, it also assists American citizens, supports U.S. businesses, conducts public diplomacy, and develops the extensive local contacts that are essential to effective diplomacy. The FY 2006 budget request for State Programs reflects a continuing commitment to modernize and improve Department operations and enable the Department to achieve its strategic and performance goals. The Department of State employs a direct-hire workforce of approximately 30,000 employees, with about 60 percent of those working overseas. These employees, of whom about 20,000 are Americans and 10,000 are foreign nationals, manage America's overseas diplomatic interests patriotically and professionally.

State's budget request reflects comprehensive planning that works from mission purpose to broad goals, program methods, performance goals, tracked annual targets, and costs. Within a framework set by the joint Strategic Plan for State and USAID, the Department provides top-down guidance to all bureaus and overseas missions, which then establish performance plans from the bottom up. The Department is improving efficiency and accountability, both in operational support functions keyed to the initiatives of the President's Management Agenda, and in program performance, as our program activities apply the standards of OMB's Program Assessment Reporting Tool (PART). Performance information from our own tracked indicators and from internal and external evaluations are essential elements of evidence for program decisions made at all levels. The resource amounts requested in this package are the amounts that will help us meet FY 2006 performance plan targets.

Highlights of the State Programs budget request by account follow:

Diplomatic and Consular Programs

The FY 2006 request of \$3,783,118,000 for Diplomatic and Consular Programs is a net increase of \$260,802,000 from the FY 2005 appropriation. The request provides resources to strengthen operational

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readiness, continue to meet enhanced border security requirements, and provide for cost of living, domestic and overseas inflation, and other mandatory and high priority increases.

Worldwide Security Upgrades

The FY 2006 request for Worldwide Security Upgrades is \$689,523,000, an increase of \$39,619,000 above the FY 2005 appropriation, and provides funding to continue ongoing Worldwide Security Upgrade programs, continue perimeter security upgrades, establish a High Threat Protection Program, and increase the number of special agents and other security personnel.

Capital Investment Fund

The FY 2006 request of \$133,000,000 for the Capital Investment Fund sustains the Department's program of investment in information technology. The FY 2006 IT Central Fund, which includes the Capital Investment Fund combined with \$116,000,000 in estimated Expedited Passport Fees, will provide a total of \$249,000,000 to support the Department's information technology and communications systems initiatives.

Border Security Program

The FY 2006 request for the Border Security Program, which is funded by Machine Readable Visa (MRV), Enhanced Border Security Program, and other fees, as well as Diplomatic and Consular Programs appropriations, is \$930,610,000 – an increase of \$66,144,000 from FY 2005 program levels of \$864,466,000.

Other Fees

Diversity Lottery, Fingerprint Fees, and Affidavit of Support Fees - The FY 2006 program includes an estimate of \$6,300,000 for the Diversity Lottery Program. Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 provides that the State Department may collect and retain a fee that ensures the recovery of the cost to the Department of allocating and processing applications for visas to be issued under the Diversity Lottery Program. The Department's fee is collected from successful applicants for the Diversity Lottery Program to ensure that the costs of administering the lottery and allocating diversity visas are recovered from actual users. These fee collections are available to provide consular services and are used to recover the cost to the State Department of the Diversity Lottery Program. In addition, the FY 2006 program includes an estimate of \$1,200,000 for the FBI Immigrant Visa Fingerprint Fee program. The request also includes \$16,800,000 for the Affidavit of Support (AOS) Program that is funded from a fee collected from persons submitting AOS documentation.

Defense Trade Control Fees - The FY 2006 program includes an estimate of \$4,200,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic Authorities Act of 1956, as amended. These fees are available without fiscal year limitation to pay expenses incurred for specified defense trade control license application processing and other functions.

Commercial Services Fees - The FY 2006 program includes an estimate of \$16,000 for fees charged for the cost of providing commercial services at posts abroad in countries where the Department of Commerce does not perform commercial services for which it collects fees. Pursuant to section 52 of the State Department Basic Authorities Act of 1956, as amended, these fee collections are available until September 30 of the fiscal year following the fiscal year in which the funds were deposited.

United States Information and Educational Exchange Fees - As authorized by section 810 of the United States Information and Educational Exchange Act, authority is requested to have not more than \$6,000,000

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credited to the Diplomatic and Consular Programs appropriation from fees and other payments received from English teaching, library, motion pictures, and publications programs, and from fees from educational advising and counseling, and exchange visitor programs.

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

Program Description

State Programs funding of \$5,612,554,000, including \$4,605,641,000 from appropriation requests and \$1,006,913,000 from fee collections, will continue to be directed toward global challenges and opportunities that affect nearly all Department activities. The resources requested to support the activities listed below are critical to the successful conduct of diplomatic and consular relations, public diplomacy, and maintenance of this nation's foreign affairs apparatus.

Policy Formulation and Executive Direction (\$353,987,000) – Direction, policy formulation, and coordination are provided by the Secretary, the Deputy Secretary, the Under Secretaries, Assistant Secretaries and other bureau heads, chiefs of diplomatic missions, and their immediate staffs. They are assisted by legislative affairs and public affairs staffs who explain to the Congress and the American public the U.S. position on foreign policy issues and interests managed by the Department.

Diplomatic Relations (\$732,295,000 including \$726,759,000 from direct appropriations, \$1,320,000 from Machine Readable Visa Fees, \$4,200,000 from Defense Trade Control Registration Fees, and \$16,000 from Commercial Services Fees) – The conduct of diplomatic relations involves a wide spectrum of activities. Some examples are described below.

- In-depth knowledge and understanding of political and economic events in many nations are basic requirements of diplomacy. Achieving them requires quality reporting, analysis, and personal contact work at more than 260 missions abroad and by expert staffs in Washington.
- Management is required of U.S. participation in arms control, non-proliferation, disarmament negotiations, and other verification and compliance activities.
- International economic and trade diplomacy and in-country services to American businesses have become vital to the health of the American economy. The world continues to become more interrelated economically each year through initiatives such as the North American Free Trade Agreement (NAFTA), World Trade Organization (WTO), and Asia Pacific Economic Cooperation (APEC).
- Promoting human rights internationally, supporting emerging democracies and economic development, improving the global environment, and meeting humanitarian emergencies that destroy political and economic well-being and stability are vital to America's long-term interest.
- There is a continuous need to keep abreast of scientific and technological developments abroad and to assist cooperatively some nations in these fields by aiding two-way exchanges of information and expert personnel.

Public Diplomacy (\$333,863,000 including \$327,863,000 from direct appropriations and \$6,000,000 from U.S.I.E.E fees) – Public diplomacy activities of the U.S. Government are intended to engage, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad. In FY 2000, certain public diplomacy activities formerly carried out by the United States Information Agency were fully integrated into the Department of State pursuant to the Foreign Affairs Reform and Restructuring Act of 1998. Public diplomacy, within the Department of State, continues to operate under the authority of the Smith-Mundt Act of 1948, as amended, the Fulbright-Hays Act of 1961, as amended, and other statutes.

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- Prior to September 11, substantial changes had occurred in the way that governments conduct their business, enact policies, and make decisions. Fundamental to that change is the role played by public opinion. Even less democratic governments tend to operate with more of an eye to the public's reaction to their decisions. At the same time, the range of actors engaged in the development and formulation of policy has broadened considerably. Think tanks, non-governmental organizations, religious organizations, and issue-specific voluntary associations, among others, have dramatically increased their influence on the ways and means by which individual governments make policy. Especially in robust, developed democratic nations, the process of making policy is complex, frequently consultative, and responsive to public opinion.
- To maintain U.S. leadership in this profoundly changed international environment, the Department implements a vigorous program of public diplomacy that engages influential individuals and organizations from both inside and outside the orbit of government whose work affects the policy-making process. Public diplomacy includes information and cultural programs carried out by overseas missions and supported by public diplomacy personnel incorporated into the Department's regional and functional bureaus, as well as the Bureau of International Information Programs and the Bureau of Educational and Cultural Affairs. This description excludes educational and cultural exchange programs that are described elsewhere in this document under a distinct appropriation.
- Public diplomats work at American embassies and consulates abroad, developing strategies to build understanding and support for the U.S., its policy objectives, and the values of the American people. Activities and programs are planned and implemented country by country, directed at audiences identified by institutional analyses of each country's political, economic, and societal influence structures, inside and outside of government.
- Within the Department, public diplomacy staff craft information products and services for overseas missions and foreign publics. The current catalogue includes: websites; the Washington File, a daily electronic compilation of U.S. policies and actions; U.S. speakers and specialists; digital video conferences and teleconferences; electronic journals, published policies, and materials on issues of importance to embassies abroad; and information resource centers, places which provide reference and information support for U.S. missions worldwide.

Consular Relations (\$984,350,000 including \$161,098,000 from direct appropriations, \$614,652,000 from MRV fees, \$184,300,000 from Enhanced Border Security Program Fees and Visa Fraud Fees, \$6,300,000 from Diversity Lottery Fees, and \$1,200,000 from FBI Fingerprint Fees and \$16,800,000 from the Affidavit of Support Fee) – The events of September 11 demonstrated the national security implications of having a robust and sophisticated system to process persons seeking visas to travel to the United States. Furthermore, the reaction of the traveling public to those events has combined with the continued international economic situation to decrease significantly the demand for international travel. At the same time, the Department of State is experiencing major increases in the cost of providing consular services as a result of enhanced security measures implemented to strengthen U.S. homeland security. All of these factors combine to place a heavy burden on Department of State operations:

- Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials undergo a rigorous adjudication process at missions abroad. In FY 2005, the Department projects that over 6 million persons will apply for non-immigrant visas that generate an MRV fee. All of these applicants will undergo a thorough screening to help ensure U.S. homeland security. The State Department expects that demand for non-immigrant visa services will remain at this same level in FY 2006.
- Persons seeking immigrant visas to the United States also undergo comprehensive screening during the adjudication process by Consular Officials overseas. In FY 2005, the Department projects total immigrant visa demand of over 620,000 applicants. This workload is expected to remain at the same level in FY 2006.

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- Routine and emergency assistance must be provided to American citizens in distress. In FY 2005 and FY 2006, the Department projects that it will respond to 2 million citizen services requests worldwide each year.
- American travelers and the U.S. travel industry need to be kept aware of dangerous situations abroad. This is done through the Consular Information Program, which includes Consular Information Sheets, Travel Warnings, Public Announcements, and helpful tips to travelers through the Consular Affairs World Wide Web Site available at the Internet Web address: <http://travel.state.gov>.
- In FY 2004, the Department adjudicated 8.8 million passport applications for U.S. citizens wanting to travel abroad. In FY 2005, the Department projects a demand of 9.6 million passport applications growing to 10.1 million applications in FY 2006.
- The worldwide Border Security Program supports all areas of the President's Management Agenda through programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training. These cross-cutting programs are required to secure the borders of the United States against travel here by terrorists, international criminals, or persons whose presence in the U.S. would violate United States immigration law. Border Security plans include continuing to enhance and refresh the equipment and systems that support worldwide consular activities. It also includes continuing modernization of the hardware and software systems that support visa name checks, implementing biometric collection from visa applicants, strengthening cooperation between the consular and United States law enforcement and intelligence communities, enhancing American Citizen Services, and providing for the staff and operating costs of the Border Security Program. The Border Security Program relies on dedicated funding from increased MRV fees and, increasingly, on the new Enhanced Border Security Fees and Visa Fraud Fees, as well as appropriated funds.

Supporting Multilateral Diplomacy (\$54,225,000) – The United States participates in international organizations because we have an interest in working with other nations to maintain stability, uphold laws, facilitate commerce, spur economic growth, maintain a healthy environment, address urgent humanitarian needs, and halt the spread of weapons of mass destruction. Organizations in which we play a leading role include the United Nations, regional bodies such as NATO and the Organization of American States, and a variety of more specialized and technical organizations. The Department monitors and participates in the organizations through both the headquarters staff and its missions to the larger organizations. The increasingly complex nature of world problems makes U.S. involvement in these multilateral organizations even more important to our future. This includes funding for State Department participation in international conferences.

Diplomatic Security/Counterterrorism/Worldwide Security Upgrades (\$977,802,000 including \$951,371,000 from direct appropriations [\$261,848,000 for Diplomatic Security/Counterterrorism and \$689,523,000 from Worldwide Security Upgrades] and \$26,431,000 from MRV Fees) – These activities provide resources, allocated by application of risk management principles, necessary to meet security responsibilities, both foreign and domestic. Included in these activities are:

- Protection of overseas U.S. government employees through local guards, technical security measures, residential security measures, and armored vehicles;
- Protection of the Secretary and visiting or resident foreign dignitaries;
- Counter-terrorism policy formulation, coordination, and research and development as well as investigations to detect passport, visa, and federal benefits fraud;
- Management of security operations at missions;
- Protection of information at headquarters through domestic guards and physical security equipment and measures;

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- Protection of information abroad through diplomatic couriers, electronic and security equipment, secure conference rooms, development and application of standards for information security, and security protection and inspection of construction property; and
- Counterintelligence investigations, background security investigations, and evaluations.

The State Department is the lead agency in U.S. Government efforts to reduce the terrorist threat to Americans overseas. The Department works closely with other governments to strengthen international counterterrorism cooperation, sends expert teams to augment U.S. embassies in crisis situations, and eliminates physical security vulnerabilities at our diplomatic missions. The security program enhancements, funded first by the FY 1999 Emergency Security Supplemental and now with the \$689,523,000 contained in this budget request, provide for continuing this program that further strengthens security and continues to correct problems identified at our diplomatic facilities.

Information Resource Management (\$778,267,000 including \$504,138,000 from Diplomatic and Consular Programs, \$133,000,000 from the Capital Investment Fund, \$25,129,000 from MRV Fees, and \$116,000,000 from Expedited Passport Fees) – This program provides the resources for the effective and efficient creation, collection, processing, transmission, dissemination, storage, and disposition of information required for the formulation and execution of foreign policy and for the conduct of daily business, including consular services. The information needs of the President, the Secretary of State, the Department, and its overseas missions, and approximately 100 other government organizations drive the resource requirements. This activity includes:

- Corporate information systems and services such as: core foreign affairs systems supporting the Secretary and principal officers; consular systems for passport and visa issuance and reporting; financial systems; administrative systems for personnel and property; and information services provided by Departmental libraries and publishing, records, Freedom of Information Act, and historical offices;
- Infrastructure systems such as: the Diplomatic Telecommunications System; mainframe computer centers; Automated Data Processing, communication and message centers at headquarters and at missions abroad; mail and pouch services; and special communications support for the Secretary and the White House at meetings abroad; and
- Development and maintenance of software and hardware for classified and unclassified word processing, electronic mail, spreadsheets, graphics, and data base management.

Training Services (\$100,586,000 including \$96,021,000 from direct appropriations and \$4,565,000 from MRV Fees) – Professional development (including training) is a continuous process by which the Department ensures that its people – its most important asset – have the skills, experience and judgment to fulfill their functions at all levels. Investments in training are vital to a changing and streamlining organization. Training programs provide the leadership, language, area, information technology, consular, and other professional skills needed for the conduct of foreign relations. The Department's training program is the principal responsibility of the Foreign Service Institute, which has an innovative training strategy designed to support directly new and emerging policy and management priorities.

Medical Services (\$30,151,000) – The Medical Program promotes the health of all under its care by encouraging prevention of illness and facilitating access to health care. This activity encompasses medical clearances and programs for the Department of State and the Foreign Service as well as other U.S. Government departments and agencies overseas. Approximately 31,000 employees and their eligible family members receive medical care at about 190 overseas health units overseas and in Washington, DC.

Rental Payments to GSA (\$150,433,000) – GSA finances its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled properties. This funding provides payment for domestic space occupied by the Department.

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Overseas Program Support (\$527,208,000) – This activity includes administrative activities at more than 260 posts abroad, such as overseas administrative support for over 100 U.S. Government organizations; personnel and financial management services; and short-term lease property management and building maintenance staff, shipping and customs clearance, and motor pool services.

Domestic Infrastructure and Program Support (\$456,108,000) – This activity includes the infrastructure located in the United States that is dedicated to the administrative support of U.S. diplomatic activities and other U.S. Government agencies overseas, such as domestic personnel and financial management services, domestic building operations and routine maintenance, acquisition services, and other general administrative services.

Post Assignment Travel (\$133,279,000) – Post Assignment Travel funds the cost of travel, transportation, and related items in connection with the appointment, transfer, and separation of the Department's American full-time permanent staff and their families. The Department's general tour of duty policy (with some exceptions) is three years at most overseas posts, and two years at posts with extreme hardship conditions.

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Program Activities Summary

Funds Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Policy Formulation	324,870	334,651	353,987	19,336
Conduct of Diplomatic Relations	619,392	642,519	732,295	89,776
Public Diplomacy	305,735	321,720	333,863	12,143
Conduct of Consular Relations	749,012	908,385	984,350	75,965
Multilateral Diplomacy	52,438	51,205	54,225	3,020
Diplomatic Security/Counterterrorism /Worldwide Security Upgrades	919,652	927,510	977,802	50,292
Information Resource Management	774,631	751,139	778,267	27,128
Training Services	90,417	92,515	100,586	8,071
Medical Services	25,156	28,327	30,151	1,824
Rental Payments to GSA	132,450	136,700	150,433	13,733
Overseas Program Support	486,708	477,743	527,208	49,465
Domestic Infrastructure and Program Support	443,866	438,444	456,108	17,664
Post Assignment Travel	128,998	127,414	133,279	5,865
Iraq Supplementals (1)(2)(3)	806,850	0	0	0
Total	5,860,175	5,238,272	5,612,554	374,282

(1) FY 2004 Actual includes \$35.8 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

(2) FY 2004 Actual includes \$665.3 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).

(3) FY 2004 Actual includes \$105.75 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106) and transferred from Coalition Provisional Authority Operating Expenses; it does not include the anticipated transfer of \$184 million (or 1%) from the Iraq Relief Reconstruction Fund.

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Program Activities Summary

Positions Summary Statement

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Policy Formulation	2,116	2,124	2,124	0
Conduct of Diplomatic Relations	3,957	3,965	4,158	193
Public Diplomacy	2,664	2,664	2,664	0
Conduct of Consular Relations	3,951	4,096	4,151	55
Multilateral Diplomacy	338	338	338	0
Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Upgrades	2,782	2,845	2,900	55
Information Resource Management	2,033	2,036	2,036	0
Training Services	581	581	601	20
Medical Services	75	75	75	0
Overseas Program Support	326	326	334	8
Domestic Infrastructure and Program Support	2,022	2,011	2,011	0
Total	20,845	21,061	21,392	331

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Highlights of Budget Changes

Summary Statement

(\$ in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
FY 2004 Actual (1)	4,331,530	639,896	118,737	5,090,163
FY 2005 Current Estimate (2)	3,522,316	649,904	128,263	4,300,483
Current Services				
Base Adjustments - Decreases	(6,027)	0	0	(6,027)
Financial Services Consolidation	(1,300)	0	0	(1,300)
One-Time FY 2005 Organization of American States General Assembly Costs	(4,195)	0	0	(4,195)
White House Audio Video Support Transfer	(532)	0	0	(532)
Base Adjustments and Annualization of 2005 Requirements	98,961	3,227	0	102,188
Iraq Operations	65,000	0	0	65,000
Annualization of FY 2005 American Cost of Living, Benefits and Hiring Adjustments	33,961	3,227	0	37,188
Anticipated 2006 Wage Requirements	55,882	2,124	0	58,006
American Cost of Living Adjustments	32,307	2,124	0	34,431
FSN Wage Increases	23,575	0	0	23,575
Anticipated 2006 Price Requirements	43,918	27,560	0	71,478
Overseas Inflation	14,575	0	0	14,575
Domestic Price	9,050	5,753	0	14,803
GSA Rental Payment	13,733	0	0	13,733
Local Guard Program and Other Global Inflation	5,143	21,807	0	26,950
Medical Inflation	587	0	0	587
Workers Compensation	830	0	0	830
Total Increases	198,761	32,911	0	231,672
Net Total, Built-In Changes	192,734	32,911	0	225,645
FY 2006 Current Services	3,715,050	682,815	128,263	4,526,128

(1) FY 2004 Capital Investment Fund Actual includes the Capital Investment Fund (\$79,158,000) and Worldwide IT Infrastructure (\$39,579,000).

(2) FY 2005 Capital Investment Fund Estimate includes the Capital Investment Fund (\$51,452,000) and the Centralized Information Technology Modernization Fund (\$76,811,000).

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Highlights of Budget Changes

Summary Statement

(\$ in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
Program Increases				
People	56,918	0	0	56,918
Operational Readiness	56,918	0	0	56,918
Security	7,575	6,708	0	14,283
Overseas and Homeland Security Staffing	0	6,708	0	6,708
Continuity of Operations	7,575	0	0	7,575
Regionalization	3,575	0	0	3,575
Regional Program Office Move from Vienna to Frankfurt	3,000	0	0	3,000
Florida Regional Center	575	0	0	575
Technology	0	0	4,737	4,737
IT Central Fund	0	0	4,737	4,737
Total, Program Increases	68,068	6,708	4,737	79,513
FY 2006 President's Budget Request	3,783,118	689,523	133,000	4,605,641

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Explanation of Current Estimate

The FY 2005 current estimate for State Programs appropriations of \$4,300,483,000 consists of the following amounts:

- \$3,522,316,000 estimated for Diplomatic and Consular Programs Ongoing Operations.
- \$649,904,000 estimated for Worldwide Security Upgrades.
- \$51,452,000 estimated for the Capital Investment Fund and \$76,811,000 estimated for the Centralized Information Technology Modernization Program.

Explanation of 2006 Built-In Changes - Decreases

Decreases (non-recurring costs and adjustments) total \$6,027,000 for Department of State Programs appropriations, all from Diplomatic and Consular Programs as follows:

- **Financial Services Consolidation: -\$1,300,000.** This reflects planned savings from consolidating Financial Services to Charleston, South Carolina.
- **Organization of American States General Assembly: -\$4,195,000.** This reflects one-time costs in FY 2005 associated with the hosting of the Organization of American States General Assembly.
- **White House Audio Visual Support: -\$532,000.** Funding responsibility for audiovisual support for overseas Presidential diplomatic missions will be returned to the Executive Office of the President from D&CP Ongoing Operations.

Explanation of 2006 Built-In Changes - Increases

The total increases for FY 2006 built-in changes are \$231,672,000. This amount provides for the base adjustments detailed below including a 1.6 percent increase for domestic inflation and an overall average 3.6 percent increase for overseas non-wage inflation. The FY 2006 request reflects the anticipated 2.3 percent American pay increase and overall FSN wage increases of 3.2 percent consistent with anticipated rates of overseas consumer price inflation. The breakdown of the total increase is as follows:

Iraq Operations: \$65,000,000 is required to establish a funding base for FY 2006 within the regular Diplomatic and Consular Programs appropriation for core embassy functions within the U.S. Mission, Baghdad.

Annualization of 2005 Requirements: \$37,188,000 (\$33,961,000 for D&CP and \$3,227,000 for WSU) reflects the full-year cost of the 2005 American Pay Raise and the cost of benefits increases, as well as the annualization of FY 2005 salary costs.

Anticipated 2006 Wage Requirements: \$58,006,000 is required for the following anticipated wage increases during FY 2006:

- American Cost-of-Living Adjustment: \$34,431,000 (\$32,307,000 for D&CP and \$2,124,000 for WSU). This amount reflects an anticipated 2.3 percent general American cost-of-living increase in 2006.
- FSN Wage Increases: \$23,575,000. This increase includes FSN salary adjustments consistent with local prevailing wage rates, needed to keep the Department competitive with other foreign countries' embassies and private firms in order to retain competent staff and to comply with local law, as required.

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Anticipated 2006 Price Requirements: \$71,478,000 is required for the following anticipated price increases during FY 2006:

- Overseas Price: \$14,575,000. This amount will fund an estimated average 3.6 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than experienced in the United States. Our overseas posts purchase a relatively large proportion of items and services on the local economies which trend toward greater price increases for items such as utilities, communications, security, and information services and equipment.
- Domestic Price: \$14,803,000 (\$9,050,000 for D&CP and \$5,753,000 for WSU). This amount will fund an estimated 1.6 percent increase in domestic inflation for such items as:
 - GPO and other printing services;
 - Travel and per diem costs;
 - Transportation of equipment and other items;
 - Rents, communications, and utilities;
 - Leasing, service, and maintenance costs primarily in the Department's information management programs;
 - Payments for transit subsidy;
 - Supplies and materials; and
 - Equipment purchases.
- GSA Rental Payment: \$13,733,000. This increase results from estimated increases in rental rates for buildings occupied by the Department.
- Local Guard Program and Other Global Inflation: \$26,950,000 (\$5,143,000 for D&CP and \$21,807,000 for WSU). This amount represents the overseas wage and price increases including those required to maintain the Department's numerous contracts for local guard services at overseas posts and for domestic guard services.
- Medical Inflation: \$587,000. This amount represents the price increase required for medical supplies and services worldwide.
- Workers Compensation: \$830,000. Funding is required to support the increase in the Department's bill from the Department of Labor for Worker's Compensation payments.

Explanation of FY 2006 Program Changes

The FY 2006 request includes \$79,513,000 for high priority initiatives and investments that are critical to maintaining and improving operational readiness and supporting the U.S. diplomatic platform overseas. These increases include the following: \$56,918,000 for People; \$14,283,000 for Security; \$3,575,000 to support Regionalization; and \$4,737,000 for Technology.

People: \$56,918,000

Operational Readiness: 221 positions and \$56,918,000

Over the last four years, the Department of State has received budget increases for personnel that have strengthened diplomatic readiness capacity. However, these gains have been outdistanced by new requirements that have become on-going responsibilities. These staffing requirements include new embassies in Iraq and Afghanistan and a liaison office in Libya and their attendant regional offices, reconstruction offices, and support offices in Washington. There have also been requirements including policy initiatives in the Middle East and counterterrorism staffing.

In FY 2006, the Department faces additional operational needs and requires a total of 221 new positions:

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- **Additional Requirements in Iraq, Afghanistan, Libya, and Sudan:** These positions are needed to staff four regional offices in Iraq, as well as increased resources to strengthen our diplomatic presence in Afghanistan, Libya, and Sudan.
- **Critical Needs Related to Security Objectives:** These critical needs include positions at the confluence of our most important foreign policy and homeland security objectives such as non-proliferation of weapons of mass destruction, combating terrorist financing, and advancing information technology to meet security and intelligence requirements. These positions are essential to meet the requirements of these vital priorities.
- **Critical Needs Language Training:** The need for more and better speakers of critical languages such as Arabic and other hard language (e.g. Korean) is well documented. New positions would be dedicated to language training for employees who already have proficiency in critical needs languages, particularly Arabic and Farsi, to master fluency in that language. Complete fluency in these critical languages is imperative to advocacy of U.S. policies in areas that speak these languages. We need employees with superior language skills to engage with other countries and to advocate America's foreign policy agenda.
- **Positions for the Office of the Coordinator for Reconstruction and Stabilization:** The new Office of the Coordinator for Reconstruction and Stabilization (S/CRS) will lead, coordinate, and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife so they can reach a sustainable path toward peace, democracy and a market economy. S/CRS will offer a robust interagency resource for planning and launching new operations, managing banks of personnel, funds, and information that can be tapped quickly and targeted precisely, and for distilling and applying lessons learned in a systematic way. Organizing civilian operations in a more focused, rapid and effective manner will save lives, be more efficient, and position the United States to lead the international community. The FY 2006 request includes 54 new positions to expand S/CRS to met these program goals.

The FY 2006 request also provides for the creation of a ready-response capacity within the Department of State composed of 100 personnel who will receive training and participate in exercises related to post-conflict response. These personnel will be drawn from the Civil Service and Foreign Service in regional and functional bureaus to be available for deployment as first responders to create the diplomatic base for stabilization and reconstruction.

The salaries, one-time hiring costs, and increased support costs associated with these functions total \$56,918,000.

Security: \$14,283,000

Worldwide Security Upgrades: 55 Positions and \$6,708,000

A separate justification for increases totaling \$6,708,000 to support this initiative is included in the Worldwide Security Upgrades section.

Continuity of Operations: \$7,575,000

The establishment of a Contingency Location Site at the National Foreign Affairs Training Center is a vital component of the Department of State's long-term strategy regarding Continuity of Operations. The

STATE PROGRAMS

Contingency Location Site would be used in the event of a catastrophic local emergency, such as flood, fire, bomb and other terrorist attacks that would render all or portions of the Harry S Truman Building and/or other annexes inoperable or uninhabitable. The effort focuses on modification of existing facilities and expansion of utility/communication capabilities to accommodate contingency functions and emergency personnel. The \$7.6 million will fund the second year of a three-year effort estimated to cost \$12 million.

Regionalization: \$3,575,000

Regional Program Office Move from Vienna to Frankfurt: \$3,000,000

As a part of the regionalization and rightsizing initiative, the Department plans to relocate the Regional Program Office in Vienna to the New Consulate Office Complex in Frankfurt. By moving the function to Frankfurt, the Department will be able to provide a much safer and more secure platform for the employees while consolidating the regional training functions in one location. This request covers costs associated with decommissioning the Vienna facilities, severance pay for local staff, and the physical move and start up costs in Frankfurt facilities.

Florida Regional Center: \$575,000

The Department requests funds to support rightsizing efforts at the Florida Regional Center (FRC). The FRC will expand and improve its role of providing administrative and management support to the Western Hemisphere region posts. The FRC will offer greater economies of scale in certain functions, making it possible to improve serviced posts' administrative operations and security, allowing for cost savings by reducing overseas support requirements. There will be a significant expansion of FRC's current role, moving from "consultant" to "primary service provider." Financial, Human Resources, Information Technology, Procurement and Contracting, and Facilities Maintenance services provided to the posts in the region will all improve significantly. Under the new shared-services model, the FRC will function in very similar fashion as the best of our overseas management sections. It will include expert staff in all management functional areas, and these staff will reinforce each other's efforts. Smaller posts will receive dramatically increased and improved levels of assistance and oversight.

Technology: \$4,737,0000

A separate justification for an increase of \$4,737,000 is included in the IT Central Fund section.

WORLDWIDE SECURITY UPGRADES

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
Worldwide Security Upgrades	639,896	649,904	689,523

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The potential for terrorist activity directed at U.S. diplomatic facilities and the U.S. citizens and foreign nationals serving in them remains at an historically high level. Physical and technological attacks continue to be directed at these facilities and at U.S. personnel and citizens on a global basis. Indeed, there are various avenues used by terrorists to inflict damage or harm U.S. interests including technological attempts to obtain sensitive information or to break into critical automated information systems. Numerous individuals and groups are intent on disrupting the orderly and effective execution of U.S. foreign policy. In the face of this serious challenge, the State Department is dedicated to ensuring that the pursuit of U.S. Government policy abroad will proceed with the least possible risk to personnel and property. This commitment is evidenced by the continuation of an extensive program to sustain recent protective improvements and support the expansion of critical security initiatives around the world. The potential of large-scale terrorist attacks on government and civilian targets within the United States and at our diplomatic missions abroad emphasizes the importance of continuing and expanding the programs operated with Worldwide Security Upgrades funds.

The FY 2005 appropriation includes funds to continue the comprehensive perimeter security enhancement program, increase the Department's cadre of security professionals by 71 positions, and strengthen programs to keep security vulnerabilities low and maintain defensive countermeasures to thwart and mitigate overseas and domestic attacks.

The FY 2006 request of \$689,523,000 and 55 new positions is an increase of \$39,619,000 over the \$649,904,000 appropriated for Worldwide Security Upgrades in FY 2005. This budget seeks funding that will strengthen and expand the security programs of the Department by keeping pace with the evolving capabilities of those who seek to damage U.S. interests. It includes funds to significantly strengthen high threat protection capabilities worldwide. The 55 additional security professionals and support staff will address the continuing increase in worldwide threats and burgeoning demands being placed on diplomatic security operations.

The FY 2006 request is summarized in the following table:

WORLDWIDE SECURITY UPGRADES

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Ongoing Security Activities	596,952	607,084	639,415	32,331
Guards - Worldwide Protection	216,033	251,811	263,296	11,485
Physical Security Equipment	19,031	18,412	21,424	3,012
Technical Support/Infrastructure	78,774	75,752	83,581	7,829
Information/Systems Security	79,243	48,618	52,551	3,933
Armored Vehicles	22,871	21,090	22,429	1,339
Personnel/Training	156,366	166,325	168,689	2,364
Chemical/Biological Program	17,149	17,052	19,237	2,185
Radio Program	7,485	8,024	8,208	184
Perimeter Security Enhancements	42,944	42,820	43,400	580
Security Initiatives	0	0	6,708	6,708
Security Staffing	0	0	6,708	6,708
Total, Worldwide Security Upgrades	639,896	649,904	689,523	39,619

Maintaining Ongoing Security Activities: \$639,415,000

The amount required to maintain ongoing activities is \$639,415,000 and reflects an increase of \$32,331,000 to fund FY 2005 annualized and FY 2006 anticipated wage and price increases.

Perimeter Security: \$43,400,000

The Department is requesting \$43,400,000 to continue the second phase of our program to address critical vulnerabilities in perimeter security at facilities worldwide. This is the third year of a seven-year effort to strengthen technical security capabilities at buildings outside of primary embassy or consulate compounds as well as to sustain the life-cycle replacement program for the installations completed under the initial program.

In FY 2004, 30 non-chancery buildings (large office annexes and other key facilities) received technical security upgrades. In addition, \$11 million of the FY 2004 funding provided for the life-cycle replacement of 90 explosive detectors, 48 perimeter x-ray screening machines, 150 walk-through metal detectors, 60 backup power systems, and 50 closed circuit television control and recording units at posts within the 243 original installations. The scheduled life-cycle replacement and state-of-the-art upgrades for equipment such as cameras and recording devices will keep them technically effective to provide the highest possible level of protection for our personnel and facilities around the world. The same level of effort continues in the second year of this initiative, using the funding received in the FY 2005 appropriation.

The FY 2006 request will fund technical security upgrades at a third group of 30 annexes and other high priority buildings not included in the original program, but which remain at significant risk. This third year funding will also continue the program to provide upgrades of 210 non-chancery buildings to be achieved over the next 5 years. Finally, \$11 million of the FY 2006 request will provide for the further life-cycle replacement of explosive detectors, perimeter x-ray screening machines, walk-through metal detectors, backup power systems, and closed circuit television control and recording upgrades for an additional portion of the 243 original installations.

WORLDWIDE SECURITY UPGRADES

Security Staffing: 55 positions and \$6,708,000. These 55 positions are required to meet the urgent demands of the global war on terror and homeland security requirements. The request includes Special Agent positions that were provided in the FY 2004 appropriation but were reprogrammed and assigned to the U.S. Embassy in Baghdad.

High Threat Protection Program (3 Positions) and \$1,196,000: The High Threat Protection Program continues to evolve in response to burgeoning terrorist threat situations in which highly skilled personnel are required to work in dangerous environments to protect American personnel and key foreign government leaders. These highly skilled personnel consist of Special Agents and American contract guards. To provide adequate oversight and coordination of a high threat protection program, an office consisting of 3 full-time positions and contract staff is necessary to handle the workload generated by the increasing number of terrorist threats. The office will be responsible for establishing and maintaining appropriate mechanisms to ensure high level contractor performance through statements of work, task orders, and invoice validation. It will also oversee the protective security operations and monitor training programs for high threat protection details through domestic development and program management reviews. This office will develop criteria for protective security operations including standards, training, evaluations, strict inventory control and a government furnished equipment database. The High Threat Protection Office will require \$1,196,000 for ongoing operations. Included here is specialized training of employees who will be assigned to dangerous locations and salary and support costs to cover the 3 new positions.

Protective Intelligence Investigations (14 Agents) and \$1,484,000: A total of 14 DS Agent positions are requested to cover necessary details to the Joint Terrorism Task Forces (JTTFs) in the United States. These JTTFs plan, coordinate, and conduct extremely complex and sensitive investigations involving terrorist activities, threats, and incidents directed against American citizens, USG personnel and diplomatic facilities abroad and in the United States. The expansion of the JTTFs by the FBI has increased investigative demands on the Diplomatic Security Service for its acknowledged expertise in travel document investigation.

Field Office Staffing (25 Agents) and \$2,650,000: These 25 positions will allow additional staffing to augment the high threat protection requirements overseas and to protect foreign dignitaries and officials domestically. Because of increased terrorist activity worldwide, the number of extended temporary duty assignments has increased greatly. Meanwhile, increased threats have also caused more Special Agents to be added to protective details covering foreign dignitaries and officials, especially in support of the United Nations General Assembly in New York.

Mobile Security Teams (13 positions) and \$1,378,000: The addition of 13 Special Agents will assist the Department in meeting its critical staffing needs; they will be assigned to mobile security teams that respond to increased threats and security training requirements overseas. The steady rise in threats to USG interests and personnel overseas has demanded more deployments by Mobile Security Deployment (MSD) teams, in greater numbers, and for longer periods of time, in the Middle East, Africa, and Asia. State Department and NSC taskings for MSD are expected to continue to rise in the foreseeable future as U.S. missions come under threat. This increase in demand for MSD services is coming at an increasing cost to the agents assigned to this program. The program performance goal has the agents on deployment no more than 50% of the time to allow for recovery and training to keep their operational skills current. This performance goal can not be maintained with the current level of demands. This is a life-safety issue that has direct consequences for the agents themselves and for the program.

WORLDWIDE SECURITY UPGRADES

PART / Program Evaluation

During the FY 2006 budget cycle, the Office of Management and Budget evaluated the Department's Worldwide Security Upgrades (WSU) program using the Program Assessment Rating Tool (PART). This diverse program, with fifty different projects, was found to have a clear purpose and to address a specific need. Created in response to the 1998 embassy bombings in Africa, the program has sought to enhance and sustain worldwide security operations and support homeland security and counterterrorism efforts.

The program has well-defined long-term goals and has made progress toward achieving them. For example, in FY 2003, the program tripled the monthly number of background investigation updates and attained a rate that would meet the long-term goal of assuring that every employee receives a background investigation update every five years. Other key indicators used by program managers include: installation of technical security upgrade equipment, deployment of chemical and biological weapons countermeasure masks to posts abroad, replacement of armored vehicles, installation of State Department access control systems, remediation of identified critical infrastructure protection vulnerabilities, presence of intrusion detection systems for ClassNet and OpenNet domestically and abroad, and the number of technical security projects completed each fiscal year in accordance with the schedule.

The Office of the Inspector General (OIG) has evaluated various aspects of the WSU program. The OIG, which continually reviews security programs and security at diplomatic facilities, reported that security is effective and that all OIG recommendations for improvement have been resolved. The OIG audit of the WSU surveillance detection program judged the worldwide establishment of an entirely new security system against terrorism a significant achievement, and the OIG audits of the WSU armored vehicle program and the WSU explosive detection program fully validated Department actions.

In the face of continuing terrorist threats to U.S. diplomatic facilities around the world, and in consideration of the positive evaluations by PART and the OIG, the FY 2006 request seeks increased funding for Worldwide Security Upgrades.

IT CENTRAL FUND

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
Capital Investment Fund	79,158	51,452	133,000
Centralized Information Technology Modernization Fund	0	76,811	0
IT Investment/Expedited Passport Fees	132,263	114,000	116,000
Worldwide IT Infrastructure	39,579	0	0
Total, IT Central Fund	251,000	242,263	249,000

Explanation of Request

U.S. diplomacy depends on how we use information technology rapidly, effectively and globally to carry out United States foreign policy. Recent events throughout the world have emphasized the importance of IT services in providing rapid and reliable communications. The Department has made great strides in modernizing its IT infrastructure and systems and must now significantly improve its ability to provide modern anywhere/anytime access to vital information needed for successful diplomacy.

The FY 2006 IT Central Fund request, which comprises the Capital Investment Fund and Expedited Passport Fees, provides a portion of the IT tools and programs needed to support the Department's mission. Central Fund resources are invested to build effective, secure, and integrated IT systems supporting U.S. diplomacy worldwide, and to provide for the safeguarding and upkeep of the global IT infrastructure that is the foundation for the Department's operations.

For the past five years, the Department has been pursuing an IT Strategic Plan published in 1999, covering goals, objectives, and initiatives that will be substantially accomplished by the end of FY 2005. This Plan has produced significant results in delivering IT services throughout the world. All eligible overseas posts are fully connected via the Department's classified and unclassified networks, providing reliable connectivity to even the most remote locations. Internet access is provided from the desktop. Application modernization is in progress, with most applications now being re-tooled to provide web-based access and greater levels of integration. IT staff skills have been upgraded and hiring and retention issues have been addressed.

The Department's budget request for FY 2006 reflects the transition to the new goals structure embodied in the FY 2006 - FY 2010 Goals Paper, which will be the basis for a new IT Strategic Plan and subsequent allocation and management of IT resources.

The new Goals Paper is based on a clear vision for IT: *empowering diplomacy with tools and information available anytime, anywhere*. Under the FY 2001- FY 2005 IT Strategic Plan, the Department successfully laid the groundwork to move toward this vision and pursue the new FY 2006 - FY 2010 goals:

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- Goal 1: The Right Information: *Knowledge Leadership For Diplomacy*
- Goal 2: Anytime/Anywhere Computing: *Diplomacy On The Move*
- Goal 3: External Partnerships: *Diplomacy Through Collaboration*
- Goal 4: Risk Management: *Mission Effectiveness And Security*
- Goal 5: Work Practices And Workforce: *Leading Change*

These goals build on the current IT Strategic Plan and will ensure that State continues an IT program that provides excellent and innovative support to all aspects of modern diplomacy.

The Department's highest priorities for FY 2006 include sustaining and improving the infrastructure to provide increased accessibility to the full range of IT services from all kinds of end user devices (e.g., laptops, PDAs, cell phones, thin clients) regardless of location; continued centralization of the Department's IT platform, support, and management; business applications that are broadly accessible to authorized end-users via web-based tools; improved IT tools for content management and intelligent search, retrieval, analysis, and presentation; and interagency collaboration and coordination, with particular emphasis on joint efforts with USAID.

The Department continues to rely on its effective and broadly representative e-Gov/IT governance process, and this process has driven the FY 2006 budget request. The Assistant Secretary-level e-Gov Program Board, whose members represent the broad interests of the Department, has overseen and approved the new IT Goals Paper, which is a major driver for this request.

The following table summarizes the FY 2006 investment funding needed by the Department to achieve its strategic IT goals and objectives:

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INVESTMENT SUMMARY

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Goal 1: The Right Information: Knowledge Leadership for Diplomacy	51,218	41,363	52,368	11,005
State Messaging and Archive Retrieval Toolset (SMART)	38,251	32,066	39,672	7,606
Electronic Medical Record (EMR)	3,067	2,942	2,500	(442)
Content Management System	2,146	2,324	2,446	122
Other Goal One Initiatives	7,754	4,031	7,750	3,719
Goal 2: Anytime/Anywhere Computing: Diplomats on the Move	147,015	127,232	122,406	(4,826)
Centralized IT Modernization	88,600	79,412	74,105	(5,307)
Department Bandwidth Costs	40,000	39,466	40,000	534
Other Goal Two Initiatives	18,415	8,354	8,301	(53)
Goal 3: External Partnerships: Diplomacy Through Collaboration	67,370	64,295	66,598	2,303
Joint Financial Management Systems	3,184	7,857	9,945	2,088
Global Financial Management System (GFMS)	9,412	4,279	0	(4,279)
Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration	2,325	5,488	5,487	(1)
Travel Manager Program	1,333	1,073	5,499	4,426
Worldwide Agency-wide Locally Engaged Staff Payroll (WALES)	0	0	950	950
A/LM Integrated Logistics Management System (ILMS)	23,889	20,182	18,000	(2,182)
Integrated Personnel Management System (IPMS)	11,775	11,267	11,267	0
Other Goal Three Initiatives	15,452	14,149	15,450	1,301
Goal 4: Risk Management: Mission Effectiveness and Security	7,505	8,102	6,655	(1,447)
Public Key Infrastructure (PKI) /Biometrics	6,733	8,102	6,655	(1,447)
Other Goal Four initiatives	772	0	0	0
Goal 5: IT Organization and Workforce: Leading Change	1,687	1,271	973	(298)
Subtotal, IT Central Fund	274,795	242,263	249,000	6,737
FY 2003 Carryforward Applied to SMART	(23,795)	0	0	0
Total, IT Central Fund	251,000	242,263	249,000	6,737

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Goal 1: The Right Information: Knowledge Leadership for Diplomacy

The Department must leverage its investment in reliable global IT infrastructure by expanding the direct support for the mission-driven processes of diplomacy and foreign affairs. This entails developing knowledge bases focused on areas of interest, deploying effective, user-oriented tools for discovering and analyzing useful information, and establishing a Department-wide solution for content management and information publishing and dissemination. Specific initiatives to be pursued in FY 2006 include:

State Messaging and Archive Retrieval Toolset (SMART): \$39,672,000

The FY 2006 request will allow the Department to complete the deployment of SMART, providing a user-driven solution to meet the messaging, archiving and information retrieval needs of the Department, and to facilitate the access to Department information by the Foreign Affairs Community. The SMART program is a vital and elemental building block of the Department's overarching e-Diplomacy strategy, which includes effective knowledge management and inter-agency information sharing and collaboration.

SMART will replace the fragmented collection of outmoded manual and automated systems that currently support foreign policy activities on a worldwide basis. Message creation, exchange, and management will be achieved via desktop client or web access for users accessing from remote locations. SMART will have many of the characteristics of systems that people use at home, notably portals, remote access, and powerful search and retrieval.

SMART has made impressive progress to date and has established a foundation for success. In FY 2004, a contract was awarded and an initial laboratory system was developed and evaluated. In mid-FY 2005, the SMART solution will be pilot-tested at selected domestic and overseas locations. The pilot deployment will be evaluated carefully in FY 2005 to assure that SMART meets all functional requirements. After such assurance is secured, deployment will be extended to additional domestic and overseas users. The focus of FY 2006 will be worldwide deployment.

Electronic Medical Record (EMR): \$2,500,000

The Electronic Medical Record (EMR) System establishes the essential medical record infrastructure that the Department of State must have to provide quality health care services for all U.S. Foreign Affairs agencies worldwide. The EMR provides a single, electronic, authoritative source of information that is readily retrievable for patient care, medical evacuations and hospitalizations, medical clearance decisions, medical record release actions, and medical program planning and management. The EMR then provides a standard, rapid and secure way to enter new medical record information into a patient's Department of State medical record. The EMR is an integration of commercial off-the-shelf (COTS) medical record software, unique State Department medical applications (e.g. medical clearances), and scanned medical records, which are currently being integrated with web-based development software. During FY 2005 and 2006, EMR will include such capabilities as health maintenance and health promotion.

Content Management System (CMS): \$2,446,000

The CMS project provides content management, web hosting, search and web reporting tools for Embassies and the Department of State's public diplomacy websites to get the right information, to the right people, at the right time. The CMS provides the delivery platform and infrastructure to develop, maintain, and host centralized multilingual content management to streamline the creation and delivery of high quality information for both print and web content for Embassy and international audiences. The CMS will improve the efficiency of embassy operations by streamlining and providing automated support for content development, workflow, and publishing. More important, it will improve the ability of the Department to

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deliver highly effective, custom-tailored messages to audiences around the world, thus furthering the diplomatic mission. Although the project was focused initially on public diplomacy, the Department will consider expanding the scope of the effort to cover the comprehensive content management needs specified under Goal 1 of the new IT Strategic Plan. CMS Phase 1 has been successfully deployed at over 100 overseas locations and is in use. In FY 2005, new public diplomacy web site capabilities will be implemented in additional languages (e.g., Spanish, Farsi). In FY 2006, the CMS project will extend digital products and content through Print Publication Integration, and will add new posts/consulates into the CMS.

Other Goal 1 Initiatives: \$7,750,000

The Department will pursue other initiatives to promote knowledge management in support of diplomacy, including the Department's web site, Enterprise Information Portal (EIP), Intelligence and Research Bureau (INR) systems, and records disposition. The overarching focus for FY 2006 will be to determine how best to provide end users with the information and tools they need to further the U.S. diplomatic mission.

Goal 2: Anytime/Anywhere Computing: Diplomats on the Move

Under Goal 2, the Department will provide an IT infrastructure that supports reliable access to needed information and systems from anywhere via standard end-user devices such as laptop and desktop computers, PDAs, and cell phones. Users will have access while working at home (telecommuting and telework), while on travel, and while out of the office. To accomplish this goal, the Department will continue to maintain its global IT infrastructure, and will explore technology extensions that enable secure mobile access. The Department is working with other agencies to capitalize on technologies that have proven successful in meeting similar functional and security requirements. Specific initiatives that support Goal 2 are summarized below.

Centralized IT Modernization - Worldwide IT Infrastructure: \$74,105,000

In FY 2006, the Department will continue to consolidate the gains of the past few years and ensure that its global IT infrastructure is kept current so that diplomats anywhere in the world can communicate with each other, and through the Internet, with those outside the Department's networks.

The Global IT Modernization program, Enterprise Network Management, Enterprise Software -- Licensing and Maintenance, the Enterprise Server Operations Center, including operations at the backup and recovery facility, allow the Department to sustain a true global infrastructure, ensuring compliance with standards, full interoperability, and cost-effective administration. To enable the Department to provide anytime/anywhere access, the infrastructure must be sufficiently robust and reliable.

The Department centrally manages the replacement and modernization of classified and unclassified desktop computers, servers, network equipment, and circuits at the Department's domestic facilities and at all overseas posts. As equipment is replaced, infrastructure is re-engineered, as appropriate, taking into account newer technology, security and best practices.

Leveraging the Department's IT assets, this request provides core funding to support the Department's goal of a four-year replacement cycle and modernization program – a critical step toward increasing the security and integrity of the Department's IT infrastructure. Priority activities planned for FY 2006 are:

- deploying 30 additional virtual private network (VPN) sites, bringing the total to 300 sites - VPNs provide encrypted communication tunnels through the public Internet, thus reducing the cost per bit of bandwidth and improving performance and reliability;

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- integration of State and USAID networks;
- voice-over-IP, permitting cost-effective, secure world-wide telecommunications;
- re-architecting the global classified network;
- improving network availability to 99.6% enterprise-wide;
- increasing the application of remote management processes to software distribution and patch management,
- continued consolidation of domestic server operations in the Enterprise Server Operations Center, and
- backup and recovery capabilities to assure reliable communications capabilities with all posts.

The Department's centralized software licensing arrangements cover the entire enterprise for widely used critical software, including arrangements with Microsoft and the Oracle Corporation. The goals of enterprise licensing include cost savings, standardization, and internal efficiencies in negotiating with vendors. By centralizing the licensing process, we ensure that all software is kept current and secure. State is committed to leveraging economies of scale for large software acquisition and works closely with the GSA Smart-Buy program and is a member of the Smart-Buy steering committee.

Department Bandwidth: \$40,000,000

This request funds the Department's FY 2006 requirements for bandwidth, which enables the exchange of information between the Department's headquarters and American diplomatic and consular posts around the world. As the demand grows to transmit a wide-variety of electronic information, including large sound and graphics files in support of our nation's foreign policy objectives, funding for expanded bandwidth circuits of sufficient volume and speed must be available. This request funds costs for circuits provided by the Diplomatic Telecommunications Service Program Office (DTS-PO), as well as special circuits for individual embassies, internet service provider costs, and very small aperture terminal (VSAT) services.

Other Goal 2 Initiatives: \$8,301,000

Other initiatives that focus directly on achieving the goals of anytime, anywhere access include: Secure Wireless Extended Enterprise Technology (SWEET) to deploy personal digital assistants (PDAs); video collaboration; OpenNet Everywhere (ONE) to implement technology to enable secure mobile access to OpenNet; and post telephones.

Goal 3: External Partnerships: Diplomacy Through Collaboration

The Department is committed to electronic Government and resulting improvements in effectiveness and efficiency. We are focusing on three fronts in this area: (1) participating in government-wide e-Gov initiatives; (2) streamlining our administrative operations; and (3) enhancing interagency collaboration, especially overseas and with the intelligence and foreign affairs communities. These efforts all address Goal 3 of the new IT Strategic Plan.

An important ongoing priority is to provide a suite of effective and efficient application systems that ensure diplomatic readiness. The Department has been working to provide diplomatic readiness and management functions in a more streamlined, consolidated, and cost-effective manner. This request will also enable the Department to web-enable applications, create more useful reports, and improve the Department's ability to share data, both internally and with other agencies. It will also position the Department for greater participation in government-wide administrative solutions as they become available.

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Financial Management Systems

The Department will continue to integrate and upgrade its global financial management systems in FY 2006. Goals include high levels of data consolidation, web-enablement, coordination with USAID, and positioning for government-wide e-Gov efforts. Key initiatives will include:

- Joint Financial Management Systems (JFMS) (\$9,945,000) -- Provide State resources to work with USAID for a common financial management platform to support overseas and domestic worldwide financial management and reporting. JFMS is the follow-on project to the Global Financial Management System, which consolidated and improved State financial systems.
- Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration (\$5,487,000) -- This request will support a smooth transition from the current 20-year-old CAPPS system to one of the four OPM/OMB approved ePayroll platforms.
- Travel Manager Program (\$5,499,000) -- Migrate to the new government-wide eTravel service (eTS) while at the same time continuing to provide a modern, standard and streamlined travel program to Department travelers both domestically and overseas. The eTS, developed and managed by GSA, is a Federal travel management service that is being mandated by a new Federal Travel Regulation (FTR) policy for use by all executive branch agencies.
- Worldwide Agency-wide Locally Engaged Staff Payroll (WALES) (\$950,000) -- Replace aging Foreign Service National (FSN) Pay systems with a modern payroll processing capability that supports the widely diverse requirements worldwide for the locally engaged staff of the Department and over 50 serviced agencies.

Integrated Logistics Management System (ILMS): \$18,000,000

ILMS is a major reengineering and development effort to create a modern, user-oriented system for all logistics functions, including purchasing, supply, transportation, warehousing and inventory management. ILMS will emphasize operations streamlining and self-service. During FY 2004 significant progress was made, with the completion of the requisition and procurement modules, as well as Asset Management, Distribution, Warehouse, Inventory modules. The requested resources for FY 2006 will support several key activities including integration with financial data, the Post Administrative Software Suite (PASS) and worldwide training and deployment of ILMS.

Integrated Personnel Management System (IPMS): \$11,267,000

The Department will continue work on IPMS, which is the key corporate application that supports the Department's overall strategic human resources goals. IPMS is instrumental in ensuring that State has the right people, with the right training, in the right place, at the right time. The long-term mission of IPMS is to plan, implement and deploy effective and efficient support systems and technology, providing the Department with superior human capital management in support of its diplomatic mission. Priority activities for FY 2006 include recruitment processing and post personnel systems integration.

Other Goal 3 Initiatives: \$15,450,000

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Additional initiatives in this area will aid in business process streamlining, interagency communication, and e-Government. They include the Humanitarian Information Unit (HIU); E-Allowances; Promoting Interagency Connectivity through existing inter-agency networks (e.g. SIPRNET and OSIS), and other mechanisms; Post Administrative Software Suite (PASS); Enterprise Application Integration (EAI); Central Financial Planning System (CFPS); Retirement Systems; Domestic COTS; Joint State/USAID Enterprise Architecture; and IT Capital Planning.

Goal 4: Risk Management: Mission Effectiveness and Security

To pursue Goal 4 of the new Goals paper, the Department will develop a comprehensive plan for addressing IT security through application of true risk management processes. This plan will address change management issues as well as security and technology, so that managers will be able to meet their responsibility for making effective risk management decisions to allow rapid introduction of new technology. The plan will build on processes already in place to identify and analyze security threats and risks, incorporating management processes that promote rapid introduction of new technologies as well as true Enterprise-wide business continuity and disaster recovery planning.

Public Key Infrastructure and Biometrics: \$6,655,000

Public Key Infrastructure (PKI) supports user authentication and biometrics to control access to State Department information resources on ClassNet and OpenNet Plus; improves IT security against external and internal threats; and supports digital signature requirements enumerated in the Electronic Signatures in National and Global Commerce Act (E-SIGN). PKI will also help satisfy provisions set forth by the Government Paperwork Elimination Act (GPEA) by reducing the amount of paper produced for physical signature. Other uses include exchange of contractor information between overseas secure Embassy construction sites and the Department; investigative reports by Diplomatic Security; and protection of sensitive and personal medical records to serve the Foreign Service and others stationed overseas.

Goal 5: IT Organization and Workforce: Leading Change \$973,000

Goal 5 focuses on ensuring that end-user staff have the skills necessary to use the new IT tools, systems, and information being made available under the other four goals; continuously enhancing the skill base of the Department's IT staff; and change management and organizational leadership to ensure that the Department promotes continuous innovation in use of IT in support of the diplomatic mission. In FY 2006, this request will be used for innovative training management, distance learning, and technology at the Foreign Service Institute.

BORDER SECURITY PROGRAM

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
Machine Readable Visa (MRV) Fees	602,925	680,268	672,097
Diplomatic and Consular Programs	109,500	73,998	74,213
Enhanced Border Security Program Fees / Visa Fraud Fee (1)	0	110,200	184,300
Total, Border Security Program Expenses	712,425	864,466	930,610

FY 2004 Actual includes \$109.5 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106); FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

(1) FY 2005 Estimate and FY 2006 Request include Enhanced Border Security Fees and Visa Fraud Fees, as authorized in the Consolidated Appropriations Act, 2005 (P.L. 108-447). The FY 2005 Estimate includes \$94.3 million from Enhanced Border Security Fees and \$15.9 million from Visa Fraud Fees. The FY 2006 Request includes \$152.5 million from Enhanced Border Security Fees and \$31.8 million from Visa Fraud Fees.

Explanation of Request

The Department of State's Border Security Program is a core element of the coordinated national effort to deny entry into the United States of individuals who threaten the country and to facilitate the entry of legitimate travelers. The Bureau of Consular Affairs (CA), as the lead bureau in the Department's Border Security Program, is charged with the protection of American citizens abroad and with the responsibility for deploying automated systems and developing and implementing policies, procedures and processes that coordinate with other agencies across the federal government in support of homeland security goals. The State Department's Border Security Program covers all consular activities and provides funds to all regional bureaus and seven other bureaus to support domestic and overseas consular operations. CA has five specific objectives for its Border Security Program:

Information:

Make accurate and timely information available to all personnel responsible for processing passports, adjudicating visas and issuing travel documents. Key elements include data sharing with other agencies, ensuring the interoperability of systems when possible, and continuing improvements to name check systems.

Infrastructure:

Furnish staff with essential equipment and software. Key elements are an effective equipment replacement program and continued development of modernized consular software. This objective also includes providing American citizens traveling or residing abroad with emergency and routine services in adequate facilities.

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Connectivity:

Ensure worldwide, redundant connectivity in support of passport and visa processing, including sufficient bandwidth to support data sharing and transmission of electronic images, biometric information and passport and visa applications on a 24/7 basis.

Human Resources:

Provide sufficient qualified staff trained in consular processes and anti-fraud techniques to fill consular positions. This objective depends on the ability of the Department of State to hire, train and assign enough personnel to meet workload demands.

Integrity:

Safeguard the integrity of consular processes and services through continuous enhancements to consular documents, improvements in information storage and retrieval, expanded training of personnel in name checking and anti-fraud procedures, and implementation of a comprehensive program to investigate incidents of passport and/or visa fraud.

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The following chart summarizes the costs of the major activities of the Border Security Program.

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Consular Project Initiatives	326,811	398,952	482,184	83,232
Consular Systems Install and Operations	55,900	49,200	45,000	(4,200)
Consular Systems Modernization and Support	65,600	71,899	75,420	3,521
Automated Namecheck Systems: CLASS	14,250	16,000	17,000	1,000
MRV Administrative Support	51,725	69,484	57,720	(11,764)
Public Information Support	5,310	8,250	7,820	(430)
Document Integrity/Fraud Programs	1,675	16,650	32,550	15,900
Consular Training (FSI)	4,480	4,515	4,566	51
Passport Operations	44,586	96,784	169,917	73,133
Passport Facilities	4,117	3,899	5,141	1,242
Passport Systems	44,500	37,620	32,950	(4,670)
Visa Processing	17,000	15,905	25,550	9,645
American Citizen Services	2,560	2,600	2,323	(277)
Intelligence Support Unit (INR)	12,023	1,320	1,320	0
Facilities Management (A)	3,085	4,826	4,907	81
Diplomatic Security	10,616	10,745	11,127	382
Investigative Support/Guards	10,616	10,745	11,127	382
Technology Backbone - IRM	19,900	18,900	18,000	(900)
IRM Computer Systems and Operations /Diplomatic Telecommunications Support	19,900	18,900	18,000	(900)
Border Security Staff (American Salaries)	199,138	230,389	235,829	5,440
Consular Affairs	90,900	94,289	97,056	2,767
Bureau of Administration	86	89	89	0
Information Resource Management	2,929	3,039	3,039	0
Diplomatic Security	13,910	14,434	14,434	0
Overseas Staff	91,313	118,538	121,211	2,673
Border Security Support	155,960	205,480	183,470	(22,010)
Consular Affairs	68,756	76,042	73,729	(2,313)
Diplomatic Security	870	870	870	0
Information Resource Management	4,090	4,090	4,090	0
Western Hemisphere Affairs (BCC)	2,000	2,000	2,000	0
Overseas Support	80,244	122,478	102,781	(19,697)
Total, Border Security Program	712,425	864,466	930,610	66,144
<i>DHS Reimbursement</i>	<i>14,000</i>	<i>12,000</i>	<i>12,000</i>	<i>0</i>

BORDER SECURITY PROGRAM

FY 2006 Initiatives

The Department of State, working through CA, is engaged in a multi-year effort to enhance border security by increasing the use and quality of biometric identifiers in both the passport and visa processes. CA is also focused on strengthening the integration and interoperability of consular systems with other federal agencies and departments, particularly with the Department of Homeland Security.

In FY 2006 CA's Passport Services Directorate will begin production of a new, enhanced passport that incorporates a number of innovative security features. These improvements will be implemented in what is expected to be continued unprecedented growth in passport demand. Foremost of the security enhancements is the inclusion of a contactless chip that will store biographic data and a digitized image of the bearer's photograph. This will facilitate the introduction of facial recognition technology into both the port-of-entry and the passport renewal processes. As a way to combat identity fraud, passport agencies will begin using a secure mail process requiring tracking and delivery confirmation of each passport. To deal more efficiently with rising passport demand – projected to be 9.6 million in FY 2005 and at least 10.1 million in FY 2006 – the Department will begin to restructure how it manages the workload. In FY 2006 CA will contract for a facility that will personalize and dispatch passports based on adjudication decisions sent electronically from adjudicators elsewhere. By FY 2007, one of the passport centers will become an adjudication facility only.

The Department of Treasury is directing the ongoing contract competition for the General Lockbox Network. The Lockbox is the framework under which a bank staff opens applications, enters data, and processes the money paid by approximately 80% of all passport applicants. While in the past Treasury funded both traditional and ancillary Passport Services-specific processing requirements, Passport Services has been informed that the new Lockbox contract is likely to require the Department to pay for all ancillary charges. Full year ancillary costs in FY 2006 are estimated to cost approximately \$12 million.

CA will continue to upgrade and refine the technology used in the collection of fingerprints and use of facial recognition technology during the visa adjudication process. This will include improvements in the integration and compatibility between Consular visa systems and the databases of the Department of Homeland Security, the Federal Bureau of Investigation, and other law enforcement and intelligence agencies including the Terrorist Screening Center (TSC) and the National Counterterrorism Center (NCTC).

In FY 2006 the Hague Convention on International Adoptions will be fully implemented with the Office of Overseas Citizens Services acting on behalf of the Department as central authority. A new automated adoption tracking system will be put in place. The Bureau will continue to hold training symposia for consular staffs and U.S. and foreign judges on the provisions of the Hague Convention on the Civil Aspects of International Child Abduction. The Office also plans a continuing series of meetings with the left behind parents of children abducted and taken overseas.

In prior years, the Border Security Program was funded exclusively from revenues generated by the Machine Readable Visa fee. The decline in non-immigrant visa demand since 2001 and the increasing cost of required security enhancements have placed tremendous pressure on this revenue base. In FY 2006, the Department requests that this program be funded from a combination of MRV funds, Enhanced Border Security Program and Visa Fraud fees and from Diplomatic & Consular Program funds.

Consular Systems Installation and Operations

\$45,000,000

This funding supports worldwide consular systems with new hardware, software and training. CA continues to replace IT equipment for 240 overseas consular sections and the two domestic visa facilities on a three/four year cycle. Refresher training is provided on a twelve to eighteen month cycle. CA maintains a support desk that provides approximately 140 employee hours each week to assist all consular sections

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during worldwide working hours. Ongoing operations also encompass program, configuration and data management; systems engineering and systems security programs; software maintenance; independent testing of software releases for all consular applications; support for non-immigrant and immigrant visa adjudication processes and business systems, including electronic applications for a diversity visa; and contractor -provided technical support and equipment maintenance. During FY 2006 particular emphasis will be placed on completing the rollout of the new American Citizens Services System and improving biometrics collection operations.

Consular Systems Modernization and Support: \$75,420,000

Border security imperatives require that CA continue to develop the most efficient and advanced systems possible to support the Bureau's role in interagency data sharing, visa adjudication and visa services, and its commitment to automate systems that improve protection of American citizens abroad. CA will work closely with the Department of Homeland Security (DHS) to ensure continuing compatibility with DHS programs, specifically with the US VISIT program. CA transmits replicated visa issuance data from consular posts abroad to U.S. ports of entry and DHS' Bureau of Citizen Immigration Service (BCIS) centers through real time telecommunications links. This data share program also includes the transmission of immigrant visa petition data from BCIS to the National Visa Center and then to overseas consular sections, and the transmission of fingerprint information between non-immigrant and immigrant visa systems and between consular sections and DHS. Finally, CA will promote greater use by other agencies of the Consular Consolidated Database (visa case history records) by expanding and refining web-based interfaces for easier information delivery and by improving data mining/data access tools.

Funding will provide for continuing research for innovation in biometric technologies that can be applied to visa and passport processes. Issues such as maintaining the integrity of the fingerprint database, fusion of facial recognition and fingerprint technologies, and technical advances in biometric technologies will be addressed. Funds will also be used to continue improvements to the efficiency and effectiveness of the automated systems that support consular services to American citizens abroad. FY 2006 will see the completed deployment of a new American Citizen Services system and implementation of an internet-based registration service to allow traveling citizens to record their presence in an overseas consular district. Finally, CA will introduce an improved International Parental-Child Abduction system and an Adoption Tracking System that will meet the requirements of the Hague Convention on International Adoptions.

Automated Name Check Systems CLASS: \$17,000,000

The consular name check systems form the centerpiece of the border security program. CA assigns high priority to maintaining and improving the Consular Lookout and Support Systems (CLASS) infrastructure. By FY 2006 CLASS will have over 25 million entries provided by other agencies, requiring continuing attention to data management and to connectivity with other agency systems. Because CLASS is listed by Presidential Directive 63 as a mission critical system, contingency planning and support must continue for the two data centers, one in the Washington, DC, area and the Alternate Processing Center at the Kentucky Consular Center, that handle CLASS. Technical improvements and support for the lost/stolen foreign and American passport subset of CLASS, enhancements to the Hispanic and Arabic algorithms, and development of a set of East Asian algorithms will continue. Also, appropriate investments will be made in the migration of the name check query logic from a mainframe environment to a more efficient small server environment. This element of the system, formerly known as the Backup Name Check System, has been renamed eCLASS.

MRV Support Costs: \$57,720,000

The Machine Readable Visa (MRV) fee collected from each applicant for a nonimmigrant visa, currently set at \$100, has provided the fundamental financial support for all consular and visa programs. Support costs include the fees paid to banks worldwide to collect the MRV fee from applicants; the salaries paid to staff established in response to changes in consular workload and procedures as well as peak season and

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temporary staff; and the salaries, benefits and equipment for consular agents. Other costs are the support to overseas posts from Consular Management Assistance Teams and the purchase of modest amounts of furniture and equipment. The major expenses associated with the collection of fingerprints and other biometric indicators, Post appointment systems, renovation of consular facilities to accommodate biometric collection, and employment of additional staff, will have been met in FY 2005. FY 2006 expenses reflect ongoing recurring costs.

Public Information Support:

\$7,820,000

CA will continue to rely on two call centers to provide the public with the most responsive information available in the most cost-effective manner. One call center deals with routine passport information; the other offers non-Privacy Act-protected information regarding the safety and welfare of American citizens abroad. (Sensitive and difficult questions are forwarded to American citizen services specialists in the Department.) There has been a 300% growth in passport calls since August 2003 when the calls became free to the public through the provision of 1-800 services thus costs for the passport call center for FY 2005 and FY 2006 will be more than previously anticipated.

Document Integrity/Anti-fraud Programs:

\$32,550,000

As part of its responsibility for enhancing U.S. border security, CA remains vigilant in its efforts to maintain and improve the integrity of the U.S. visas and passports. The requested funds will provide for information sharing, publications, coordination with other offices and agencies, and training and operational support for consular sections abroad, passport agencies and the two visa facilities to ensure that overseas consular officers and domestic passport agency employees have the tools and skills needed to uncover and combat fraud. The CA Office of Fraud Prevention's Vulnerability Assessment Unit will continue its work with the Bureau of Diplomatic Security to analyze and address consular data and processes that are vulnerable to malfeasance. Funds will also be used to support H-1B and L visa anti-fraud programs.

FSI – Consular Training:

\$4,566,000

Consular training is provided in domestic and overseas classes, conferences, and workshops. The training targets consular officers, consular agents, Foreign Service National employees, and systems staffs that support automated consular systems. The courses cover the protection of American citizens abroad, including crisis planning and victim assistance, visa adjudication policies and procedures, interviewing techniques, name checking, fraud prevention, and leadership and management principles.

Passport Operations:

\$169,917,000

A rising demand for passports underpins the request for operational funds for FY 2006. Workload projections lead us to anticipate at least 9.6 million applications in FY 2005 and 10.1 million in FY 2006. To meet demand, passport agencies will extend employee work hours, which will require additional funding for overtime, and will initiate a second shift of workers at a second passport center. Ongoing operations will include administration of the overseas passport issuance program, fraud prevention through expanded electronic information access, continuing customer service initiatives including call center operations, and the costs of contractor staff hired to process passports.

Enhancing the integrity of the passport document itself to reduce its vulnerability to misuse will remain a top priority. Of the requested funds, \$84.5 million will provide for the implementation in FY 2006 of the program to produce and issue nine million passports, each containing a contactless chip that will store biographic data and a digitized image of the bearer's photograph. Passport agencies will also use a secure mail process requiring delivery confirmation to reduce the risk of passports not being received by the intended customer.

By FY 2007 CA anticipates it will reach its maximum current passport production capacity of 10 million passports. To deal with this situation in FY 2006, CA proposes to change significantly its passport process.

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First, CA will need additional passport adjudicators to handle the anticipated growth in applications. Second, CA believes it is appropriate to separate physically passport adjudication from production. CA foresees by 2007 an environment in which passport adjudicators would make their decisions in a government operated facility, but passport books themselves would be personalized and dispatched to customers from a contractor-operated facility. This contractor-operated facility would have a small number of government personnel on-site to ensure the integrity of the passport personalization process.

The Treasury Department's ongoing negotiation of the contract for the General Lockbox Network will affect the cost of passport operations in FY 2005 and FY 2006. The lockbox facility processes approximately 80% of all passport applications and provides for cashiering services and data entry. CA anticipates a new requirement to pay for critical services provided by the lockbox entity such as document scanning, expanded data entry, acceptance of credit cards for payment, and e-government/internet capability.

The Department will launch its "Gateway City Agencies" initiative in FY 2005 to expand passport points of service at large American cities which have no nearby passport agency and which serve as "hub" cities for airline international departures. CA plans to build one facility in FY 2005. CA plans to establish a second facility in FY 2007.

Passport Facilities: \$5,141,000

Funds will be used to maintain the infrastructure of existing passport agencies located nationwide and headquarters space located in Washington, DC. Items funded from this budget include certain rents, maintenance services, renovations, telephone systems, utilities, and furniture and office equipment.

Passport Systems: \$32,950,000

During FY 2006 CA will continue operational support, equipment replacement plans and the Help Desk for 16 passport facilities and centers. Work will continue on development/deployment of a contactless chip embedded in the passport that will store a bearer's biometric identification information. During FY 2006 the remaining passport agencies will be upgraded to produce passports that have enhanced security features. Systems hardware at five passport agencies will be replaced as part of a periodic equipment refreshment process. Technological improvements such as image capturing scanners and other hardware additions to passport production equipment are requiring more proactive maintenance and support programs to keep them functioning at optimal levels to meet increased demand. Software improvements, including those that will support the passport adjudicating centers, will continue. Also, CA will integrate image compression into the management of passport records and will continue the implementation of redundancy in key systems and databases.

Visa Processing: \$25,550,000

Funding is required to maintain initiatives taken in FY 2004 and FY 2005 that support visa operations worldwide. The Visa Office will restructure some of its offices in order to meet its expanding responsibilities. As mandated by Congress, the Biometric Visa Program will collect electronically scanned fingerprints of almost all non-immigrant visa applicants at 211 visa-issuing posts, and a machine-readable immigrant visa that contains a digitized photograph and scanned fingerprints of the alien. In coordination with the Department of Homeland Security, CA's Border Biometric Program will continue to issue machine-readable border crossing cards to Mexican nationals. CA will continue work on database integration with the FBI for electronic security advisory opinion requests and fingerprint processing.

Much of the funding requested will support on-going operations at the National Visa Center (NVC) and the Kentucky Consular Center (KCC). NVC provides worldwide support to immigrant visa processing posts and is actively engaged in anti-fraud efforts and in coordinating its work with the FBI and the Department of Homeland Security. KCC will expand its facial recognition program to include more overseas posts and

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to include non-immigrant visa applicants not subject to the fingerprint requirement. KCC will also centralize the pre-adjudication processing of all petition-based non-immigrant visas, and continue to develop the electronic registration process for diversity visas.

American Citizen Services:

\$2,323,000

Approximately 4 million Americans reside overseas and more than 60 million trips are taken by Americans each year for business, tourism and study abroad. One of the Department of State's core objectives is the safety and welfare of these American citizens abroad, especially in times of crisis. The funding requested will allow CA to meet its protection responsibilities by providing information to travelers as well as prospective adoptive parents through its call center, web site and internet-based registration site; implementing on-line crisis management training; enhancing crime victim assistance programs; engaging in bilateral and multilateral meetings to strengthen crisis assistance to citizens, monitoring international compliance with treaties such as the Hague Convention on Estates and Trusts; implementing the Hague Inter-country Adoption Convention; training American and international judges in Hague Abduction Convention procedures and training state and local officials on consular notification issues; and continuing routine operations, including voter assistance programs and emergency support to destitute American citizens.

INR – Intelligence Support Unit:

\$1,320,000

Funding provided to the Bureau of Intelligence and Research (INR) will support programs that seek to identify individuals who are potential threats to the United States and prevent their entry into the country. These programs include the CA Watch that provides support and guidance on visa issues, the organized crime database, and document preparation and support for the Terrorist Threat Integration Center and Terrorist Screening Center.

Bureau of Administration – Facilities Management:

\$4,907,000

This funding provides for facilities maintenance, custodial services and utilities at the National Visa and National Passport Centers in New Hampshire, the Kentucky Consular Center, and the Charleston Passport Center in South Carolina. These funds also include GSA rent for some CA office space in Washington, DC.

Diplomatic Security:

\$11,127,000

The Bureau of Diplomatic Security (DS) hires and assigns uniformed protection officers to guard all domestic CA facilities using funding provided through the Border Security Program. In addition, DS plays an important role in border security by investigating and assisting in the prosecution of passport and visa fraud worldwide and by combating organized crime activities linked to passport and visa fraud. Funding will also be used to enhance surveillance equipment capabilities and to expand the use of databases used in fraud investigations.

Technology Support (IRM):

\$18,000,000

The Bureau of Information Resource Management (IRM) will use these funds to provide mainframe support for the CLASS name check system. This includes around-the-clock systems operations and maintenance; worldwide and secure connectivity; redundancy; contingency operations; and technology to handle CLASS enhancement requirements. Also included is infrastructure support for the server-based distributed eCLASS platform and redundancy and backup contingency and disaster recovery for both CLASS and eCLASS to comply with Homeland Security and Critical Infrastructure Protection requirements.

Border Security Staff: American Salaries:

\$235,829,000

In FY 2004 the Border Security Program funded the salaries and benefits of 2,525 full-time positions that include consular staff, both Civil Service and Foreign Service, as well as some Diplomatic Security and Information Resource Management employees. For FY 2005 the Department plans to increase staff by 82

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(37 domestic and 45 overseas) positions and another 55 (27 domestic and 28 overseas) positions for FY 2006. The increases will result in a total position base of 2,662 by the end of FY 2006. These new positions are needed to handle the increased domestic passport workload as well as the staffing consequences associated with continuing changes in visa processing, including more extensive interviewing of applicants and the implementation of biometric collection. Staffing needs for the proposed domestic passport adjudication center drives the FY 2006 increase in domestic positions. In addition beginning in FY 2005, Border Security Program funding will provide for Consular Associate Replacement Program positions (a total of 190 positions, including an increase of 63 Consular Associate Replacement Program positions in FY 2005).

Border Security Support:

\$183,470,000

Requested funds for this program activity pay for the basic expenses of the Border Security Program. These expenses include the Border Crossing Card (BCC) program for Mexico. They also include consumables and supplies for the visa, passport and BCC programs, i.e. passport books, visa foils and BCC card stocks. Funds in this activity are also used to pay the start-up and recurring expenses associated with overseas consular positions, which include funding to the regional bureaus to pay the salary and benefits of locally engaged consular employees as well as the post specific benefits (i.e. cost of living allowances, educational allowances and danger pay) of American consular staff.

BCC Reimbursement to DHS:

\$12,000,000

The Department will continue to reimburse the Department of Homeland Security for expenses related to the Border Crossing Card program. This reimbursement is based on a Memorandum of Understanding between the two agencies and is consistent with the requirements of Section 104 of the Illegal Immigration and Immigrant Responsibility Act of 1996. The reimbursement is considered a direct transfer of revenue to the Bureau of Citizenship and Immigration within DHS and is not included in relevant charts and tables that summarize the Border Security Program. In FY 2005 and FY 2006, the Department plans to reimburse the DHS \$12,000,000 annually.

PART / Program Evaluation

Since FY 2004, the Office of Management and Budget (OMB) has evaluated the Border Security Program using the Program Assessment Rating Tool (PART). In the FY 2006 review, the program received a score of 92 percent and was rated effective. Moreover, the review found that the program successfully advances two strategic goals of the Department of State: to protect American citizens in the U.S. and abroad and to safeguard U.S. borders through improvements in consular programs, processes, and systems.

OMB recognized that the Department has made major progress in promoting interagency datasharing and interoperability of systems with such agencies as the Department of Homeland Security and the Federal Bureau of Investigation. OMB also noted the program's contributions toward ensuring the security of U.S. citizens through the development and creation of more secure travel documents and through dissemination of information designed to keep Americans safe abroad. Furthermore, OMB recognized the unique role the Bureau of Consular Affairs plays in serving as the first line of assistance for Americans abroad in times of trouble.

The PART review determined that the Border Security Program's performance goals and measures clearly support the program's purpose. Key performance indicators used by program managers include: development of a biometrics collection program for U.S. visas, development of a biometrics program for U.S. passports, training for all consular personnel on modernized systems, and number of consular management assessments.

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In addition to the PART reviews, independent evaluations conducted by the General Accountability Office and the Department's Inspector General, as well as internal assessments conducted by the Bureau of Consular Affairs, conclude that the Border Security Program is achieving its intended results.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Worldwide Security Upgrades	852,336	900,134	910,200	10,066
Security Construction	753,388	774,831	810,200	35,369
Compound Security	84,106	98,664	85,000	(13,664)
Soft Targets	14,842	26,639	15,000	(11,639)
Non-Security Construction	43,900	0	0	0
Operations	517,992	596,801	607,191	10,390
Information Management and Support	25,725	25,653	34,164	8,511
Domestic Renovations	21,768	22,693	34,011	11,318
Operations and Maintenance	376,057	447,174	427,837	(19,337)
Planning and Development	8,410	8,880	9,500	620
Project Execution	80,412	86,333	92,679	6,346
Real Estate and Property Management	5,620	6,068	9,000	2,932
Headquarters	6,431	6,709	8,609	1,900
Non-Security Construction/Operations - Iraq	20,000	0	0	0
Appropriation Total	1,440,659	1,503,644	1,526,000	22,356

FY 2004 Actual reflects the rescission of .465% to the Commerce, Justice and State Appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004, (P.L. 108-199).

FY 2004 Actual includes \$43.90 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

FY 2004 Actual includes \$20.00 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287)

FY 2005 Estimate reflects the rescission of .54% against the Commerce, Justice and State Appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Purpose of Program

The Bureau of Overseas Buildings Operations (OBO), funded through the Embassy Security, Construction, and Maintenance appropriation, is responsible for managing the Department of State's (DOS) real property assets that provide U.S. diplomatic and consular missions with secure, safe, and functional facilities to serve as a platform from which to pursue U.S. foreign policy objectives. This request seeks sufficient resources

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

to continue this mission and maintain the progress OBO has made in replacing non-secure facilities. In FY 2004, OBO completed three capital projects (in Abu Dhabi, Dili, and Sao Paolo) and awarded 13 contracts for new capital facilities – including nine new embassy compounds. In FY 2005, the Department has already completed a new facility in Sofia, Bulgaria, has another 35 facilities under construction, and intends to award construction contracts for 13 more during the fiscal year. The FY 2006 request includes funding for the construction of 13 new facilities and design of another facility planned for construction in FY 2008.

The value of the Department's real estate portfolio exceeds \$12 billion and includes over 15,000 properties. However, many of the Department's overseas facilities need extensive work to restore their serviceability. OBO continues to identify and correct existing facilities that lack adequate security and safety and do not meet the functional needs many government agencies require to advance vital American interests. When this is not feasible, these buildings must be replaced as expeditiously as possible. OBO has embarked upon a results-based management approach and has put in place a long-range capital plan to guide this effort.

Capital Construction and the Capital Security Cost Sharing Program

OBO continues to work with partners throughout the Federal Government and private sector to plan and implement a comprehensive program to tackle the security, safety, and operational issues that confront overseas facilities. The Department is incorporating rightsizing efforts with a construction program that uses industry best practices to achieve efficient and effective results for U.S. taxpayers.

The FY 2006 request includes funding for the second year of the five-year phase-in of the Capital Security Cost Sharing Program. This program, together with the Capital Security Construction Program, will provide a total of \$1,013,300,000 in FY 2006 for the planning, design, and construction of new embassy compounds (NECs). The Capital Security Cost Sharing Program was established by Congress to accelerate the replacement of unsafe, unsecure, and outdated diplomatic facilities that are used overseas by U.S. Government agencies. Additionally, the program will create incentives within all departments and agencies of the Government to scrutinize and rightsize their overseas presence to avoid unnecessary costs and security risks by including each agency's projected as well as existing authorized positions. Each agency with staff overseas under Chief of Mission authority will pay a fair share towards construction of new diplomatic facilities based on the number of positions and the type of space occupied. After the five-year phase in, the program will be funded at a level of \$1.4 billion per year.

Functional Programs

In addition to the capital construction program that serves to replace overseas diplomatic facilities, there are ongoing functional programs that are vital to the execution of the worldwide security program and the maintenance of our aging and largely unsafe inventory of facilities that cannot be ignored. Failure to meet recurring maintenance and repair needs would add to the existing maintenance backlog, diminish the value of these government assets, and result in higher maintenance and rehabilitation costs in future years.

Program Description

The FY 2006 budget request of \$1,526,000,000 and 872 positions for Embassy Security, Construction, and Maintenance (ESCM) is an increase of \$22,356,000 and 20 positions over the FY 2005 appropriation. Increases of \$31,627,000 to maintain operations at current services levels and \$10,066,000 for the capital construction program and compound security projects are offset by program reductions of \$19,337,000.

Worldwide Security Upgrades - \$910,200,000

This request includes \$810,200,000 for the Capital Security Construction Program that, when added to the funds contributed by other agencies through the Capital Security Cost Sharing Program, will provide a total of \$1,013,300,000 for the planning, design, and construction of NECs. These funds will allow the

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Department to meet its key goal of constructing secure facilities at high-risk overseas posts to protect employees from terrorists and other security threats. The FY 2006 plan includes:

- Construction of NEC facilities in Asmara, Eritrea; Harare, Zimbabwe; Karachi, Pakistan; Kiev, Ukraine; Kigali, Rwanda; Lusaka, Zambia; Maputo, Mozambique; Sarajevo, Bosnia-Herzegovina; and the Consulate in St. Petersburg, Russia.
- Design of an NEC facility in Mexico City, Mexico.
- Construction of USAID facilities in Abuja, Nigeria; Accra, Ghana; Managua, Nicaragua; and Tbilisi, Georgia. Funding for these projects is supported by USAID contributions through the Capital Security Cost Sharing Program.
- Acquisition of sites for future NEC projects and planning activities.

In addition, \$100,000,000 is requested to continue the Department's compound security program. As described in the Long-Range Overseas Buildings Plan, the FY 2006 request will fund compound security upgrades, installation of forced entry/ballistic resistant doors and windows, maintenance of shatter resistant window film, and environmental security protection, and setback properties should they become available for acquisition. This program includes \$15 million for security enhancements to soft targets to address potential threats against overseas schools, residential compounds, and other locations where Americans gather.

Operations – \$607,191,000

The Operations request provides funding for the six major program areas within OBO: Planning and Development, Real Estate and Property Management, Project Execution, Operations and Maintenance, Information Management and Support, and Main State and Domestic Renovations. Funding of these operational needs is critical for the support of the Capital programs as well as to ensure adequate stewardship of our existing facilities.

Planning and Development - \$9,500,000

Proper planning is the critical component of OBO's philosophy of "getting it right." The Planning and Development Office provides the central focus for overseas facility planning efforts and is the linchpin in OBO's efforts to continue the change from a "budget drives planning" mindset to one of "planning drives the budget." This office, which is responsible for producing the Long-Range Overseas Buildings Plan (LROBP), conducts business case analyses and provides the detailed Long Range Facility planning, space requirements planning, project development, and cost management support necessary to design and construct new facilities or renovate existing ones, as well as manage any new initiatives.

The \$0.6 million increase supports specialized contractor services for the Capital Security Cost Sharing and Soft Targets Programs and mandatory wage and price increases.

Real Estate and Property Management - \$9,000,000

Site selection and acquisition are critical steps in the success of any new construction project, but they can be the most difficult to negotiate and complete. This program supports all aspects of real property acquisition, management, and disposal, including the salary and support costs for 39 positions. The FY 2006 request provides an increase of \$2.7 million and three positions to support the anticipated cost of surveys, appraisals, site searches, inspections and other activities associated with the acquisition and decommissioning targets. The FY 2006 budget request also includes funds to cover the cost of developing a State Department asset management plan that complies with guidelines set forth by the Real Property Management Council. In addition, \$0.2 million is requested for wage and price increases.

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Project Execution - \$92,679,000

The Project Execution Office is the single point of responsibility and accountability for design, construction, and the commissioning of all facilities. This funding will allow the Department to reach its goal of completing one hundred percent of construction projects on time and within budget. The request comprises several different programs responsible for different aspects of execution.

- Construction and Commissioning - \$27,801,000 This program funds expenses for the 123 domestic and on-site construction management staff that oversee the work of the general contractors building and renovating the Department's overseas facilities. Beginning in FY 2005, OBO discontinued the practice of budgeting for project supervision costs for non-capital projects in the Construction and Commissioning account. These costs are now included as part of the individual project budgets. As a result, the FY 2006 request is limited to a net increase of \$1.2 million to fund mandatory wage and price increases.
- Design and Engineering - \$30,075,000 The Design and Engineering Division provides assistance in soliciting and negotiating architectural and engineering services contracts and reviewing project drawings, specifications, and associated documents. The staff resolves design problems and changes during the construction process, and assists with procurement of U.S. Government-furnished equipment. In addition to participating in the project planning and programming phases (including project definition and engineering support), staff members assist the Facility Management Division in determining criteria and standards governing operations, maintenance, and repair requirements. The FY 2006 request includes an increase of \$7.9 million and five new civil service positions to support the growing design and engineering workload, conduct energy conservation and seismic activities, address the backlog of facilities in the Department's inventory that are non-compliant with the Americans with Disabilities Act, and offset mandatory wage and price increases.
- Security Management - \$20,803,000 This program provides security measures that safeguard overseas construction projects from potentially hostile terrorist acts and intelligence efforts and includes the salary and support costs for 56 positions. Beginning in FY 2005, OBO discontinued the practice of budgeting for security management costs for non-capital projects in the Security Management account. These costs are now included as part of the individual project budgets. The FY 2006 request reflects a net decrease of \$4.9 million, including the realignment of \$6.8 million of construction security costs to individual projects; and an increase of \$0.7 million for five new direct hire positions, eight new personal service contractors, and \$1.2 million to offset mandatory wage and price increases.
- Interiors and Furnishings - \$14,000,000 This program provides interior planning and design for new office and support buildings, existing office facilities under rehabilitation, and new lease fit-outs, and includes the salary and support costs for 31 positions in the Interior and Furnishings Division. In addition, it formulates policy, standards, and procedural guidance for interiors of office facilities and provides for the maintenance and replacement of furniture, furnishings, and equipment in representational spaces. The FY 2006 request includes an increase of \$2.2 million for one new direct hire and four personal services contractors to support the increasing number of capital construction projects under planning and execution, and to offset mandatory wage and price increases.

Operations and Maintenance - \$427,837,000

The Operations and Maintenance (OM) Office is the single point of responsibility and accountability for operations and maintenance of U.S. Government-owned or leased structures. The Leasehold, Maintenance and Repair of Buildings, Facility Management, Facility Rehabilitation, Fire Protection, Safety, Health, and

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Environmental Management, Art in Embassies, and Post Communications programs reside within this office.

- Leaseholds - \$254,000,000 Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease, lease-purchase, and build-lease agreements. The decision to lease or purchase a property is based on economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, including market assessments, legal expenses, and fee recording. It also provides living quarters allowance payments to Department employees at selected posts where U.S. Government provided housing is not available.
- The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) residential and non-residential properties overseas supporting all foreign affairs agencies under the supervision of the Chief of Mission on a non-reimbursable basis. The Department also funds short-term leased residential and non-residential space for its own personnel. In cases where the Department leases shared office facilities on a short-term basis, the costs for such leases are distributed among all tenant agencies through the International Cooperative Administrative Support Services (ICASS) system. Under a Memorandum of Agreement with the Department of Defense, the Department is reimbursed for the cost of housing Marine Security Guards that are deployed overseas.

The FY 2006 request of \$254.0 million, although significant, is necessary to ensure that the Department can meet current lease commitments and overseas inflationary increases. The request includes an increase of \$10.4 million to cover current services. In addition to the Department request, OBO anticipates \$60.0 million in reimbursements from other Federal agencies.

- Maintenance and Repair of Buildings - \$56,500,000 The core business of this program is to provide for the upkeep of the Department's existing inventory of U.S. Government-owned and long-term leased overseas properties. Proper stewardship of this inventory requires a continuing investment in maintenance and repair to retain asset value, retard deterioration, and ensure facilities are appropriate for conducting diplomacy.

The Department allocates maintenance and repair of buildings funding by two major activities: Routine Maintenance and Repair and Special Maintenance and Improvement Projects. Routine Maintenance and Repair includes preventive maintenance of building systems, as well as recurring activities such as painting, weather-stripping, termite control, minor repairs, replacement of fixtures, and the acquisition of building supplies used for recurring maintenance requirements. Special Maintenance and Improvement Projects restore, alter, and modernize existing facilities.

- Major Rehabilitation - \$40,837,000 This program rehabilitates, upgrades, or replaces worn out building systems that can no longer be physically or economically maintained by routine, preventative, and unscheduled maintenance and repair activities. System rehabilitation, replacement, and upgrade is done to extend the life of the building and ensure continued serviceability, provide a secure and safe environment for U.S. Government employees, and capitalize on efficiencies from new technologies.
- Facility Management - \$55,831,000 This program provides technical assistance and support to overseas posts in maintaining major building systems. This includes performing maintenance inspections, developing preventive maintenance programs specific to post requirements, and offering hands-on technical support and materials necessary where such assistance is not otherwise available.

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- Fire Protection - \$8,308,000 This program provides a variety of services to the Department's overseas posts, including conducting fire inspections, promoting and presenting training programs, installing fire detection alarm systems, and supplying posts with critical fire and life safety equipment. The program also funds the salary and support costs for the 24 positions in the Fire Protection Division. The FY 2006 request includes an increase of \$0.2 million mandatory wage and price increases, which is offset by a program reduction of \$0.5 million.
- Safety, Health, and Environmental Management - \$3,168,000 The Safety, Health, and Environmental Management (SHEM) program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize the environmental impact of Department activities, and provide occupational health and environmental services to Department of State domestic facilities. This is done by providing technical expertise and support to overseas managers to help them avoid accidents, eliminate workplace hazards and environmental contaminants, and comply with Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) requirements.
- Art in Embassies Program - \$1,376,000 The Art in Embassies program administers loans and donations of American works from museums, institutions, corporations, galleries and individual artists and collectors to communicate American values and cultural diversity through the display of these works at overseas posts.
- Post Communications - \$7,817,000 The Post Communications program provides funding for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased, non-residential facilities overseas. The goal of this program is to replace obsolete telephone systems with modern, reliable, digital systems capable of delivering a full range of services. This funding will provide for the replacement of systems at 12 posts in FY 2006.

Information Management and Support – \$34,164,000

The request for Information Management and Support seeks funding for all information technology (IT) and administrative services to OBO program offices, and includes the salary and support costs for 42 positions. This request reflects increases necessary to maintain current systems and facilities, which will ensure adequate support for a growing program.

After 15 years, the lease for OBO's primary facility in Rosslyn, VA had to be renewed at current market rates, resulting in a \$7.0 million increase in rent costs. The remaining \$1.5 million of this requested increase will cover continuing operations of information systems, ensuring systems accreditation, maximize use of existing office space, complete necessary upgrades to the secure communications equipment, allow the conversion of four contractor positions to civil service, and provide for other mandatory wage and price increases.

Main State and Domestic Renovations - \$34,011,000

The Department of State owns or operates and maintains numerous facilities in metropolitan Washington, D.C. and in other U.S. locales. To protect these real property investments and to ensure adequate working conditions for employees, the Department developed a Capital Improvement Program to upgrade building systems and to correct long identified deficiencies in these facilities.

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Headquarters - \$8,609,000

This request provides for the salaries and support costs of the 73 positions providing executive direction, resource management, and developmental training for the entire OBO staff. In addition to the funds required to meet the salary requirements for currently authorized positions, we are requesting funding for wage and price increases. OBO is also requesting the conversion of three personal services contractors to civil service positions at no net cost.

Performance in OBO's Results Based Organization

The mission of Overseas Buildings Operations is to provide U.S. Diplomatic and Consular missions with secure, safe, and functional facilities to assist them in achieving U.S. foreign policy objectives. To achieve this mission, OBO is focused on four priority goals that advance diplomatic readiness, are aligned with Department of State objectives, and reflect the priorities outlined in the President's Management Agenda. These goals are:

- **Capital Security Construction** – Award capital security construction projects which have been listed in the Long-Range Overseas Buildings Plan after consultation with other agencies, and complete the construction on time and within budget. The program will provide new embassy compounds that are secure, safe, and functional for U.S. Government employees to pursue the national interests of the United States.
- **Compound and Physical Security** – Provide physical security upgrades and compound security to Department overseas facilities to protect employees from terrorist and other security threats. This also includes security upgrades for soft targets such as schools, recreational facilities, and residences.
- **Maintenance of Assets** – Maintain, repair, and rehabilitate overseas Diplomatic and Consular facilities in an effective manner that enhances the quality of life of employees while allowing them to perform their duties in secure, safe, and functional facilities.
- **Asset Management** – Acquire, dispose of, and manage the Department's overseas real estate in a professional manner that meets Department needs; is performed on terms favorable to the U.S. Government; and is defensible to OMB, the Congress, and the American public.

In support of these four goals, each component of the OBO organization has established performance targets that benchmark critical functions. Management reviews performance against these targets monthly to identify potential problems and ensure effective performance. OBO management also meets quarterly with its Industry Advisory Panel to review and discuss issues with an aim toward maximizing the free exchange of ideas and best practices between the Government and private sector. This request includes a budget and performance summary linking funding, positions, and performance targets for each significant component.

Performance Targets and Results

OBO has demonstrated that changes to its organization, culture, and processes have resulted in better performance. Using the Administration's Program Assessment Rating Tool (PART), OMB has confirmed this dramatic improvement in performance with a score of 97% for the Capital Security Construction Program – one of the highest scores in the Federal Government. Some of OBO's accomplishments over the past year are listed below:

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- Completed construction of four new facilities – Abu Dhabi, United Arab Emirates; Dili, East Timor; Sao Paulo, Brazil; and Sofia, Bulgaria, bringing the total number of new facilities commissioned since the start of this program to 14.
- Awarded contracts for thirteen new facilities – Accra, Ghana; Algiers, Algeria; Athens, Greece (Annex); Belmopan, Belize; Berlin, Germany; Conakry, Guinea (USAID Annex); Kampala, Uganda (USAID Annex); Kathmandu, Nepal; Lome, Togo; Managua, Nicaragua; Panama City, Panama; Phnom Penh, Cambodia (USAID Annex); and Rangoon, Burma.
- Continued to manage the construction of 35 new facilities – Abidjan, Cote D’Ivoire; Abuja, Nigeria; Accra, Ghana; Algiers, Algeria; Astana, Kazakhstan; Athens, Greece (Annex); Bamako, Mali; Beijing, China; Belmopan, Belize; Berlin, Germany; Bridgetown, Barbados; Cape Town, South Africa; Conakry, Guinea (NEC and USAID); Dushanbe, Tajikistan; Frankfurt, Germany; Freetown, Sierra Leone; Kabul, Afghanistan (NEC and USAID); Kampala, Uganda (USAID); Kathmandu, Nepal; Kingston, Jamaica; Lome, Togo; Luanda, Angola; Managua, Nicaragua; Nairobi, Kenya (USAID); Panama City, Panama; Phnom Penh, Cambodia (NEC and USAID); Rangoon, Burma; Tashkent, Uzbekistan; Tbilisi, Georgia; Tirana, Albania; Yaounde, Cameroon; Yerevan, Armenia.
- Anticipate awarding contracts for 13 new facilities in FY 2005 – Bamako, Mali (USAID); Beirut, Lebanon; Bogota, Colombia; Ciudad Juarez, Mexico; Kathmandu, Nepal (USAID); Khartoum, Sudan; Kingston, Jamaica (USAID); Moscow, Russia; Mumbai, India; Port au Prince, Haiti; Quito, Ecuador; Skopje, Macedonia; Suva, Fiji.
- Anticipate awarding contracts for 13 new facilities in FY 2006 – Abuja, Nigeria (USAID); Accra, Ghana (USAID); Asmara, Eritrea; Harare, Zimbabwe; Karachi, Pakistan; Kiev, Ukraine; Kigali, Rwanda; Lusaka, Zambia; Managua, Nicaragua (USAID); Maputo, Mozambique; Sarajevo, Bosnia -Herzegovina; St. Petersburg, Russia; and Tbilisi, Georgia (USAID).
- Anticipate acquiring sites for future NEC construction, including Baghdad, Iraq.
- Expect to award a design contract for a new facility in Mexico City, Mexico.
- Obligated \$1.9 billion in FY 2004 – the highest level of obligations in OBO history.
- Received the Associated General Contractors of America’s (AGC) 2004 Marvin M. Black Excellence in Partnering Award for the new consulate compound in Istanbul, Turkey, and the AGC’s 2004 Aon Build America Award for new construction.
- Received the Design-Build Institute of America’s most prestigious award for the new embassy compound project in Abu Dhabi as the nation’s highest-rated design-build public sector building over \$15 million.

OBO continues to look for ways to improve cost-effective performance. This is important since a majority of facilities still need to be repaired, rehabilitated, rebuilt, restored, or replaced. Proper funding is critical to the success of OBO initiatives in order to sustain this progress, as well as to ensure compliance with the President’s Management Agenda initiative on Federal Real Property Management (Executive Order 13327).

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

PART / Program Evaluation

For the third year, the Office of Management and Budget examined the Capital Security Construction Program using its Program Assessment Rating Tool (PART). On this latest PART assessment, the OBO Capital Security Construction Program received a 97% rating, ranking it within the top 1% of all scores in the entire Federal Government. On its initial PART assessment, the Non-Security Capital Program was also rated highly with an effective score of 86%. The entire OBO organization was found to be well managed, with strong planning and evaluation processes in place to monitor program progress and address any deficiencies in a timely fashion.

As the PART reviews indicate, the management changes and performance initiatives begun by the Bureau of Overseas Buildings Operations (OBO) in FY 2001 have produced dramatically improved performance and outstanding results, most notably in the Capital Security Construction Program, where all of the ambitious FY 2003-2004 performance targets have been met or exceeded.

In light of the current evaluation by PART and the demonstrated achievements of OBO management, the FY 2006 request includes increased funding for the Capital Security Construction Program in the Embassy Security, Construction, and Maintenance account.

Key indicators used by the program managers include: number of new sites acquired for Capital Security Construction projects, number of Capital Security Construction projects awarded in accordance with the LROBP, ratio of construction management costs to total LROBP construction project costs for projects in excess of \$25 million, and percent of Capital Security Construction projects within schedule and budget based on the construction contract.

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OFFICE OF INSPECTOR GENERAL

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Administration and Staff Activities	5,807	5,955	5,955	0
Inspections, Audits, Investigations	23,874	22,342	22,297	(45)
Policy Formulation	1,688	1,731	1,731	0
Appropriation Total	31,369	30,028	29,983	(45)

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

This request funds the activities of the Office of Inspector General (OIG), including audits, inspections, investigations, and security and intelligence reviews of the worldwide operations and programs of the Department of State (Department) and the Broadcasting Board of Governors (BBG). OIG will continue to focus its work on Department and BBG progress in the four strategic areas detailed in its five-year strategic plan: implementation of foreign policy; protection of people, facilities, and information; effectiveness of financial and administrative support systems and controls; and accountability and integrity in programs and operations. The requested funding will support oversight of high-cost, high-risk Department and BBG programs, including the President's Emergency Plan for AIDS Relief, embassy construction, border security, anti-terrorism assistance, counter-narcotics activities, refugee assistance, and broadcasting to the Middle East, as well as other mandated activities. As resources permit, OIG will evaluate Department and BBG progress in achieving government-wide initiatives of the President's Management Agenda and in rightsizing U.S. overseas presence.

Purpose of Program

The OIG's objectives are to:

- improve the economy, efficiency, and effectiveness of Department and BBG operations;
- detect and prevent fraud, waste, abuse, or mismanagement;
- assess the implementation of U.S. foreign policy; and
- evaluate the formulation, applicability, and implementation of security standards at all U.S. diplomatic and consular posts and BBG overseas operations that fall under chief of mission authority.

OIG's work identifies problems and vulnerabilities and makes recommendations to correct them, investigates allegations of misconduct and violations of law and regulation, and reviews grants, contracts,

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financial operations, and other resource-intensive programs to identify cost savings and efficiencies, including resources that can be put to better use.

Program Description

As mandated by the Inspector General Act of 1978, as amended, and the Foreign Service Act of 1980, as amended, and other governing legislation, OIG operations and activities are directed toward improving the economy, efficiency, and effectiveness of Department and BBG operations; detecting and preventing fraud, waste, abuse, and mismanagement; and investigating activities that may violate laws and regulations. OIG also focuses upon assessing the implementation of U.S. foreign policy, primarily through inspection of overseas posts and domestic offices, to ensure that their activities are consistent with the goals established by the President and the Secretary of State; and independently evaluating the formulation, applicability, and implementation of security standards at all U.S. diplomatic and consular posts and BBG overseas operations that fall under chief of mission authority.

Benefits

OIG's activities focus on the most risk-prone and mission-critical operations of the Department: protection of people and facilities, counter-terrorism and border security, human resources, information security, financial management, and the U.S. Mission in Iraq. OIG activities identify vulnerabilities that may threaten the integrity and security of Department and BBG operations, and improvements needed to strengthen program integrity and accountability, eliminate waste, and ensure resources are used as intended. The results of OIG reviews and investigations provide the Administration, Congress, and the American taxpayer with assurance that Department and BBG programs and operations are managed effectively, efficiently, and with integrity; and that government managers, employees, and contractors are held accountable for their performance and conduct. OIG oversight also provides assurance to the Office of Management and Budget (OMB) and Congress on Department and BBG progress in addressing the management improvement initiatives mandated by the President's Management Agenda. OIG oversight enhances the effectiveness of Department programs evaluated through OMB's Program Assessment Rating Tool and other means.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Academic Exchanges	196,392	203,888	241,430	37,542
Professional and Cultural Exchange Programs	99,756	120,905	140,301	19,396
Exchanges Support	39,142	42,621	48,669	6,048
Total Direct Obligations	335,290	367,414	430,400	62,986
Balances/Recoveries Applied From Prior Years	(30,139)	(11,482)	-	11,482
Balances Carried Forward	11,482	-	-	-
Appropriation Total	316,633	355,932	430,400	74,468

FY 2004 Actual reflects the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

In addition to the direct appropriated amounts shown, the U.S. Agency for International Development (USAID) provided funds for Economic Support Fund (ESF) activities in FY 2004. In FY 2004, a total of \$67,835,520 was available for obligations from ESF, Support for East European Democracy Act (SEED), Freedom Support Act (FSA) (including FY 2003 balances of \$56,235,520 and FY 2004 transfers of \$11,600,000). A total of \$63,681,123 was obligated; \$54,397 lapsed; and \$4,100,000 in balances will be available in FY 2005. Additional transfers from USAID for ESF are anticipated in FY 2005 and FY 2006.

Explanation of Request

Effective public diplomacy strategies and tools are critical in the war against terrorism, particularly in the Muslim world. There the United States must work especially hard to preempt and prevent terrorism by countering false or inaccurate information about the United States, our values, and intentions. Exchanges are a proven, key component of the long-term investment in promoting engagement with people at all levels of society, especially those in countries with predominantly Muslim populations.

Enhanced program funding for the Bureau of Educational and Cultural Affairs (ECA) will significantly broaden outreach to the Muslim world. Partnerships for Learning (P4L) - the Bureau's primary strategic concept - ensures that ECA reaches younger, more diverse audiences. Through P4L, ECA is increasing educational opportunities for under-served youth and creating partnerships with youth influencers throughout the Muslim world. In doing so, ECA exchange programs create a dialogue that accurately reflects U.S. values and creates over time a positive context for cooperation.

The Department requests \$430,400,000 in FY 2006 to conduct these critical Educational and Cultural Exchange programs. This reflects a net increase of \$74,468,000 over the FY 2005 enacted level.

The request includes \$180,000,000 to apply to programming for key Muslim populations, through P4L and other exchange programs. These funds will allow the Department to increase undergraduate programs geared to the trans-Sahel, Afghanistan, and other countries in the Middle East and South Asia, enhance programs that bring teachers to the U.S. for training in classroom skills and substantive knowledge and

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

augment activities that bring recent university graduates and young professionals for graduate level study in the United States. To respond to the enormous demand to learn English, ECA will also be providing ACCESS micro-scholarships to give underserved youth an opportunity to study English in their own countries. Finally, ECA is increasing opportunities for American youth for academic study in Islamic countries throughout the world.

In addition, in FY 2006 the Department will increase the number of participants in the Youth Exchange and Study Program (YES), which brings high school students from countries with significant Muslim populations to the United States to live with American families for an academic year. This funding increase will develop Strategic Communities (partnerships) between U.S. and Muslim professionals on such topics as education, governance, anti-corruption, democratic institutions, and rule of law. Projects will focus on the Middle East, South Asia, and countries with significant Muslim populations in Africa (especially the Sahel), East Asia (including Indonesia and Malaysia) and Europe/Eurasia (Turkey, the Balkans, Central Asia, Azerbaijan and the Muslim diaspora in Europe).

Finally, funding at this level will support a Middle East-wide series of International Visitor Leadership Programs for religious leaders and teachers with direct influence on Muslim youth, as well as a series of programs for European Muslims in the Diaspora focusing on emerging leaders.

Purpose of Program

The Educational and Cultural Exchange Programs Appropriation supports the exchange of persons and ideas fundamental to the foreign, economic and security policy of the United States as authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended. Exchanges establish the trust, confidence and international cooperation with other countries that sustain and advance the full range of American national interests. Exchanges provide foreign audiences a context for understanding American policies that might otherwise be misunderstood.

The United States engages the leaders of tomorrow through these exchange programs of today. These programs affect attitudes over lifetimes and from one generation to the next. Their much-discussed potential to address long-term problems of anti-American sentiment is central to the Administration's campaign against terrorism.

Exchanges also leverage important support from other sources through partnerships with U.S. state and local governments, higher education, business and non-governmental organizations, U.S. allies, and other U. S. Government agencies. Our strategy is to focus these partnerships in ways that support U.S. strategic goals. This gross program support totals over \$500 million annually.

Program Description

Academic Exchanges – Academic exchanges between the United States and foreign countries include the following programs: J. William Fulbright Educational Exchange Program for the exchange of scholars, students, and teachers (and mid-career professionals from developing nations through the Hubert H. Humphrey Fellowships, a Fulbright activity); programs to promote English learning overseas; projects for the professional development of teachers; activities to advise foreign students about the value of educational opportunities in the United States (a major service sector with positive foreign trade activity); undergraduate scholarships for foreign study such as the Benjamin Gilman program for disadvantaged Americans and similar programs for economically-deprived foreign undergraduate students in the United States.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Professional and Cultural Exchanges – These exchanges include the International Visitor Leadership Program, which supports travel in the United States by current and emerging foreign leaders to obtain first-hand knowledge about the American people, politics, and culture. The Citizen Exchanges Office sponsors professional, cultural and youth exchanges, such as the Future Leaders Exchange Program (FLEX) and the Youth Exchange and Study Program (YES), in partnership with non-profit non-governmental organizations.

Exchanges Support – Exchanges support includes staff costs and support for exchange programs management, increasing cooperation among U.S. government agencies that administer international exchange and training programs, and support for the U.S. Cultural Property Advisory Committee that acts on requests from foreign governments to the United States to assist in cultural preservation and the prevention of the theft of cultural heritage material.

Benefits

International relations are no longer defined primarily by ideology, but instead by culture, traditions, values, and beliefs. In an age of global and instant communication, public perceptions of U.S. policies and motivations have a profound impact on the conduct of American foreign policy. International understanding provides a context in which the United States can articulate its intentions and actions abroad. Exchanges promote a better appreciation of the United States abroad and provide a greater receptivity for U.S. policies among foreign publics.

ECA's unique contribution to foreign policy is its ability to engage key individuals and institutions through exchanges that change perceptions and attitudes. These experiences provide all elements of societies firsthand knowledge of American culture, politics, and values and increase U.S. knowledge of the world. To build support for U.S. policy abroad, the United States must go beyond governments to inform people and organizations that influence policy and frame public discussion.

Exchanges entail a broad range of factors affecting how the United States is perceived abroad. How are young people educated? Is there access to reliable information about the United States to counter disinformation, hatred, and sensationalized views presented by mass entertainment? Exchanges help build the long-term trust to counter stereotypes and address political, economic, and social issues that fuel hostility and conflict. Exchanges create opportunities for U.S. and foreign publics to understand each other's societies and cultures directly.

Rarely has the need for a sustained effort to ensure foreign understanding of our country and society been so clearly evident, or as directly related to our long-term national security, as now. This request would provide for the minimum resources necessary to maintain the current level of activity.

PART / Program Evaluation

Using its Program Assessment Rating Tool (PART), the Office of Management and Budget evaluated exchanges in all regions of the world and reevaluated the Department's exchange programs in the Near East and South Asia regions for the FY 2006 budget. Global exchanges were rated effective with a score of 97 percent, and exchanges in NEA and SA were again assessed as effective and given an increased score of 98 percent. Both scores place exchanges within the top one percent of all government programs assessed with the PART.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

OMB's reviews noted that exchanges addressed a strategic goal of U.S. foreign policy: the need to increase mutual understanding between Americans and citizens of other countries. Moreover, the programs were judged to be well managed, with strong planning and evaluation processes and tools in place.

The reviews found the exchange programs successful at achieving or exceeding annual targets. For example, exchanges programs are on course to meet or better FY 2004 percentages of participants who increased their understanding of the United States following their program experience and of participants who effected positive change in their organization or community based on knowledge gained from their exchange. Other key outcome indicators used by program managers include the percentage of exchange participants who report a more favorable view of the United States one year or longer after their exchange experience and the percentage of participants who continue professional collaborations with people in the United States more than five years after their exchange. An important efficiency measure is the ratio of total administrative cost to program cost.

The Bureau of Educational and Cultural Affairs (ECA) worked diligently to revamp the way that they monitor and evaluate programs and effectively link budget to performance, including the development and launching of an on-line performance measurement system. Acknowledging ECA's success, OMB recommended that ECA policy and evaluation staff work with other offices and bureaus of the Department to provide advice, guidance and expertise. ECA now plays a prominent role in the Office of Policy, Planning, and Resources in the Office of the Under Secretary for Public Diplomacy and Public Affairs and has taken the lead in performance planning for public diplomacy.

REPRESENTATION ALLOWANCES

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	8,905	8,525	8,281	(244)

FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005, (P.L. 108-447).

Explanation of Request

Representational events provide an essential tool for diplomatic staff to personally engage government, business, academic and cultural leaders in host countries. A broader base of contacts is one method to improve understanding between the United States and the people of the world. By providing resources for representational events at the more than 260 embassies, missions, and consulates worldwide, the FY 2006 request will continue to support U.S. national interests, economic activities, and other diplomatic functions. With the FY 2006 request the Department will be able to stage appropriate representation events and apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests.

Purpose of Program

This appropriation enables diplomatic and consular personnel to engage in official representational activities overseas and at missions to international organizations.

Program Description

The activities funded by this appropriation typically include:

- promotion of the U.S. national interests through formal and informal interactions with knowledgeable foreign officials and long-term residents, usually at receptions, small working luncheons, and informal dinners;
- protection of U.S. citizens' interests by developing and maintaining personal relationships with foreign officials, which facilitates providing assistance and solving problems of Americans abroad;
- promotion of economic activities by establishing and maintaining relationships with foreign and American officials, business persons, labor leaders, and others who may be helpful in performing duties connected with promoting and protecting American trade;
- fulfillment of commemorative and ceremonial requirements such as Fourth of July celebrations or the laying of a wreath at the tomb of a local national hero;

REPRESENTATION ALLOWANCES

- interaction with influential individuals and organizations, including the local media, key political elites, academics and members of non-governmental organizations to assess the overseas public affairs climate and convey and reinforce acceptance of U.S. policies and values; and
- promotion of peaceful relations between the U.S. and other countries by fostering mutual understanding through academic, professional, and cultural activities.

Benefits

Activities performed under this appropriation facilitate the effective conveyance of U.S. foreign policy goals and objectives, the gathering of information central to the formulation of our bilateral and multilateral foreign policy, and the cultivation of and support for U.S. policies and values.

BUYING POWER MAINTENANCE ACCOUNT

Program Activities Summary

Summary Statement

(\$ in thousands)

Fiscal Year	Opening Balance	Appropriation	Transfers In/Out(-)	Net Cum. Balance
2004	1,664	0	(1,664)	0
2005	0	0	0	0
2006	0	0	0	0

Explanation of Request

The Department is not seeking FY 2006 appropriations for this fund, although the account has been fully depleted as a result of the worldwide decline in the value of the dollar in FY 2003 and FY 2004.

The Department plans to expand the countries included in the Buying Power Maintenance account, to include the twenty currencies with the largest foreign-exchange exposure, for FY 2006. This expansion would increase the number of countries from 16 to 36 (out of approximately 175). Broadening the currencies covered diversifies the exposure, decreasing exchange rate fluctuation risk over the long term.

Historically, the State Department's Buying Power Maintenance (BPM) account 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. During FY 1995, the Department completely depleted the BPM account by using funding remaining at that time to partially offset the decline in the dollar which occurred in the latter part of FY 1994 and the first half of FY 1995. From FY 1997 through FY 2002, the Department was able to build the fund back 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 BPM account was drawn down to zero by the end of FY 2004.

Purpose of Program

The Buying Power Maintenance (BPM) Fund is authorized under section 24 of the State Department Basic Authorities Act of 1956, as amended. The BPM Fund is intended to sustain approved levels of activities under rapidly changing economic conditions abroad. To the extent that adverse exchange rate fluctuations are experienced, the Department's buying power deteriorates, causing potentially operating deficits. Decisions to withdraw funds from this account to meet exchange rate losses are made after first determining that such losses reduce activities below the approved level of operations, evaluating the ability to absorb losses within the current year financial plan, analyzing any offsetting gains in other parts of the world, and considering the balances available versus projections of exchange rate fluctuations in the current and the budget year based on recognized econometric models. Decisions to deposit exchange rate gains are made generally late in the fiscal year after determining that such gains increase activities above the approved level of operations, analyzing any offsetting losses in other parts of the world, and considering the balances available versus projections of exchange rate fluctuations in the current and budget year based on recognized econometric models. The BPM Fund is currently limited by practice to the following countries, where available economic data are most accurate and the impact on the Department's appropriation is likely to be the greatest: Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the

BUYING POWER MAINTENANCE ACCOUNT

Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, and the United Kingdom. The Department is currently planning to expand this list to encompass 20 additional nations.

Benefits

This account provides the Department with the flexibility is able to buffer overseas operations from the impact of exchange rate fluctuations.

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Extraordinary Protection of Foreign Missions/Officials New York	39,916	7,810	7,590	(220)
Extraordinary Protection of Foreign Missions/Officials Rest of U.S.	1,979	1,952	1,800	(152)
Free Trade Area of the Americas/Miami	8,500	0	0	0
Summit of the Industrialized Nations/Georgia	25,000	0	0	0
Appropriation Total	75,395	9,762	9,390	(372)

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2004 includes \$65.50 million transfer from Emergencies in Diplomatic and Consular Service; (\$32.0 million for reimbursement to New York City; \$8.5 million for 2003 Free Trade Area of the Americas Ministerial, and \$25.0 million for the 2004 Summit of the Industrialized Nations).

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request of \$9,390,000 (to remain available for two fiscal years) funds requirements for the extraordinary protection of international organizations and foreign missions and officials in the United States. This level allows the Department to meet protection requirements across the country.

Program Description

Under section 214 of the State Department Basic Authorities Act, and 3 USC 202(8), 202(10), and 208, the Department of State provides for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries (under certain circumstances) throughout the United States. The Bureau of Diplomatic Security administers this program in the following manner:

- Extraordinary Protection of International Organizations and Foreign Missions and Officials in New York** - Extraordinary protection of foreign missions and officials (including those accredited to the UN and other international organizations), and visiting foreign dignitaries under certain circumstances, is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or in response to a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other Federal agencies (including the U.S.

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Marshals Service and the Bureau of Alcohol, Tobacco, and Firearms), contract for the services of private security firms, or reimburse state or local authorities for extraordinary protective services.

- **Extraordinary Protection of International Organizations, Foreign Missions and Officials Elsewhere in the United States** - Throughout the rest of the United States, extraordinary protection of international organizations, foreign missions and officials, and visiting foreign dignitaries under certain legally prescribed circumstances, is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or upon a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other Federal agencies (including the U.S. Secret Service and the U.S. Park Police), contract for the services of private security firms, or reimburse state or local authorities for extraordinary protective services.

Benefits

This program is used by the United States Government to fulfill its obligation under the Vienna Convention and other international treaties to ensure reasonable security for foreign missions and officials in the United States.

Examples of the protection given to foreign missions and officials include:

- permanent protection for certain foreign missions, consulates, and chanceries throughout the United States;
- intermittent protection for certain other consulates in the United States;
- protection for foreign officials and certain other distinguished foreign visitors during the annual United Nations General Assembly; and
- protection of foreign government officials while in the United States to conduct official business with the United States Government and while visiting metropolitan areas where there are 20 or more full-time consular or diplomatic missions.

These benefits help ensure reciprocal treatment of our diplomats and officials abroad.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	32,366	987	13,643	12,656

FY 2004 Actual reflects the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2004 Actual includes \$115.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

FY 2004 Actual reflects \$18.503 million transferred to Diplomatic and Consular Programs (for the 2004 Summit of the Industrialized Nations); \$65.50 million transferred to Protection of Foreign Missions and Officials; and \$0.12 million transferred to Repatriation Loans Program Account.

FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request of \$13,643,000 will allow the Department to meet emergency requirements, and other needs in the conduct of foreign affairs, including:

- Payments for rewards related to terrorism, narco-terrorism and war crimes, as well as ongoing or new rewards publicity campaigns;
- Travel, per diem, and other related expenses for evacuation of American government employees and their families from troubled areas to the United States and/or "safe haven" posts;
- Allowances granted to State Department employees and their dependents evacuated in such emergencies;
- Travel, per diem and other related expenses for the emergency response teams that provide immediate medical and administrative assistance to posts that have undergone a terrorist incident or natural disaster;
- Reimbursement to the Department of Homeland Security of travel, per diem, equipment, and salaries of the International Medical Surgical Response Team (IMSuRT) physicians who provide emergency medical services to assess, treat, and prepare for evacuation of injured American personnel and their families in the event of natural or manmade disaster;
- Reimbursement to the Department of Defense for hostage rescue contingencies;
- investigations and apprehension of groups or individuals involved in the fraudulent issuance of U.S. passports and visas;
- Representation expenses for senior domestic officials related to the conduct of foreign affairs; and
- Other confidential purposes as authorized under this appropriation.

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Purpose of Program

The Emergencies in the Diplomatic and Consular Service appropriation is a no-year account utilized to meet unforeseen emergencies and other requirements that arise in the conduct of foreign affairs.

Program Description

The appropriation is available to:

- Meet emergency situations in the conduct of foreign affairs, such as the evacuation of USG employees and their families from areas of political unrest or natural disaster.
- Assist host governments with quick transportation of specialized equipment to locations where American citizens and U.S. interests are in jeopardy due to terrorist incidents overseas. This fund will expedite payments for airlifting specialized equipment to locate hostages.
- Pay rewards for information concerning acts of international terrorism, international narco-terrorism, drug trafficking, and war crimes. There are standing offers which cover terrorist incidents carried out by Al-Qa'ida operatives and close affiliates, including the Sept. 11, 2001, World Trade Center/Pentagon terrorist attacks; the Revolutionary Armed Forces of Colombia (FARC) kidnapers of the downed American pilots in Colombia; the targeting of major international drug lords operating internationally; and the arrest of war criminals in the Federal Republic of Yugoslavia (FRY), Rwanda, and the Congo. There are also standing reward offers for several members of the former regime of Saddam Hussein.
- Support certain representational activities, such as those incurred during visits of official foreign dignitaries, peace talks, and at international summits.
- Support reimbursements for hostage rescue contingencies.

Benefits

In FY 2004, funds were used to:

- Provide for the evacuation and related support of USG employees and their families from 10 posts as well as the evacuation of private American citizens from the Caribbean region. Evacuations due to a threat of terrorism occurred in Riyadh, Dhahran and Jeddah, Saudi Arabia; and Manama, Bahrain. Evacuations due to civil unrest occurred in Port au Prince, Haiti; and Kathmandu, Nepal. Evacuations due to several hurricanes occurred in Nassau and Freeport, Bahamas; Havana, Cuba; and Kingston, Jamaica. Additionally, non-USG American citizens were evacuated from Grenada and Trinidad due to hurricanes.
- Provide for rewards payments totaling \$10.7 million; publicize the rewards program overseas: for information leading to the apprehension, effective prosecution, and punishment of individuals responsible for terrorist activities; for the prevention of acts of international terrorism outside the territorial jurisdiction of the United States against U.S. citizens or property; and for the continuation of a publicity campaign targeting war criminals in the FRY, Bosnia, Croatia and Rwanda.
- Support certain representational activities at the 30th Summit of the Industrialized Nations (G-8) held in Sea Island, Georgia.

REPATRIATION LOANS PROGRAM ACCOUNT

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	1,326	1,203	1,319	116

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2004 Actual includes \$0.12 million transferred from Emergencies in the Diplomatic and Consular Service.

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request will allow the Department of State to subsidize and administer the Repatriation Loans program consistent with the Credit Reform Act of 1990 and at a funding level consistent with historical requirements. This activity is funded as a direct loan program in accordance with the Credit Reform Act. The Department of State receives a limited level of financing for direct loans from the Department of the Treasury in a separate financing account, disburses these funds to U.S. citizens as needed abroad, and repays the Treasury as the repatriation loans are collected from the public.

FY 2006 subsidy request of \$712,000 (64.99%) will provide a loan level of \$1,095,553. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2006, the Department is requesting continuation of authority within the Emergencies in the Diplomatic and Consular Service account to allow the transfer of up to \$1 million into this account if loan requirements exceed the requested level.

The FY 2006 administration request of \$607,000 will provide for operation and management of the loan program consistent with the Credit Reform Act. The Department is requesting continuation of authority to transfer the administration portion of this request to the Diplomatic and Consular Programs account. This transfer makes administration of the program more efficient by simplifying financial planning and accounting procedures.

Purpose of Program

As authorized by section 4 of the State Department Basic Authorities Act of 1956, as amended, 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.

REPATRIATION LOANS PROGRAM ACCOUNT

Repatriation loans are provided for temporary subsistence and transportation to the nearest U.S. port of entry.

Program Description

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

Benefits

The Repatriation Loan Program directly benefits American citizens by providing them with the means to return to the United States if destitute or otherwise in need of such assistance. The program also serves U.S. foreign policy interests where exigent circumstances require an individual's return to the U.S. to respect host country laws or preserve public safety. During FY 2004, 877 repatriation loan cases were processed abroad in the following regions: Africa, 83 cases; the Americas 320 cases; Asia (including Near East, South Asia and Pacific), 273 cases; and Europe 201 cases.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Agriculture Services	483	502	512	10
Commercial Services	1,401	1,450	1,479	29
Consular Services	2,639	2,734	2,786	52
Economic Services	1,379	1,429	1,456	27
Other Services	8,701	9,014	9,348	334
Public Affairs Services	2,397	2,482	2,529	47
Washington Headquarters	1,584	1,611	1,641	30
Appropriation Total	18,584	19,222	19,751	529

FY 2004 reflects the rescission of .465% to Commerce, Justice and State Appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004, (P.L. 108-199).

FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice and State Appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005, (P.L. 108-447).

Explanation of Request

The FY 2006 request funds a contractual agreement between the American Institute in Taiwan (AIT) and the Department of State in accordance with the Taiwan Relations Act, Public Law 96-8. The increase of \$529,000 includes \$364,000 to fund American and FSN cost of living adjustments and pay raises, domestic and overseas inflation, and other inflationary increases. In addition, the request includes \$165,000 for a management/consular officer to provide critical oversight and support for the AIT office in Kaohsiung, the fourth busiest port in the world. To support the mission of providing homeland security, U.S. Customs and Border Protection will soon be adding 15 American Container Security Inspectors in Kaohsiung who require critical support from AIT. The new officer will also oversee increasingly complicated consular/American Citizen Services responsibilities.

Funding From Other Sources

The American Institute in Taiwan, a nonprofit corporation, has historically received reimbursement for services performed. In FY 2006, AIT anticipates collecting a total of \$30 million. This includes approximately \$18 million in visa processing fees and \$12 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, approximately \$13 million will be needed to cover direct and indirect operating expenses in addition to the appropriation provided. The remaining \$5 million will be set aside for the capital projects account and consular service upgrades.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Purpose of Program

Since its inception in 1979 under the Taiwan Relations Act (Public Law 96-8), the American Institute in Taiwan has been committed to strengthening relations between the people of the United States and the people of Taiwan. Under the Taiwan Relations Act, the USG conducts unofficial relations with the people of Taiwan through AIT. AIT was established to carry out the Act by providing economic and commercial services, cultural and information programs, and travel services for Americans and the people on Taiwan. To support U.S. interests in Taiwan, AIT promotes U.S. exports; participates in cultural, scientific, and information exchange programs; analyzes and reports on political and economic events of importance to the U.S. and Taiwan; provides consular services (non-immigrant, immigrant, and American Citizen); and performs liaison functions on behalf of the Department of State and various USG agencies with their Taiwan counterpart organizations.

The Institute maintains an office in Taipei, a small Washington headquarters office, and a branch office in Kaohsiung that handles matters related to commercial promotion, consular services, and cultural affairs.

Program Description

Pursuant to Section 6(a) of the Taiwan Relations Act, “Programs, transactions, and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan shall, in the manner and to the extent directed by the President, be conducted and carried out by or through the American Institute in Taiwan...” Under contract with the U.S. Department of State, AIT is reimbursed for the DOS share of salaries, benefits, rents, representation, and other expenses associated with operations in Taiwan and in the United States. The broad range of contractual responsibilities is described below:

- Economic Services includes reporting on economic developments in Taiwan, negotiations on trade barriers to U.S. products and services, resolution of trade disputes, and negotiations on other trade and investment policy matters. The primary areas covered in bilateral consultations and negotiations include general market access for goods and services such as, telecommunications, financial and investment services and textiles and apparel; investment; intellectual property rights protection; and environmental issues.
- Commercial Services activities include a strong trade promotion program for U.S. exporters. Activities include one-on-one counseling on business conditions, the issuance of credit reports on Taiwanese companies, searches for representatives for U.S. business organizations, bulletins on specific export conditions, and market research on generic lines of business. AIT also serves the large resident U.S. business community in Taiwan.
- Consular Services functions include processing of immigrant and non-immigrant visas, notarial services, reports of births of Americans, interrogatories on behalf of Americans in legal processes, and passport services. AIT assists Americans in cases involving death, arrest, welfare and whereabouts, and voter registration.
- Public Affairs Services encompasses outreach to Taiwan’s aggressive and influential media, the coordination of visitor programs to the U.S., presentations on American history, culture and society through exhibits and programs, contributions to the Foundation for Scholarly Exchange, and maintenance of an electronic library of English language materials and books.
- Agricultural Affairs identifies new trade opportunities, analyzes agriculture trade issues, and assists U.S. agriculture exporters, and promotes the sale of American agricultural products and services.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

- Other Services activities represent a diverse category of functions including: political reporting in a rapidly evolving democratic environment, support for the defense needs of Taiwan, cooperation to combat international drug trafficking, and administrative support for program activities.
- The Washington Office carries out the executive, negotiation, and liaison functions between various U.S. Government agencies and the Taipei Economic and Cultural Representative Office (TECRO). The office also provides executive and administrative direction for AIT and public affairs programming for business and other interest groups in the United States. In accordance with the AIT-TECRO Agreement on Privileges and Immunities, the office also issues identity cards and tax-exemption cards to TECRO employees and their dependents, and assists in handling matters in cooperation with the U.S Department of State and the Department of Homeland Security, Directorate of Border and Transportation Security regarding visas and adjustments of status.

Benefits

The activities of AIT strengthen commercial, cultural, and other relations between the people of the United States and the people on Taiwan and promote continued stability in the Taiwan Strait.

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PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	134,979	132,600	131,700	(900)

Explanation of Request

The request for this account represents the cost of sustaining adequate funding of the Foreign Service Retirement and Disability Fund (FSRDF). The FY 2006 request reflects the funding needs based on the annual evaluation of the FSRDF performed by a contract firm of the Department of Treasury, using current statistical data including the Federal pay raise information.

Purpose of Program

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 retired and disabled members of the Foreign Service, who are enrolled in either of the two systems. The purpose of this appropriation is to maintain the required funding level of the FSRDS. This appropriation is the mandatory funding required, in addition to the other sources of funding mentioned below. The appropriation is one of several sources of income to the FSRDF.

Funding is maintained through:

- contributions by participants;
- matching government contributions;
- special government contributions, including this program;
- interest on investments; and
- voluntary contributions.

Program Description

Payments to the FSRDF are authorized by sections 805 and 821 of the Foreign Service Act of 1980 (P.L. 96-465), as amended. Section 821 authorizes payments to be made in 30 annual installments to pay unfunded liability costs due to:

- new or liberalized benefits;
- new groups of beneficiaries; and
- salary increases on which benefits are computed.

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***PART TWO
INTERNATIONAL ORGANIZATIONS
AND CONFERENCES***

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Contributions to International Organizations	999,830	1,166,212	1,296,500	130,288
Contributions for International Peacekeeping Activities	695,056	483,455	1,035,500	552,045
Total, International Organizations and Conferences	1,694,886	1,649,667	2,332,000	682,333

FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2004 Actual for Contributions for International Peacekeeping Activities includes \$245 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

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CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	999,830	1,166,212	1,296,500	130,288
FY 2002/2003 Supplemental	7,000	0	0	0
FY 2003 UN Buydown	16,472	0	0	0
FY 2004 Exchange Rate Changes	90,123	(90,123)	0	90,123
FY 2005 Exchange Rate and Other Changes	0	114,341	0	(114,341)
Total Requirements	1,113,425	1,190,430	1,296,500	106,070

FY 2004 Actual reflects the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request of \$1,296,500,000 represents full funding; consistent with statutory restrictions, of U.S. assessed contributions to the 47 international organizations funded through this appropriation. The request recognizes the United States' international obligations to the United Nations (UN) and other international organizations.

Purpose of Program

This appropriation provides funds for pursuing U.S. foreign policy initiatives and addressing global issues that transcend bilateral considerations, (e.g., human rights, environmental issues, and humanitarian concerns).

Program Description

The various activities under this appropriation include assessed contributions to:

- the **UN and Affiliated Agencies**, that cover such diverse fields as peaceful uses of nuclear energy, international peace and security, international war crimes tribunals, arms control activities, international agricultural programs, labor, health and medical research, postal services, telecommunications, shipping, civil aviation, scientific cooperation, education, meteorology, maritime safety and pollution control, and patent classifications and copyrights;
- the **Inter-American Organizations** that are involved in matters of democracy and human rights, animal and plant health, international law, eradication of endemic diseases, and cartographic and geophysics surveys in the Western Hemisphere;

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

- the **Regional Organizations** that are involved in matters of economic and social development, national security, and consultations with representatives of national legislative bodies in geographic areas of high interest to the United States; and
- **Other International Organizations** that are mainly concerned with international trade (including a broad range of commodities), the environment, and legal decision making and arbitration through courts and administrative bodies operating at international levels.

Benefits

Membership in international organizations benefits the United States in the following ways:

- building U.S. coalitions and gaining support for U.S. interests and policies in the UN and its affiliated agencies, and pursuing multilateral programs and activities which advance U.S. interests and democratic principles and fundamental human rights based on the rule of law;
- promoting economic growth through market economies, free trade and investment, and efficient multilateral development assistance;
- settling disputes peacefully and providing an effective means to address our specific national interests in certain geographic areas of the world and strengthening our alliances in these areas;
- encouraging non-proliferation, nuclear safeguards, arms control, and disarmament;
- adopting international standards and promoting the sharing of information to facilitate international trade, telecommunications, transportation, intellectual property protection, environmental protection, and scientific exchange; and
- strengthening international cooperation in environment, agriculture, technology, science, education, health, and drug abuse prevention.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
United Nations & Affiliated Agencies				
Food & Agriculture Organization	\$72,457	\$93,685	\$91,760	(1,925)
Int'l. Atomic Energy Agency	68,462	82,650	83,788	1,138
Int'l. Civil Aviation Organization	12,629	13,649	14,894	1,245
Int'l. Labor Organization	68,053	65,229	63,648	(1,581)
Int'l. Maritime Organization	1,366	1,473	1,527	54
Int'l. Telecommunications Union	7,976	8,380	7,913	(467)
United Nations – Regular	340,472	362,193	438,952	76,759
United Nations - War Crimes Tribunals	32,656	35,039	36,793	1,754
UN – Capital Master Plan	-	6,000	10,595	4,595
UN Educational, Scientific & Cultural Organization	84,138	80,857	71,468	(9,389)
Universal Postal Union	1,697	1,854	1,728	(126)
World Health Organization	93,615	96,191	96,111	(80)
World Intellectual Property Organization	1,058	1,173	1,131	(42)
World Meteorological Organization	9,963	11,900	11,054	(846)
Subtotal, UN and Affiliated Agencies	794,542	860,273	931,362	71,089
Inter-American Organizations				
Inter-American Institute for Cooperation on Agriculture	16,560	16,560	16,600	40
Organization of American States	55,295	55,661	65,861	10,200
Pan American Health Organization	56,723	57,009	57,009	-
Pan American Institute of Geography And History	324	324	324	-
Subtotal, Inter-American Organizations	128,902	129,554	139,794	10,240
Regional Organizations				
Asia-Pacific Economic Cooperation	601	637	675	38
Colombo Plan Council for Technical Cooperation	15	15	15	-
North Atlantic Assembly	847	924	991	67
North Atlantic Treaty Organization	44,874	52,894	63,438	10,544
Organization for Economic Cooperation and Development	86,178	81,785	92,056	10,271
South Pacific Commission	1,468	1,621	1,553	(68)
Subtotal, Regional Organizations	133,983	137,876	158,728	20,852

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Other International Organizations				
Customs Cooperation Council	3,796	4,149	4,272	123
Hague Conference on Private Int'l. Law	157	172	204	32
Int'l. Agency for Research on Cancer	1,725	1,707	1,708	1
Int'l. Bureau of the Permanent Court of Arbitration	23	88	84	(4)
Int'l. Bureau for the Publication of Customs Tariffs	128	135	134	(1)
Int'l. Bureau of Weights & Measures	1,268	1,188	1,184	(4)
Int'l. Coffee Organization		500	504	(484)
Int'l. Copper Study Group	74	76	73	(427)
Int'l. Cotton Advisory Committee	297	327	349	273
Int'l. Center for the Study of Preservation & Restoration of Cultural Property	931	988	950	623
Int'l. Grains Council	567	589	563	(26)
Int'l. Hydrographic Organization	108	126	121	(5)
Int'l. Institute for the Unification of Private Law	143	149	147	(2)
Int'l. Lead & Zinc Study Group	79	85	82	(3)
Int'l. Office of Epizootics	135	146	139	(7)
Int'l. Organization for Legal Metrology	137	147	143	(4)
Int'l. Rubber Study Group	134	159	152	(7)
Int'l. Seabed Authority		--	1,156	1,156
Int'l. Seed Testing Association	9	11	10	(1)
Int'l. Tribunal for the Law of the Sea		--	1,883	1,883
Int'l. Tropical Timber Organization	224	212	214	2
Int'l. Union for the Conservation of Nature & Natural Resources	348	392	365	(27)
Int'l. Union for the Protection of New Varieties of Plants	215	285	263	(12)
Organization for the Prohibition of Chemical Weapons	26,907	28,873	30,431	1,558
World Trade Organization/General Agreement on Tariffs and Trade	18,593	22,223	21,485	(738)
Subtotal, Other International Organizations	55,998	62,727	66,616	3,889
Total Requirements	1,113,425	1,190,430	1,296,500	106,070
FY 2002/2003 Supplemental	(7,000)	-	-	-
Fy 2003 UN Buydown	(16,472)	-	-	-
FY 2004 Exchange Rate Changes	(90,123)	90,123	-	(90,123)
FY 2005 Exchange Rate and Other Changes		(114,341)	-	114,341
Total, Contributions to International Organizations	999,830	1,166,212	1,296,500	130,288

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	695,056	483,455	1,035,500	552,045
FY 2003 Carryforward Funds	100,400	0	0	0
Estimated Additional Requirements	0	780,000	0	(780,000)
Total Requirements	795,456	1,263,455	1,035,500	(227,955)

FY 2004 Actual reflects the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199); it also includes \$245 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request provides for funds for the United States' share of expenses of United Nations (UN) peacekeeping operations. The FY 2006 requests \$1,035,500 for funding of projected FY 2006 operations. The FY 2006 budget request reflects budgeting for offsetting credits from the UN, increased efficiency in missions in Cyprus and Ethiopia/Eritrea, and completion of operations in Sierra Leone and East Timor. The FY 2006 budget estimate also includes funding for a possible new peacekeeping mission in Sudan. The Department requests that 15% of FY 2006 funds be appropriated as "two-year funds" due to the demonstrated unpredictability of the requirements in this account from year to year and the nature of multi-year operations that have mandates overlapping the United States' fiscal year.

Purpose of Program

The purpose of this appropriation is to provide funding for payments toward the U.S. share of assessed UN peacekeeping budgets so as to ensure continued American leadership in shaping the international community's response to developments that threaten international peace and stability. UN peacekeeping activities promote the peaceful resolution of conflict.

Program Description

This appropriation will fund the U.S. assessed share of UN peacekeeping operations as follows:

- **UN Disengagement Observer Force** (UNDOF, initial UN mandate in May 1974) – acts as a buffer between Syria and Israeli troops in the strategic Golan Heights area.
- **UN Interim Force in Lebanon** (UNIFIL, initial UN mandate in March 1978) – (1) restores international peace and security in southern Lebanon; and (2) restores Lebanese sovereignty in the south of Lebanon.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

- **UN Mission in Western Sahara** (MINURSO, initial UN mandate in April 1991) – monitors the cease-fire and assists in conducting a referendum on the future status of the Western Sahara. The focus of this operation will depend upon the continuing efforts of the Secretary General’s special envoy to resolve this long-standing dispute.
- **UN Mission in Kosovo** (UNMIK, initial UN mandate in June 1999) – provides an interim administration for Kosovo while establishing and overseeing the development of provisional, democratic and self-governing institutions in the province. UNMIK also facilitates a safe environment for all people in Kosovo.
- **UN Force in Cyprus** (UNFICYP, initial UN mandate in March 1964) – halts violence between the Turkish Cypriot and Greek Cypriot communities. UNFICYP helps maintain order on the island. Together, the Greek and Cypriot governments fund approximately half of the costs of this force.
- **UN Observer Mission in Georgia** (UNOMIG, initial UN mandate in August 1993) – monitors compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on May 14, 1994.
- **War Crimes Tribunals in Yugoslavia and Rwanda** (established for Yugoslavia in February 1993 and for Rwanda in November 1994) – examines war crimes in these areas. Half of each of these tribunals is funded by a special assessment using the UN regular budget scale of assessments (which is paid out of the Contributions to International Organizations account), and the other half is funded using the UN peacekeeping scale (which is paid out of this account).
- **UN Mission to Sierra Leone** (UNAMSIL, initial UN mandate in October 1999) – assists the Government of Sierra Leone to re-establish its authority and restore law and order through this country.
- **UN Operations in the Democratic Republic of Congo** (MONUC, initial UN mandate in August 1999) – covers expenses of UN activities in the Democratic Republic of Congo (DROC) in support of the Lusaka accords goals of withdrawal of foreign forces and the disarmament and demobilization of armed rebel groups.
- **UN Mission in Ethiopia/Eritrea** (UNMEE, initial UN mandate in July 2000) – In support of the cessation of hostilities and the peace agreements signed by Ethiopia and Eritrea in 2000, and following the Boundary Commission determination on the delimitation of the border areas, UNMEE will observe and provide technical support for the demarcation of the disputed areas.
- **UN Mission to Liberia** (UNMIL, established September 19, 2003) - to support the implementation of the ceasefire agreement and assist the transitional government of Liberia in monitoring and restructuring the government in conjunction with the ECOWAS and other international partners to reestablish national authority throughout the country, support humanitarian and human rights assistance, support security reform and to assist the transitional government in preparing for national elections scheduled for no later than the end of 2005.
- **UN Operation in Cote d’Ivoire** (UNOCI, initial UN mandate in February 2004) - to monitor the cease-fire, and assist Cote d’Ivoire’s transitional power-sharing government in disarming and repatriating the former combatants, maintain liaison with the Ivorian armed forces, helps the government monitor the border, facilitates the free flow of people, goods and humanitarian assistance and assisting the government to prepare for elections in 2005. Restoring stability to Cote d’Ivoire is a critical element in restoring peace to the entire West African region.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

- **UN Mission in Haiti (MINUSTAH, established April 30, 2004)** - the peacekeeping mission replaced the Multinational Interim Force (MIF) on July 1. The UN mission assists in the reestablishment of Haiti's police functions, coordinates with other International Organizations in providing assistance in Haiti, assists in organizing Haitian elections, and helps create an environment where the Haitian political process and economic recovery can take hold.
- **Burundi Operation (ONUB, established May 21, 2004)** - The peacekeeping responsibilities of the African Mission in Burundi transferred to ONUB in June include disarmament, demobilization and reintegration, elections, human rights, demining and contemplates elections in Burundi by October 31, 2004. ONUB chairs the Joint Ceasefire Commission , which brings together the Burundian Armed Forces and various armed groups to oversee implementation of the ceasefire accords and discuss army reform.
- **Sudan/Darfur Operations (expected to be created by the UN Security Council in FY 2005)** - The peacekeeping mission is expected to focus primarily on monitoring of the cessation of hostilities and restoration of civil order both in southern Sudan and potentially in the western Darfur region, and resumption of normal political and economic activities.

Completed Missions

UN Mission of Support in East Timor (UNMISSET) is projected to terminate in May 2005. In May 2002, East Timor became an independent country, marking the end of a three-year process towards independence under the guidance of the United Nations. UNMISSET was established to provide assistance to core administrative structures critical to the viability and political stability of East Timor; to provide interim law enforcement and public security and to assist in developing the East Timor Police Service (ETPS); and contribute to the maintenance of the new country's external and internal security throughout the post-independence period to ensure the security and stability of the nascent state.

Benefits

United Nations peacekeeping operations can be an effective means of containing conflict and resolving disputes in support of U.S. national interests. Acting in this way to support U.S. interests through the UN allows the U.S. to share the risks and costs of dealing with international crises with other nations. Deployment of UN peacekeeping operations, and selective U.S. participation in them, is an important tool for advancing U.S. interests and leadership.

Peacekeeping:

- separates adversaries;
- maintains cease-fires;
- facilitates the delivery of humanitarian relief;
- helps create conditions where refugees and displaced persons can return home;
- constrains the forces of opposing parties;
- facilitates peace talks; and
- creates conditions conducive to political reconciliation and the conduct of free elections.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

In these and other ways, peacekeeping operations can help nurture new democracies, lower the global tide of refugees, reduce the likelihood of unsanctioned interventions, and prevent small conflicts from growing into larger wars. These results directly serve the national interests of the United States.

PART / Program Evaluation

For preparation of the FY 2006 budget, the Administration evaluated the Department's Contributions for International Peacekeeping Activities (CIPA) for the first time using the Program Assessment Rating Tool (PART). In the review, the program received excellent scores with regard to the program's purpose and design. The assessment also found that the program has a limited number of long-term performance goals with ambitious targets and timeframes.

The Bureau of International Organization Affairs has responded to OMB's recommendations by implementing measurable annual performance targets, establishing an efficiency measure, and demonstrating that managers are held accountable for achieving key U.S. foreign policy objectives.

The FY 2006 budget request is based on the Department's long-term goal of closing missions when objectives are met, as measured by progress towards specific goals for each peacekeeping mission.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	10,810	9,637	8,020	(1,617)
U.N. Interim Force in Lebanon (UNIFIL)	10,460	13,550	18,042	4,492
U.N. Mission for the Referendum in Western Sahara (MINURSO)	10,043	10,004	8,325	(1,679)
U.N. Mission in Kosovo (UNMIK)	71,112	65,720	54,692	(11,028)
U.N. Peacekeeping Force in Cyprus (UNFICYP)	6,843	5,694	4,739	(955)
U.N. Observer Mission in Georgia (UNOMIG)	7,688	7,397	6,156	(1,241)
War Crimes Tribunal - Yugoslavia (UNICTY)	23,306	21,761	18,110	(3,651)
War Crimes Tribunal - Rwanda (UNICTR)	16,300	16,413	13,659	(2,754)
U.N. Mission in Sierra Leone (UNAMSIL)	71,005	47,423	3,700	(43,723)
U.N. Operations in the Democratic Republic of the Congo (MONUC)	30,145	249,072	207,279	(41,793)
U.N. Mission in Ethiopia and Eritrea (UNMEE)	49,468	50,423	32,800	(17,623)
Burundi Operation (ONUB)	41,632	94,052	89,919	(4,133)
U.N. Mission in Liberia (UNMIL)	290,342	134,280	159,213	24,933
Sudan/Darfur	0	250,000	250,000	0
U.N. Operation in Cote d'Ivoire (UNOCI)	82,023	112,655	71,935	(40,720)
U.N. Mission in Haiti (MINUSTAH)	59,157	165,409	88,911	(76,498)
U.N. Mission of Support in East Timor (UNMISET)	15,122	9,965	0	(9,965)
Total Requirements	795,456	1,263,455	1,035,500	(227,955)
FY 2003 Carryforward Funds	(100,400)	0	0	0
Estimated Additional Requirements	0	(780,000)	0	780,000
Total, Contributions to International Peacekeeping Activities	695,056	483,455	1,035,500	552,045

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PART THREE
INTERNATIONAL COMMISSIONS

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
International Boundary and Water Commission	29,240	32,119	35,300	3,181
Salaries & Expenses	25,726	26,880	28,700	1,820
Construction	3,514	5,239	6,600	1,361
International Fisheries Commissions	19,097	21,688	25,123	3,435
American Sections	8,850	9,466	9,879	413
Border Environment Cooperation Commission	2,111	2,021	2,130	109
International Joint Commission	5,491	6,214	6,320	106
International Boundary Commissions	1,248	1,231	1,429	198
Total, International Commissions	57,187	63,273	70,302	7,029

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

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INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Administration	5,667	5,923	6,093	170
Engineering	2,893	2,961	2,961	0
Operations and Maintenance	17,166	17,996	19,646	1,650
Appropriation Total	25,726	26,880	28,700	1,820

The FY 2004 Actual Appropriation Total reflects the rescission of .465% to Commerce, Justice and State Appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004, (P.L. 108-199).

The FY 2005 Estimate Appropriation Total reflects the rescission of .54% to Commerce, Justice and State Appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005, (P.L. 108-447).

Explanation of Request

The FY 2006 request provides \$28,700,000 for Administration, Engineering, and Operations & Maintenance (O&M) activities for the International Boundary and Water Commission, an increase of \$1,820,000 over the FY 2005 appropriation. This request includes wage increases of \$170,000 in Administration Departments and \$1,650,000 to maintain operations at the South Bay and Nogales International Wastewater Treatment Plants as well the operations at the commission's other field offices that are responsible for maintaining all flood control, hydroelectric, and water storage projects.

Purpose of Program

The mission of the International Boundary and Water Commission (IBWC) is to:

- apply the rights and obligations which the governments of the United States and Mexico assumed under numerous boundary and water treaties and related agreements;
- improve the water quality of the boundary rivers (the Rio Grande and Colorado and New Rivers);
- resolve border sanitation problems;
- distribute boundary rivers' water to both countries at agreed upon proportions;
- operate the international flood control projects along the boundary rivers;
- operate the international reservoirs for the conservation of Rio Grande water and for hydroelectric generation;
- preserve and maintain the boundary in the international rivers (the Rio Grande and Colorado Rivers);
- maintain and demarcate the land boundary; and
- operate and maintain international wastewater treatment facilities.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES

Program Description

The IBWC Salaries and Expenses appropriation ensures that the rights and obligations of treaties and agreements between the United States and Mexico are met through administration, engineering, and the operation and maintenance activities using funds appropriated to IBWC. O&M activities will continue to be performed at two international wastewater treatment plants, two international dams and power plants, five diversion dams on the Rio Grande, and numerous smaller in-river structures, such as weirs and grade-control structures. Additionally, the USIBWC is responsible for the O&M of six flood-control projects with over 550 miles of levee and related structures. These flood control projects protect approximately 3 million residents and 1.5 million acres of adjoining farmland in the U.S. and Mexico. Program stability in this activity is vital to continue operations and maintenance of aging structures along the entire 1,952-mile border and to accomplish necessary studies and special maintenance requirements.

In addition, the Commission will:

- implement joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of international river waters;
- ensure compliance with National Pollution Discharge Elimination System (NPDES) permits for the Nogales International Wastewater Treatment Plant, located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant, located in San Ysidro, California;
- design water conveyance structures for the new higher capacity American Canal, including box culverts, wasteways, and transition structures; and design of operation and maintenance facilities for flood control, hydrologic, groundwater, sanitation (water quality), and boundary demarcation and preservation projects;
- conduct various planning (pre-design) and environmental studies to address a variety of border issues, including surveys, environmental investigations, water quality, and other small-scale pre-design studies required prior to design and construction, and ultimately, border sanitation and boundary preservation studies; and
- investigate and report on the most feasible measures for solving border sanitation problems along the U.S.-Mexico border.

Benefits

The work of the IBWC facilitates the solution of international boundary and water problems, which benefits populations on both sides of the boundary and improves relations between the two countries. Particular emphasis is placed on the resolution of critical environmental issues.

PART / Program Evaluation

The U.S. Section of the IBWC is scheduled for its first PART review in 2006, as a component of State's budget request for FY 2008. The USIBWC supports three of the Department's performance goals – close, strong and effective U.S. ties with allies, friends, partners and regional organizations; the containment or resolution of existing and emergency regional conflicts; and the development of partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES

The USIBWC is in the process of developing annual and long-range work plans for each program, to identify and prioritize agency requirements in accordance with the President's Management Agenda (Government Wide Initiatives) and our strategic plan.

The USIBWC has implemented measures and technologies to maximize benefits and minimize costs whenever possible.

The USIBWC has used a streamlined process to address heavy equipment needs. The agency will replace and share common heavy equipment among field offices critical to the agency's operations. The agency will rent equipment when specific needs arise. This plan to share and rent heavy equipment is expected to reduce original cost estimates by 37.5%.

The USIBWC is using new technologies and methods to efficiently evaluate its Rio Grande Flood Control Projects, which include approximately 500 miles of levees. The USIBWC conducted an integrated "high tech" approach using geophysical methods to identify questionable or high-risk flood levee segments. This integrated approach has substantially decreased the amount of geotechnical investigations, thus reducing the overall cost of the levee evaluations by more than 50% while providing more comprehensive coverage.

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**INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES - CONSTRUCTION**

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Boundary-Wide Program	1,124	1,126	1,830	704
Facilities Renovation	514	576	830	254
Heavy Equipment Replacement	110	300	1,000	700
Land Mobile Radio System Replacement	500	250	0	(250)
Water Quantity Program	1,450	3,125	3,770	645
Rio Grande Canalization	400	1,750	250	(1,500)
Rio Grande Flood Control System Rehabilitation	450	1,000	2,220	1,220
Safety of Dams Rehabilitation	500	275	600	325
Colorado River Boundary and Capacity Preservation	100	100	700	600
Water Quality Program	940	988	1,000	12
Secondary Treatment of Tijuana Sewage	0	0	1,000	1,000
Advanced Primary Plant Completion	0	988	0	(988)
Surfrider Consent Decree Compliance	940	0	0	0
Appropriation Total	3,514	5,239	6,600	1,361

The FY 2004 Actual Appropriation Total reflects the rescission of .465% to Commerce, Justice and State Appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004, (P.L. 108-199).

The FY 2005 Estimate Appropriation Total reflects the rescission of .54% to Commerce, Justice and State Appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005, (P.L. 108-447).

Explanation of Request

The FY 2006 budget request of \$6,600,000, an increase of \$1,361,000 above the FY 2005 estimate will provide an additional \$5,600,000 for on-going projects, and \$1,000,000 for new projects in FY 2006.

This increase of \$1,361,000 includes \$704,000 in the Boundary-wide Program, \$645,000 in the Water Quantity Program, and \$12,000 in the Water Quality Program. The Boundary-wide and Water Quantity Programs increases will continue the support for six on-going projects, which started before FY2004. The Water Quality Program increase will provide funding for the Secondary Treatment of Tijuana Sewage.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Purpose of Program

The FY 2006 request permits program support at levels consistent with overall foreign policy objectives. Following is the status of the major projects and activities planned in FY 2006:

Boundary-Wide Program (\$1,830,000):

Facilities Renovation - \$830,000: Originally funded in FY 1992, this will continue a multi-year program to renovate and modernize USIBWC facilities along the U.S.-Mexico border region to current industry standards. These facilities, most of which were constructed between 1930 and 1950, require major rehabilitation work to meet OSHA safety standards, current environmental laws, and to provide more efficient, effective and secure working environments. The project consists of structural, electrical and mechanical improvements as well as renovations necessary for compliance with environmental, occupational safety and health, handicap, and other regulatory requirements. The FY 2006 request will be used to rebuild an old, deteriorated personnel building and renovate old warehouse offices at Mercedes to comply with current building code standards (lighting, heating, ventilation, restroom, etc.). Funds will be used to pave the yard at American Dam in El Paso as a means to mitigate contaminated soil with high concentration of heavy metals (lead, arsenic, etc.) by covering it and preventing contact with employees and the public.

Heavy Equipment Replacement - \$1,000,000: Originally funded in FY 2001, this program will continue to replace existing deteriorated and obsolete heavy construction equipment. Funding will improve the agency's operational efficiency and productivity by significantly reducing the time spent repairing old equipment. Heavy construction equipment is essential for daily operations such as levee maintenance, floodway mowing, erosion control, arroyo clearing, roadway maintenance, riprap replacement, sludge, and silt removal. However, it is critical during flood events and other emergencies. The proper equipment greatly improves the agency's ability to fight floods and protect approximately 3 million residents and 1.5 million acres of property. FY 2006 funds will be used to purchase a bulldozer for lower Rio Grande, a front-end loader and excavator for upper Rio Grande, and a service boat for Amistad International Storage Dam.

Water Quantity Program (\$3,770,000):

Rio Grande Canalization - \$250,000: Initially funded in FY 1993, this project will stabilize the Rio Grande channel between Caballo Dam in New Mexico and American Dam at El Paso, Texas. This project, authorized by the Act of August 29, 1935 (49 Stat. 961), facilitates water deliveries to Mexico under the 1906 Convention and protects against Rio Grande floods. Channel scouring has exposed foundations of bridges, siphons, flumes and diversion dams in portions of the Rio Grande channel. In addition, preliminary engineering studies indicate that the existing protective levee system may be inadequate to provide flood protection for the design flood of the system, placing the adjacent communities and farmland in jeopardy. Thus, the USIBWC will construct the necessary erosion protection works in the Rio Grande, rehabilitate deficient areas of the flood control system, and construct required environmental mitigation efforts along the project. The FY 2006 request will provide for the rehabilitation of high-risk portions of the flood control system and environmental mitigation.

Rio Grande Flood Control System Rehabilitation - \$2,220,000: This project, which started in FY 2001, will continue a multi-year effort to evaluate and rehabilitate the Rio Grande Flood Control System along the international segment of the river, downstream of the Rio Grande Canalization Project. The project work includes engineering evaluation of approximately 370 miles of the levee system, rehabilitation of the

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

inadequate levees, replacement of the failed Riverside diversion dam, preservation of the river channel and flood plain, inundation mapping, and aerial boundary mapping and demarcation efforts along the Rio Grande. The FY 2006 request will initiate focused engineering investigations on the Rectification and Presidio project levees to characterize the potential weak segments identified during the reconnaissance stage of this project. Funds will also be used to continue the raising and rehabilitation of high-risk portions of the lower Rio Grande flood control system. The USIBWC will also continue to develop and update the Geographic Information System (GIS) database with project data.

Safety of Dams Rehabilitation - \$600,000: Originally funded in FY 2001, this project will continue a multiyear effort for the rehabilitation and proper operation of all USIBWC dams, as recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. The U.S. Section of the IBWC is solely responsible for operation and maintenance of two diversion dams on the Rio Grande (American and International), and jointly responsible for four international dams (Amistad, Falcon, Anzalduas, and Retamal). These dams provide for distribution of the Rio Grande waters between the U.S. and Mexico as well as for the conservation, flood control, water storage, power generation, and regulation of the flow of the river. The FY 2006 request will continue the gate rehabilitation at Falcon International Dam and fund the installation of four piezometers at Amistad dam. This request will also provide for electric power and control panel upgrades at Anzalduas and Retamal dams.

Colorado River Boundary and Capacity Preservation - \$700,000: Originally funded in FY 1998, this project will restore the carrying capacity of international segment of the Colorado River as required by Minute 291 to ensure compliance with the 1944 Water Treaty. Floods in 1983 and 1993 filled the Colorado River with approximately 20 million cubic yards of sediment. This sedimentation, which reduced the capacity of the channel and promoted vegetation growth, threatens the USIBWC's ability to deliver a guaranteed annual allocated volume of Colorado River waters to Mexico as required by the 1944 Water Treaty. The project will include surveying, mapping, vegetation management, channel alignment excavation and protection, revision of the international flow standards, and international boundary restoration and preservation efforts. The FY 2006 request will be used to complete the revised project Environmental Impact Studies (EIS); based on a new project flow. Funding will also provide for clearing, grubbing and partial sediment removal activities on 26 acres immediately upstream of Morelos dam to reestablish the conveyance capacity of the floodway at the dam.

Water Quality Program (\$1,000,000):

Secondary Treatment of Tijuana Sewage (Public Law 106-457) - \$1,000,000: Ultimately this project will provide for new facilities as mandated by Public Law 106-457, "The Tijuana River Estuary and Beach Cleanup Act of 2000," to address secondary treatment of Tijuana sewage. Public Law 106-457 provides for a secondary treatment facility in Tijuana, a pump station at the existing SBIWTP site, and trans-boundary infrastructure. In accordance with P.L. 106-457, a contract will be entered into with a private service provider that will finance all engineering, land acquisition and construction efforts for the treatment facility and associated infrastructure in conjunction with a 20-year operating lease, subject to the availability of appropriations. The FY 2006 request will be used to provide any initial payments that may be required under the contract, such as the cost of insurance.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Program Description

The purpose of the IBWC-Construction program is to investigate, design, construct, operate, and maintain joint construction projects independent of or with Mexico that address boundary demarcation, border sanitation, trans-boundary groundwater, and flood control problems. This appropriation ensures that the rights and obligations of treaties and agreements between the United States and Mexico are met through construction activities using funds appropriated to the USIBWC. In addition, the Commission will:

- implement joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of international river waters;
- promote successful resolution of a broad range of trans-boundary environmental issues;
- ensure compliance with National Pollution Discharge System (NPDES) permits for the Nogales International Wastewater Treatment Plant (NIWTP) located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant (SBIWTP) located in San Ysidro, California;
- design, construct and maintain water conveyance structures, and operation and maintenance facilities for flood control, hydrologic, groundwater, sanitation (water quality), and boundary demarcation and preservation projects;
- investigate and report on the most feasible measures for solving border sanitation problems along the U.S.-Mexico border; and
- conduct various planning (pre-design) and environmental studies for flood control, hydrologic, groundwater, border sanitation (water quality), and boundary demarcation and preservation programs.

Benefits

Benefits of this appropriation include:

- implementing boundary preservation, water conveyance, flood control, and sanitation projects consistent with treaty obligations between the Governments of the United States and Mexico, and various Acts of Congress;
- promoting successful resolution of a broad range of trans-boundary environmental issues;
- maintaining the natural boundary between the United States and Mexico;
- preventing potentially destructive flooding in towns along the boundary; and
- preserving the water quality for human and other use on both sides of the boundary.

PART / Program Evaluation

The U.S. Section of the IBWC is scheduled for its first PART review in 2006, as a component of State's budget request for FY 2008. The USIBWC supports three of the Department's performance goals – close, strong and effective U.S. ties with allies, friends, partners and regional organizations; the containment or resolution of existing and emergency regional conflicts; and the development of partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management.

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

The USIBWC is in the process of developing annual and long-range work plans for each program, to identify and prioritize agency requirements in accordance with the President's Management Agenda (Government Wide Initiatives) and our strategic plan.

The USIBWC has implemented measures and technologies to maximize benefits and minimize costs whenever possible.

The USIBWC has used a streamlined process to address heavy equipment needs. The agency will replace and share common heavy equipment among field offices critical to the agency's operations. The agency will rent equipment when specific needs arise. This plan to share and rent heavy equipment is expected to reduce original cost estimates by 37.5%.

The USIBWC is using new technologies and methods to efficiently evaluate our Rio Grande Flood Control Projects, which include approximately 500 miles of levees. The USIBWC conducted an integrated "high tech" approach using geophysical methods to identify questionable or high-risk flood levee segments. This integrated approach has substantially decreased the amount of geotechnical investigations, thus reducing the overall cost of the levee evaluations by more than 50% while providing more comprehensive coverage.

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INTERNATIONAL FISHERIES COMMISSIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Great Lakes Fishery Commission (GLFC)	12,119	12,791	14,937	2,146
Inter-American Tropical Tuna Commission (IATTC)	1,990	2,072	2,008	(64)
International Pacific Halibut Commission (IPHC)	1,399	1,776	3,079	1,303
Other Marine Conservation Organizations	1,217	1,692	1,770	78
Pacific Salmon Commission (PSC)	2,372	2,960	3,029	69
Western and Central Pacific Fisheries Commission (WCPFC)	0	397	300	(97)
Appropriation Total	19,097	21,688	25,123	3,435

FY 2004 Actual reflects the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request provides \$25,123,000 for the International Fisheries Commissions and related expenses. This is an increase of \$3,435,000 from the FY 2005 enacted level, including \$1,349,000 for arrears.

This request includes:

- \$14,937,000 for the Great Lakes Fishery Commission – an increase of \$2,146,000 – to expand efforts to control parasitic sea lamprey and other invasive species within the Great Lakes. This funding increase will accelerate progress toward the goal for 2006 of reducing the abundance of sea lampreys in all Great Lakes to less than 150% of the maximum target level that would allow for healthy fish populations. This request also funds \$200,000 of arrears to the commission.
- \$2,008,000 for the Inter-American Tropical Tuna Commission that will allow for continued research, assessment, and analysis activities and programs necessary to conserve and manage the commercial tuna stocks, as well as to evaluate and manage the impact of the fishery on the marine ecosystems of the eastern Pacific Ocean. This request also funds \$100,000 of arrears to the commission.
- \$3,079,000 for the International Pacific Halibut Commission – an increase of \$1,303,000 – to continue long-term assessment surveys to determine the abundance and distribution of halibut stocks, as well as the continuation of an innovative tagging study into halibut population dynamics and exploitation rates. The increase also restores funds which were reprogrammed to fund shortfalls to other commissions. This request also funds \$500,000 of arrears to the commission
- \$1,770,000 for the U.S. share of annual assessments to five international fisheries commissions and organizations, one sea turtle convention, the International Whaling Commission, two international

INTERNATIONAL FISHERIES COMMISSIONS

marine science organizations, the Antarctic Treaty, and the expenses of the U.S. Commissioners under the heading of “Other Marine Conservation Organizations”. This request also funds \$300,000 of arrears to commissions under the heading of “Other Marine Conservation Organizations.”

- \$3,029,000 for the Pacific Salmon Commission – an increase of \$69,000 – which is essential for the ongoing programs and activities necessary to save, replenish, and share the salmon resources on northwest borders and renegotiate sharing arrangements for key stocks (southern chum, late run sockeye, and trans-boundary river Chinook, Coho, and sockeye). This request also funds \$249,000 of arrears to the commission.
- \$300,000 for the Western and Central Pacific Fisheries Commission, which is anticipated to be ratified during FY 2005.

Purpose of Program

The purpose of these organizations is to facilitate international cooperation to achieve conservation of shared living marine resources and/or sustainable use of shared fish populations by:

- coordinating scientific research into the size, health, and distribution of shared fish populations and other living marine resources, and evaluating the effects of fishing and environmental conditions on these resources;
- recommending conservation and management measures to member governments based on scientific advice; and
- where appropriate, allocating harvesting rights to member nations according to relevant criteria and consistent with approved conservation and management measures.

U.S. leadership in these organizations secures and maintains access to a fair share of international fisheries resources for U.S. commercial and recreational fishers, protects vulnerable marine species, strengthens the well-being of coastal communities, and advances key U.S. interests such as regional economic stability and protection of the global marine environment.

Program Description

The International Fisheries Commissions appropriation provides for:

- the U.S. share of operating expenses of nine international fisheries commissions and organizations (a tenth commission is anticipated to be ratified in FY 2005), one sea turtle convention, the International Whaling Commission, two international marine science organizations, and the Antarctic Treaty;
- travel expenses of U.S. Commissioners and their advisors; and
- compensation payments to non-government employees of the Pacific Salmon Commission for their work as U.S. Commissioners, panel members, advisors, and/or alternates.

Benefits

Membership in these organizations produces the following benefits to the United States:

INTERNATIONAL FISHERIES COMMISSIONS

- management and conservation of commercial and recreational fisheries that generate over \$12 billion in annual revenue to the U.S. economy;
- continuation of efforts to eradicate sea lampreys in the Great Lakes and their tributaries to allow depleted fish stocks to rebuild;
- assurance that U.S. fishermen have the opportunity to harvest an equitable share of common fish resources;
- protection against the depletion of fishery resources and degradation of the marine and Antarctic environment;
- assurance of the protection of whale stocks through the International Whaling Commission;
- peaceful uses of the Antarctic region, including marine protected areas;
- conservation of vulnerable marine species such as sea turtles and dolphins; and
- opportunity to discuss and address problems and issues of mutual interest to the United States and other stakeholders.

PART / Program Evaluation

The International Fisheries Commissions program was reviewed for the first time in 2004 using the Program Assessment Rating Tool (PART). This review found the program to be adequate. The review found that each commission has ambitious short- and long-term measures that have been met or exceeded. Examples of these include:

- the number of multilateral regional fisheries management organizations implementing comprehensive schemes to improve compliance with conservation and management measures by both members and non-members and
- estimated parasitic sea lamprey abundance in all Great Lakes as a proportion of the maximum target level that would allow for healthy fish population.

The Bureau of Oceans and International Environmental and Scientific Affairs will continue to improve its program-wide measures. In particular, the bureau will increase the number of outcome-oriented measures and efficiency measures.

INTERNATIONAL FISHERIES COMMISSIONS

Other Marine Conservation Organizations

Request by Commission

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Antarctic Treaty	30	49	50	1
Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)	76	83	85	2
Expenses of the US Commissioners	91	99	120	21
Inter-American Sea Turtle Convention Commission (IASTC)	120	148	150	2
International Commission for the Conservation of Atlantic Tunas (ICCAT)	127	163	305	142
International Council for the Exploration of the Sea (ICES)	169	305	275	(30)
International Whaling Commission (IWC)	138	210	240	30
North Atlantic Salmon Conservation Organization (NASCO)	33	69	47	(22)
North Pacific Anadromous Fish Commission (NPAFC)	104	156	168	12
North Pacific Marine Science Organization (PICES)	177	175	85	(90)
Northwest Atlantic Fisheries Organization (NAFO)	152	235	245	10
Other Marine Conservation Organizations Total	1,217	1,692	1,770	78

BORDER ENVIRONMENT COOPERATION COMMISSION

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	2,111	2,021	2,130	109

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The Border Environment Cooperation Commission (BECC) is a bi-national institution, jointly funded by the United States and Mexico. The \$2,130,000 request for FY 2006 is the U.S. contribution to the BECC, an increase of \$109,000 above the FY 2005 estimate. The increase will fund wage and price increases and safety issues. The FY 2006 contribution will enable the BECC to continue assisting border communities in identifying, developing, designing, and certifying border environmental infrastructure projects that will be considered for financing by the North American Development Bank (NADB) or by other lending or grant-making institutions. It will also enable the BECC to continue its public involvement and public outreach process. Border communities have a great need not only for infrastructure but also for resources to develop that infrastructure properly. Through an effective partnership, the Environmental Protection Agency's (EPA) Project Development Assistance Program (PDAP) has provided \$41,200,000 in funds to the BECC that are used to provide technical assistance to communities to develop and design water and wastewater projects. Funding for development and design of solid waste projects comes from the NADB, and funding for development and design of other sector projects come from BECC operating funds and the NADB. Other sector projects include, but are not limited to, hazardous waste, air quality, public transportation, clean and efficient energy, municipal planning and development, water conservation, waste and wastewater hookups, and waste reduction and recycling.

Purpose of Program

Established and authorized under a side agreement to the North American Free Trade Agreement (NAFTA), the BECC's central objective is to assist states, local communities, private industry, and non-governmental organizations in developing effective solutions to environmental problems along the U.S.-Mexico border. The geographical area includes 100 km in the U.S and 300 km in Mexico. The BECC provides technical and financial planning assistance and certifies environmental infrastructure projects.

Program Description

The BECC assists states, localities, and private investors that propose environmental infrastructure projects by providing technical support--such as engineering analysis, project development and design, financial feasibility studies, community participation, environmental assessment and sustainable development--to

BORDER ENVIRONMENT COOPERATION COMMISSION

border communities seeking to develop environmental infrastructure projects. In addition, the BECC mobilizes the resources from U.S. and Mexican environmental agencies and other sources, and provides access to the resources of the NADB. Under the BECC's public participation program, the BECC notifies the public about specific projects and receives comments from affected communities to ensure extensive public involvement and support in the policies and decisions of the Commission.

The BECC projects to certify approximately 10 projects in FY 2005 with an estimated value of \$82 million. The process of identifying potential new projects and developing these projects has matured into a comprehensive system well integrated with the NADB and federal agencies in both countries. In CY 2005 the BECC projects it will receive approximately 15 applications that satisfy the BECC basic criteria as follows: (a) location within the designated geographical area, (b) solving an environmental or human health issue, and (c) constituting a water, wastewater, solid waste, or sector projects. BECC's mission continues to be the improvement of quality of life for the more than 22.3 million residents residing within the designated geographical area.

BECC is governed by a bi-national Board of Directors, composed of ten members (five from the U.S. and five from Mexico), representing federal, state and civil society on the border. Members of the Board of Directors are appointed by the President of the United States and the Secretariat of Environmental and Natural Resources for Mexico.

Benefits

The benefits of the BECC include:

- assistance for states and localities and other public entities and private investors in:
 - coordinating environmental infrastructure projects to address serious environmental degradation problems along the 2,000 mile U.S.-Mexico border;
 - developing, implementing, and overseeing environmental infrastructure projects in the border region, including the development, design, and other technical aspects of such projects;
 - analyzing the financial feasibility and/or the environmental and sustainable development aspects of environmental infrastructure projects in the border region;
 - evaluating social and economic benefits of environmental infrastructure projects in the border region; and
 - organizing, developing, and arranging public and private financing for environmental infrastructure projects in the border region;
- certification of applications for financing to the NADB for environmental infrastructure projects in the border region;
- innovative approaches to address common environmental infrastructure needs along the international border; and
- a forum for public input into critical decision making on the development and implementation of infrastructure projects.

BORDER ENVIRONMENT COOPERATION COMMISSION

PART / Program Evaluation

In FY 2004, the BECC initiated the development of a comprehensive needs assessment that will provide, together with the project prioritization analysis, a projects and issues agenda for future fiscal years. The BECC proposes to measure performance by the implementation of project components and the resolution of social and environmental issues.

The BECC intends to work through the EPA's PDAP, Department of State, Government of Mexico, and other grant funding agencies in an effort to accomplish its mission. Key on-going strategies for improving the health, environment, and other conditions for the more than 22.3 million residents of the U.S.-Mexico border region include:

- development and administration of a needs assessments through the input of communities, local authorities and State governments;
- implementation of annual and multi-annual work plans as a basis for planning actions and use of resources;
- continued assistance to border communities in identifying potential alternatives to environmental and health problems;
- ensuring compliance with BECC public participation and outreach process;
- continued improvements to the project management information system (PMIS);
- continuing with ISO recertification process; and
- continuing with performance-based budgeting.

Since its inception, the BECC has certified 105 projects, benefiting over 9,700,000 residents in communities along the U.S.-Mexico border region. Of the 105 projects certified, 24 projects are in operation, 39 projects are under construction, 11 projects are in the bidding process, 25 projects are under design, and the six (6) remaining projects are either being redefined or inactive (no construction funds were requested through the BECC/NADB process, funds were obtained elsewhere). These projects represent a total investment of over \$30 million in technical assistance, and an investment of \$2.2 billion in construction projects.

The BECC has met or exceeded annual targets for protecting the environment and promoting efficient energy use and resource management in support of its strategic goal of improving social and environmental issues by addressing environmental, health, and other conditions in the U.S.-Mexico border region. In FY 2005 and FY 2006 the BECC intends to continue developing and designing projects for certification by its Board of Directors. In FY 2004, the BECC initiated the development of a needs assessment to identify existing requirements in the communities in the U.S. and Mexico border region that remain un-addressed. The BECC is also in the process of prioritizing projects in order to determine what project needs will be addressed first.

In addition, in FY 2004, the BECC instituted a project tracking system, the project management information system (PMIS), in an effort to better track the BECC's performance, identify opportunities for improvement in project development, and streamline the process even further. The BECC also expects that by the middle of FY 2005 it will have instituted a project costing system that will allow it to initiate performance-based budgeting (PBB). The development of the project costing system will permit the BECC to track project labor costs, identify any duplication of efforts, identify areas for improvement, measure efficiencies and inefficiencies, and cut costs through targeted improvements. This will provide the core data for a new system of process and efficiency measures.

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INTERNATIONAL JOINT COMMISSION

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Special & Technical Investigations by U.S. Geological Survey	547	560	573	13
U.S. Section	4,944	5,654	5,747	93
Appropriation Total	5,491	6,214	6,320	106

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request of \$6,320,000 reflects an increase of \$106,000 over the FY 2005 appropriation. The requested increase supports wage and price increases for the operations of the International Joint Commission (IJC) and the special investigations by the U.S. Geological Survey.

Purpose of Program

The IJC's mission is to develop and, where appropriate, administer programs to assist the governments of the United States and Canada to address water quality and quantity issues and air pollution problems along the U.S./Canadian border through the implementation of the provisions of the Boundary Waters Treaty of 1909 and related international agreements. In addition, the United States' share of the Commission's Great Lakes Regional Office (Windsor, Ontario), created by the U.S.-Canada Great Lakes Water Quality Agreement (GLWQA), is funded through this account.

Program Description

During FY 2006, the IJC will continue to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. The unpredictable increase in both drought and flooding events in border watersheds has placed greater demands on the resource, especially in the west, and intensified the need for careful and well analyzed control of the outflows from regulated structures during high and low water periods.

In FY 2006, the IJC plans to conclude a five-year study undertaken to determine changes required in the Orders of Approval for operation of control structures on the St Lawrence River (New York, Ontario and Quebec). Continuing its strong program of public involvement, the IJC will present, assess and decide among options resulting from the study. The IJC will then undertake implementation of that decision.

INTERNATIONAL JOINT COMMISSION

The IJC also plans on studies of the Upper Great Lakes to determine changes required to the Orders of Approval for the operation of structures at the outlet of Lake Superior affecting water levels and flows on Lakes Superior, Michigan, Huron, and Erie (Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio, Pennsylvania, New York, and Ontario.) The orders governing the Upper Great Lakes are nearly a quarter-century old and do not fully consider the needs of interests that have grown in the region over time, environmental considerations, and potential changes in timing and volume of water supplies. Significant variations in water levels have and will continue to create social and economic impacts. Work on the Upper Great Lakes study will build on the knowledge, methods, and models developed in the Lake Ontario - St. Lawrence Study.

The IJC will continue work on references (requests for IJC studies) issued by the two governments over the previous fiscal years and those expected to be issued during FY 2006 and will carry out its responsibilities pursuant to its Orders of Approval and under the Great Lakes Water Quality Agreement and Boundary Waters Treaty. These activities include:

- continuing support of international watershed boards in the U.S.-Canada border region for the purpose of improving cross-border communication, protecting shared resources, and facilitating local and regional problem solving;
- continuing a multi-year review of orders for regulation of the controlling structure on the Okanogan River (British Columbia and Washington);
- continuing a review of the apportionment of the waters of the St. Mary's and Milk Rivers (Montana, Alberta, and Saskatchewan);
- continuing the analysis of common groundwater and surface water uses in boundary areas outside the Great Lakes Basin as requested from governments of the U.S. and Canada;
- assessing progress consistent with Lakewise Management Plans and in remediation clean-up of areas of concern designated under the Great Lakes Water Quality Agreement;
- issuing the IJC's 13th biennial report to assess governments' progress in implementing their Great Lakes Water Quality Agreement, as required by that Agreement;
- continuing to assist the governments in their comprehensive review of the Great Lakes Water Quality Agreement;
- subject to the receipt of referrals from governments, continuing a program to harmonize and coordinate binational programs to prevent the introduction of aquatic alien invasive species into the Great Lakes and assessing progress by the governments in this effort; assessing spills in the St. Clair River (Michigan and Ontario); assessing the impacts of proposed coal-bed methane development in the Flathead River basin (Montana and British Columbia); evaluating transboundary impacts of operations by Teck Cominco along the Columbia River (Washington and British Columbia); and undertaking the assessment of a proposed mine on the Taku River in British Columbia that may pose a risk of substantial damage to the salmon fishery in Alaska; and
- supporting the U.S. Government's program to monitor water levels and flows in several boundary and transboundary rivers and to meet apportionment requirements. This work is accomplished through an interagency agreement with the United States Geological Survey (USGS).

Benefits

The quality and quantity of boundary waters, including the Great Lakes, are maintained and monitored to ensure that millions of Americans and Canadians will not lose the economic, recreational and aesthetic benefits that they now derive from these waters nor suffer from damages to the resource. The prompt and effective prevention and/or resolution of potential environmental or other disputes ensure the maintenance of the strong relationship that exists between Canada and the United States.

INTERNATIONAL JOINT COMMISSION

PART / Program Evaluation

The IJC supports three of the Department's performance goals – close, strong and effective U.S. ties with allies, friends, partners and regional organizations; the containment or resolution of existing and emergency regional conflicts; and the development of partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management. The IJC's annual project agenda consists of scientific and technical studies performed at the request of the two national governments; some known in advance, others requested in the course of the fiscal year. The IJC's primary performance measures will track the completion and publication of studies by scheduled dates, the public diplomacy activities (press releases, newsletters, public meetings) that support them, and the responses of interested and affected parties.

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INTERNATIONAL BOUNDARY COMMISSION

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	1,248	1,231	1,429	198

FY 2004 Actuals reflect the rescission of .465% to Commerce-Justice-State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce-Justice-State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 budget request of \$1,429,000 for the International Boundary Commission (IBC) will support the Treaty requirements to maintain the U.S - Canadian Boundary. To maintain the required effective boundary line between the U.S. and Canada, the IBC will conduct three field projects: (1) Monument maintenance, vista clearing and resurvey of the 49th Parallel (35miles) Montana/ Saskatchewan. (2) Vista clearing and monument maintenance 49th Parallel (60 miles) in Minnesota/Manitoba. (3) Inspection resurvey and monument maintenance on the St. John River (72 miles) Maine/New Brunswick. Additionally the Commission will begin the first year of a 5-year program to re-map the United States - Canadian Boundary.

The IBC will continue its advisory and regulatory roles concerning construction crossing the boundary and to provide boundary specific information and technical data to the public and private sectors.

Purpose of Program

The IBC is obligated by the Treaty of 1925 to maintain an “effective” boundary line between the United States and Canada. The Treaty specifies that, to be “effective”, the boundary line must be accurately delineated and marked with stable identifying monuments, offering a 20-foot wide clear line-of-sight (i.e., “vista”) from one boundary monument to the next along the entire 5,525 mile border. The IBC maintains more than 5,500 boundary monuments and more than 2,800 reference monuments which are used to locate the water boundary. To preserve the integrity of the international boundary line, the IBC regulates construction crossing the boundary and provides boundary-specific positional and cartographic data to the public and private sectors. The IBC appropriation provides funds to implement U.S. obligations under the Treaty, thereby maintaining and preserving an effective boundary line between the two countries that ensures the sovereignty of each nation over its territory by clearly establishing where one’s rights and responsibilities end and the other’s begins, thus virtually eliminating the potential for serious and costly boundary disputes.

INTERNATIONAL BOUNDARY COMMISSION

Program Description

Although the boundary was cleared, surveyed and marked years ago, a cyclical program of maintenance is required to sustain an effective boundary line. The necessity of continuous maintenance is due to the deterioration/destruction of boundary monuments and to brush and timber overgrowth obstructing the 20-foot wide vista.

The IBC has begun to convert all North American Data (NAD) map coordinates that currently define the boundary between NAD 27 and 83 positions.

The FY 2005 budget of \$1,231,000 will fund the IBC operations and 4 boundary maintenance projects: (1) clearing 32 miles of boundary vista and monument maintenance along the Southwest section of the Highlands on the Maine/Quebec boundary; (2) clearing 46.6 miles of boundary vista and monument maintenance along the 49th Parallel in the Pembina Hills and Turtle Mountains located along the Minnesota-North Dakota/Manitoba boundary; (3) Maintenance of Range Marks and vista clearing in Passamaquoddy Bay Maine/New Brunswick; and (4) replacing a deteriorated range tower in Boundary Bay Washington/British Columbia.

Benefits

A well-marked and maintained boundary supports the missions of federal, state and local law enforcement agencies, especially in the aftermath of the September 11 terrorist attacks. A well-defined boundary is necessary so that persons coming upon the boundary anywhere along its length knows what country they are in, and thus what laws they are under. An ambiguous boundary line would needlessly complicate and disrupt the business of government and private industry as well as the lives of the people living and working along it.

PART / Program Evaluation

The work of the IBC supports the Department's strategic goals in Regional Stability and Homeland Security. The IBC proposes to track performance by comparing the number of miles along the border maintained (vista clearing and monument maintenance) during each fiscal year with the number of miles targeted for that year, to gauge efficiency by comparing performance data with operational costs, and to document the implementation and results of efficiency improvements.

**PART FOUR
RELATED APPROPRIATIONS**

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
The Asia Foundation	12,863	12,826	10,000	(2,826)
National Endowment for Democracy	39,579	59,199	80,000	20,801
East-West Center	17,692	19,240	13,024	(6,216)
Center for Middle Eastern-Western Dialogue - Trust Fund	6,679	6,660	0	(6,660)
Center for Middle Eastern-Western Dialogue - Program	247	622	750	128
Eisenhower Exchange Fellowship Program	495	493	500	7
Israeli Arab Scholarship Program	371	370	375	5
Total, Related Appropriations	77,926	99,410	104,649	5,239

FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

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THE ASIA FOUNDATION

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Operating Activity Expenses	1,799	1,575	1,228	(347)
Program Grants and Services	11,064	11,251	8,772	(2,479)
Appropriation Total	12,863	12,826	10,000	(2,826)

FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request will provide funding for The Asia Foundation (TAF) at \$10,000,000. TAF is an organization with a distinctive 50-year history of on-the-ground presence in Asia, especially in the front line states in the war on terrorism such as Afghanistan, Pakistan, Indonesia, and the Philippines. TAF directly supports priority U.S. interests by expanding political and economic development, reducing the threat of extremism, promoting stability in key countries in Asia, and strengthening U.S.-Asian relations. TAF operates in places where the U.S. government does not maintain a development presence, but where U.S. policy interests are of the highest priority, including China, the Korean Peninsula and Taiwan. Within the complex, rapidly changing societies of Asia, TAF programs and grants help build and strengthen institutions of governance; assist policy reform efforts; support civil discourse and conflict resolution; expand economic opportunities, including for women; deepen initiatives to promote moderate Islam; fight trafficking of women and girls; and bolster relations between the U.S. and the countries of Asia. The impact of TAF's programs is easily identifiable; from stronger parliaments to more transparent legal systems, to the existence of a wide range of civil society organizations that did not previously exist. TAF is a well-recognized American organization, but its programs are grounded in Asia, helping to solve local problems in cooperation with Asian partners.

The FY 2006 request will deepen and expand programs focused on conflict resolution and countering extremism; improved governance practices and rule of law, and strengthened democratic institutions, including protection of human rights; increased citizen participation in public policy; expansion of women's rights and anti-trafficking; increased economic opportunity through small business development; and the development of stronger, more effective open market economies. TAF has a history of support to moderate Muslim leaders in Asia, in an effort to advance tolerance and pluralism. The FY 2006 request will expand TAF's initiatives to promote democratic principles, political moderation and tolerance within Muslim minority and majority countries in Asia, building on TAF's engagement and credibility with Muslim organizations and moderate religious leaders. In unstable countries such as Afghanistan and Pakistan, and less stable countries such as Nepal and Cambodia, TAF is working to promote free and fair elections, constitutional development, human rights, education and local government reform. Additional programs will develop democratic institutions to increase the pace of legal reform in China, Vietnam, Indonesia and Thailand, including policy reforms to improve the investment environment, fight corruption and protect

THE ASIA FOUNDATION

intellectual property. TAF will also focus on anti-trafficking programs and increased women's participation in public life throughout Asia. The request for operating activity expenses reflects the current indirect cost rate negotiated between the Department of State and TAF, which is 14% of direct costs.

TAF will continue to increase its private fund-raising efforts and expects to raise \$4 million in private funds during FY 2006. Appropriated funds are critical to TAF's ability to leverage private foundation and corporate funding in the U.S. and from other donors such as the Asian Development Bank. TAF will continue to receive in-kind contributions, notably donated books and software from American publishers which are distributed through its Books for Asia program and reach 5,000 institutions in the region. Since 1954, TAF has donated over 40 million books to Asian institutions. TAF also receives other grant funding for specific projects from the State Department and USAID.

Purpose of Program

As a non-governmental grant-making organization, TAF programs complement official efforts to advance U.S. interests in Asia. TAF is a distinctive on-the-ground American presence in Asia and few other nongovernmental organizations can claim TAF's capacity to deliver effective programs and build local capacity in the government, civil society and private sectors.

TAF delivers concrete programs at both the grass roots and policy levels, capitalizing on its longstanding presence and on an essential combination of strengths, including a depth of understanding and sensitivity to local and regional political and economic developments; commitment to results; widespread governmental and non-governmental contacts; the ability to react quickly to identify and develop timely program responses to key foreign policy issues and opportunities; and proven capacity as a program manager and grant maker. TAF's ability to work flexibly, often at break neck speed, such as during the Emergency and Constitutional Loya Jirgas and elections in Afghanistan, is highly valued by the Department of State. TAF funds programs in front line states such as Indonesia, Afghanistan and Pakistan, and in countries where on-the-ground programs make both a significant tangible contribution to the lives of people in Asia, and advance U.S. public diplomacy.

TAF plays an important role in helping the U.S. Government attain its strategic goals in Asia. TAF's reputation enables it to undertake programs difficult for the U.S. Government to address directly (including issues related to religion and ethnicity), to take risks to promote reform, and respond rapidly in troubled areas with sensitivity and an effectiveness made possible through experience and local relationships. TAF operates in countries of high priority to the U.S., but where the U.S. has limited or no development assistance presence. TAF's programs are directly linked to U.S. Government goals and objectives, including the number one priority of combating terrorism and dealing with its root causes.

TAF achievements include: introduction of civic education curriculum to promote democratic principles, moderate Islam, and tolerance within Indonesia's 46 State Islamic Institutes and 142 private Islamic colleges, reaching 10% of all tertiary students in the country; the establishment of the only center for progressive Muslims in Southeast Asia, The Center for Islam Pluralism; provision of the only international observers, civic education and operations support for the registration of voters and polling for presidential elections in Afghanistan; training in China on WTO principles and compliance for legal officials in all 44 provinces; support for anti-trafficking NGOs in Cambodia; support for 130,000 domestic election monitors and voter education programs during the 2004 Indonesian presidential and parliamentary election, mobilizing Muslim, Catholic and other nongovernmental organizations, and reaching over 110 million voters; enhancing access to justice through the Community Mediation Boards in Sri Lanka, which handle more than 100,000 cases per year; development of a model for mediation of conflict at the village level now serving 11 districts in Nepal; support for monitors of the peace process between the government and the

THE ASIA FOUNDATION

Moro Islamic Liberation Front (MILF) and studies of madrassah education in Mindanao in the Philippines. TAF responded immediately to the Tsunami crisis by providing support to one of Indonesia's mass based Muslim organizations, Muhammadiyah (which has extensive networks in Aceh) to place additional health and social service experts in Aceh, re-establish radio and communications networks and provide faith based organizations and the Rotary Club in Sri Lanka with funding to help in the distribution of critical relief supplies in Tsunami-hit eastern Sri Lanka.

Program Description

The Asia Foundation is primarily a grant-making organization with 17 offices in Asia. Through support for innovative program activities, education, public policy dialogue, research, human resource development, technical assistance, and institutional strengthening, TAF contributes to U.S. and Asian interests by:

- strengthening key democratic institutions such as legislatures and courts, professional organizations, citizen advocacy, and human rights groups; promoting religious tolerance and conflict resolution; and building constituencies to promote legal reform;
- protecting the rights of women, and countering domestic violence and trafficking of women and children;
- supporting open market economies and liberalized trade and investment policies, and strengthening key financial institutions;
- promoting leadership development through professional training and study tours for staff members of grantee institutions; and facilitating U.S. -Asian dialogue on political, economic, and security issues affecting U.S. interests in the region; and
- managing the Books for Asia program, which annually distributes over half a million donated American books, journals, and computer software throughout Asia and supporting education reform.

Benefits

The Asia Foundation is uniquely positioned to address immediate needs in Asia through programs that advance priority U.S. interests and achieve strategic goals in Asia. TAF programs strengthen democracy, law, human rights, and mechanisms for conflict prevention and management; increase links with moderate, tolerant, and progressive Muslim groups and leaders; expand regional economic opportunities; and encourage regional cooperation. As a ready American asset with a longstanding field presence, TAF has a depth of experience, reputation, rapid response, and grant making capacity that makes it an important, reliable resource that has time and time again proven that it can identify critical needs, develop creative approaches, and effectively manage results-oriented programs in Asia. TAF's flexible grant making fills an important role to help develop new Asian leadership and institutional capacity. Despite rising security threats and anti-Americanism, TAF's resident presence, professional local staff, and ongoing partnerships and programs with Asian organizations continue uninterrupted. TAF's presence in Asia and its nongovernmental status help provide a buffer against controversy. TAF is able to undertake programs that are difficult for government to do directly, including issues such as religion, ethnicity or human rights. TAF programs also contribute to American public diplomacy through books, exchanges and the generation of good will from on-the-ground projects that improve the lives of people in Asia.

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NATIONAL ENDOWMENT FOR DEMOCRACY

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	39,579	59,199	80,000	20,801

FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request of \$80,000,000 funds the National Endowment for Democracy (NED). This level of funding will support programs in the Middle East, Africa, Asia, the Independent States of the former Soviet Union, Central/Eastern Europe, and Latin America, as well as multi-regional programs. The funding includes \$40 million for a Broader Middle East North Africa Initiative. This initiative will increase NED's efforts to strengthen democracy and tolerance in the region through its work with civil society organizations. NED's programs have the following objectives:

- helping to support countries in transition to more open democratic systems, placing special emphasis on the defense of human rights and the provision of access to independent information;
- promoting democratization in semi-authoritarian countries by monitoring the conduct of elections, expanding constitutional, legal, and political space for civil society, NGOs, and political party development, establishing links between civil society and political parties, and encouraging cross-border assistance within regions;
- aiding the practice of democracy in the Muslim world by promoting good governance and economic reform, strengthening political parties, encouraging women's participation, and supporting grassroots organizations that defend human rights and promote democratic values;
- assisting the consolidation of new democracies, paying close attention to the problems of governance by increasing both accountability and broad-based participation;
- helping to heal war-torn societies, providing critically needed support to groups in civil society that defend human rights, educate about democracy, and provide training in conflict resolution;
- providing democratic activists with access to new information and communication technologies; and
- developing strong regional networks that bring together democratic leaders in Africa, Latin America, the Middle East, Asia, and the former Soviet Bloc for mutual collaboration and assistance.

Purpose of Program

The Endowment is a private, non-profit organization created in 1983 to strengthen democratic institutions around the world through non-governmental efforts. An independent, bi-partisan board of directors governs the Endowment. With its annual appropriation, NED makes hundreds of grants each year to support pro-

NATIONAL ENDOWMENT FOR DEMOCRACY

democracy groups in Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and the countries of the former Soviet Union. The mission of the Endowment is to support peaceful and stable transitions to more open political and economic systems characterized by effective governance and legal systems, an engaged and responsible civil society, and open markets.

Program Description

The Endowment is primarily a grant-making organization. Programs in the areas of labor, open markets, and political party development are funded through four core institutes: the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI), and the National Democratic Institute (NDI). NED also annually funds scores of programs in the areas of human rights, civic education, independent media, rule of law, strengthening non-governmental organizations, and other aspects of democratic development.

Benefits

The Endowment programs advance long-term U.S. interests and address immediate needs in strengthening democracy, human rights, and the rule of law. Promoting democracy through the National Endowment for Democracy is vital to U.S. national security since democracies typically do not sponsor terrorism, proliferate weapons of mass destruction, create destabilizing flows of refugees, or go to war with one another. Terrorism feeds off tyranny by finding recruits among the politically repressed and sanctuary from states that use terror against their own people. NED's program can begin to sever this link and advance the values of democracy, individual rights, and cultural pluralism in the world. Additionally, NED's support for free market reforms encourages regional trading opportunities and helps foster economic growth.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	17,692	19,240	13,024	(6,216)

FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request of \$13,024,000 funds the Center for Cultural and Technical Interchange Between East and West (the East-West Center).

Funding supports research and education programs designed to:

- build an Asia-Pacific community in which the United States is a natural, valued and committed partner;
- advance collaborative research on issues of contemporary significance;
- provide democratic activists with access to new information and communication technologies;
- construct a peaceful, prosperous, and just Asia-Pacific community; and
- prepare Americans for an era in which the Asia-Pacific region is increasingly important to the United States.

Purpose of Program

Congress established the East-West Center in Hawaii in 1960 as a national education and research organization to promote U.S. -Asia-Pacific relations and understanding through cooperative study, training, and research. The Center's program is directed toward a region with more than 50 percent of the world's population.

Program Description

The EWC is a public, non-profit institution chartered by the State of Hawaii with an 18-member international board of governors. Some 1,200 scholars, government and business leaders, educators, journalists, and other professionals from throughout the region work through the EWC annually. By bringing such individuals together for collaborative projects, the EWC projects U.S. values, ideas, and interests into the region. The EWC has positioned itself as a public-private partnership activity. Programs include:

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

- Research – The Research Program covers four broad areas of study: politics, governance and security; economics; environmental change, vulnerability and governance; and population and health. Collaborative research at the Center contributes to: (1) the strengthening of regional, sub-regional and national institutions of governance; (2) the promotion of mutually beneficial growth that is equitable and sustainable; and (3) the management and resolution of critical regional problems as well as significant issues of common concern at the national level.
- Education, Training and Seminars – The EWC offers a wide range of educational opportunities for students and professionals specializing in Asia and the Pacific. These include support for undergraduate and graduate study, visiting fellowships, and special programs for Pacific Islanders and East Timorese, among others. The Asian Studies Development Program (ASDP) has developed relationships with more than 400 colleges and universities in reaching American college students to expand their knowledge about Asia and the Pacific. Through its Seminar Program, the Center seeks to become a major venue for productive policy and results-oriented seminars on issues relating to Asia-Pacific community building. Seminars for political, corporate and academic leaders in several areas of thematic emphasis are offered throughout the year.

Benefits

The EWC advances long-term U.S. interests and addresses multilateral needs in Asia and the Pacific, including fostering mutual understanding, strengthening democracy and human rights and encouraging global growth and security. Presidents, prime ministers, ambassadors, scholars, business executives, and journalists use the EWC as a forum to advance international cooperation. The EWC is one of the most active U.S. organizations engaged in the Pacific Islands region, bringing heads of government annually to the U.S. Among its resources is a network of approximately 50,000 alumni around the world.

The East-West Center has an established methodology for cooperative, group-oriented public diplomacy programs that is quite distinctive from the more typical exchanges that are focused on individual exchanges. The group activities also generate highly motivated alumni. The Center uses its 40 alumni chapters for programming and enhancing its mission.

Private agencies, individuals, corporations, and foreign governments provide additional support. In augmentation of the base appropriation, the Center expects to generate additional support of \$16.8 million in FY 2005 and \$17.1 million in FY 2006.

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	247	622	750	128

FY 2004 Actual reflects the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimate reflects the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request seeks appropriation authority to spend \$750,000 in estimated interest and earnings of the Center for Middle Eastern-Western Dialogue Trust Fund. These funds will be used for programming activities and conferences that the Center will convene.

Purpose of Program

The Consolidated Appropriations Act, 2004 (P.L. 108-199) created the Center for Middle Eastern-Western Dialogue Trust Fund to support the operations of the Center on an annual basis. The Council of American Overseas Research Centers (CAORC), in collaboration with the Department of State, is overseeing development of the Center.

The purpose of the Center is to develop programs of cooperative study, training, and research for students and scholars to exchange views and ideas. The Center will focus on development of region-based groups that will conduct research on topics of contemporary importance to build international dialogue and understanding. It will also convene conferences on topics related to critical issues such as Muslim youth and the media, regional cooperation in areas like the Caspian Basin and Afghanistan-Pakistan, and portrayal of the Israel-Palestine conflict by regional and worldwide media.

Program Description

The Center's Steering Committee is chaired by CAORC and composed of experts from universities, NGOs, and the State Department. The Committee is identifying potential partners here and in the region and making recommendations for program activities, governance, and internal organization. CAORC is serving as the liaison with concerned Federal and private agencies and will monitor progress and report annually to Congress.

Benefits

The goal of the Center is to promote human freedom, the growth of democratic institutions, and peaceful resolution of differences. Toward this goal, the Center will further scholarship and implement programs to

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

encourage mutual understanding between the United States and Europe and the peoples of Southeast Europe, the Near and Middle East, and Central Asia.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	495	493	500	7

All FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

All FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request seeks appropriation authority to spend \$500,000 in estimated interest earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

- providing learning and networking opportunities for mid-career international and U.S. leaders in preparation for increasingly senior positions in government, business and the NGO sectors;
- exposing these emerging leaders to best practices in building democratic institutions and free markets; and
- advancing peace through the increased international understanding which results from the fellowships and from an active global alumni leadership network.

Purpose of Program

The Eisenhower Exchange Fellowship Program (EEF) promotes international understanding and economic productivity through the exchange of information, ideas, and perspectives among emerging leaders throughout the world.

Program Description

The Eisenhower Exchange Fellowship Program (EEF) was created in 1953 to honor President Eisenhower. The Eisenhower Exchange Fellowship Program Act of 1990 (P.L. 101-454) authorized a permanent endowment for the program and established a trust fund for this purpose.

The 1992 Department of State and Related Agencies Appropriations Act provided \$5 million to establish a permanent endowment for the Program, and appropriated the interest and earnings in the Fund to Eisenhower Exchanges Fellowships, Inc. The 1995 Department of State and Related Agencies Appropriations Act made an additional payment of \$2.5 million to the endowment.

The program brings outstanding professionals who are rising leaders in their countries to the United States and sends American counterparts abroad with a custom-designed program for each participant. EEF consists of these major components:

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

- The Multi-Nation Program (MNP) – Provides two-month U.S. fellowships for an Eisenhower Fellow from each of 24 to 27 countries;
- The Single Nation or Single Area Program (SNP) – Provides two-month U.S. fellowships for 15 to 22 Fellows representing a range of professions from a single country or area;
- The USA Program (USA) – Sends 10 to 15 Americans abroad, for one to three months, to countries where their fields can be enriched by persons, organizations, and institutions encountered there; and
- The Eisenhower Fellowships Network (EFN) - Links alumni Fellows worldwide, enabling Fellows to collaborate on projects, extend and strengthen relationships, and develop international links. Currently numbering 1,350 active alumni in 100 countries; the network is enlarged each year by new MNP, SNP and USA Fellows.

Benefits

EEF exchanges strengthen democratic development, open markets and global understanding by creating opportunities for emerging U.S. and foreign leaders to experience each other's societies and cultures directly and to work together on an ongoing basis in the interests of international peace and prosperity.

ISRAELI ARAB SCHOLARSHIP PROGRAM

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Appropriation Total	371	370	375	5

All FY 2004 Actuals reflect the rescission of .465% to Commerce, Justice, State appropriated accounts and the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

All FY 2005 Estimates reflect the rescission of .54% to Commerce, Justice, State appropriated accounts and the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

The FY 2006 request seeks appropriation authority to spend \$375,000 in estimated interest earnings of the Israeli Arab Scholarship Fund. The funding will be applied to:

- increasing educational opportunities for Israeli Arab students to study and conduct research in the United States; and
- advancing peace through international understanding.

Purpose of Program

The Israeli Arab Scholarship Program (IASP) fosters mutual understanding between Arab citizens of Israel and the United States through international exchange and training activities.

Program Description

The Israeli Arab Scholarship Program funds scholarships for Israeli Arabs to attend institutions of higher education in the United States. This program is authorized by Section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (P.L. 102-138). A permanent endowment of \$4,978,500 was established in 1992 with funds made available under Section 556(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990 (as amended by Section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1991).

Benefits

The income generated by this endowment provides scholarships for Israeli Arab students to study in the United States. IASP exchanges strengthen international peace and create opportunities for understanding each other's societies and cultures directly.

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**PART FIVE
FOREIGN ASSISTANCE**

Summary Statement

(\$ in thousands)

Appropriations	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Migration & Refugee Assistance	780,712	763,840	892,770	128,930
Emergency Refugee/Migration Assistance	29,823	29,760	40,000	10,240
Total, Foreign Assistance	810,535	793,600	932,770	139,170

FY 2004 Actuals reflect the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2004 Actual for Migration and Refugee Assistance includes \$25 million provided through the Department of Defense Appropriations Act, 2005 (P.L. 108-287).

FY 2005 Estimates reflect the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

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MIGRATION & REFUGEE ASSISTANCE

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
Overseas Assistance	577,667	554,752	607,720	52,968
Africa	226,387	229,351	256,500	27,149
East Asia	20,404	21,321	21,500	179
Europe	54,558	48,089	44,720	(3,369)
Near East	100,538	98,442	134,000	35,558
South Asia	73,741	59,098	49,000	(10,098)
Western Hemisphere	21,526	23,027	26,000	2,973
Migration	17,303	13,719	14,000	281
Strategic Global Priorities	63,210	61,705	62,000	295
Refugee Admissions	132,464	137,664	223,050	85,386
Humanitarian Migrants to Israel	49,705	49,600	40,000	(9,600)
Administrative Expenses	20,876	21,824	22,000	176
Appropriation Total	780,712	763,840	892,770	128,930

FY 2004 Actual reflects the general rescission of .59% provided through the Consolidated Appropriations Act, FY 2004 (P.L. 108-199).

In addition to the \$755.712 million appropriated under P.L. 108-199, the MRA account received \$25 million in FY 2004 in the Overseas Assistance Africa line from the FY 2005 DOD Supplemental (P.L. 108-287), which brought the total FY 2004 appropriation up to \$780.7 million.

Approximately \$ 29.3 million appropriated in FY 2003 was carried forward into FY 2004 as follows: Overseas Assistance Africa (\$147,856), Overseas Assistance East Asia (\$19,638), Overseas Assistance Europe (\$2,942,542), Overseas Assistance Near East (\$499,140), Overseas Assistance South Asia (\$127,126), Strategic Global Priorities (\$2 million), Refugee Admissions (\$22.6 million), and Administrative Expenses (\$1 million).

Of the \$755.7 million appropriated in FY 2004, approximately \$10.7 million was carried forward into FY 2005, of which approximately \$2.9 million was carried forward in Administrative Expenses, over \$4.3 million was carried forward in Refugee Admissions and \$3.5 million was carried forward in Overseas Assistance. These figures are included in the above chart in FY 2004, the year in which they were appropriated.

FY 2005 Estimate reflects the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

Humanitarian Response is one of the U.S. national interests outlined within the joint Department of State/U.S. Agency for International Development Strategic Framework. The Migration and Refugee Assistance (MRA) and the Emergency Refugee and Migration Assistance Fund (ERMA) appropriations are two of the primary funding mechanisms for demonstrating our compassion internationally. These funds are provided to multilateral organizations such as the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the International Organization for Migration (IOM), and

MIGRATION & REFUGEE ASSISTANCE

the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). They would support the following specific goals:

- Protection and Durable Solutions – Ensure access to effective protection and first asylum to refugees and conflict victims, and, in certain cases, internally displaced persons. Prevent refoulement (involuntary return to a place where a person would face persecution), promote access to asylum, enhance physical protection (especially for women and children), and promote durable solutions.
- Assistance - Provide effective and efficient humanitarian assistance across geographic regions and according to internationally accepted standards.
- Resettlement – Provide permanent resettlement in the U.S. to those overseas refugees who need it, ensure that adequate security, health, and antifraud measures are fully implemented in processing these cases, and support adequate reception arrangements for these refugees so that they can begin the process of becoming self-sufficient, fully integrated members of U.S. society.
- International Migration – Support policies and programs for orderly international migration based on protection of human rights and respect for national sovereignty. This goal includes continued funding for a program that facilitates the integration of humanitarian migrants in Israel.

Important specific priorities in FY 2006 include: respond to emergency requirements of Sudanese refugees and internally displaced persons (IDPs); support return and reintegration of refugees and IDPs in Afghanistan, Angola, Liberia, Iraq, Sudan, and Burundi; increase refugee admissions; continue efforts to enhance the protection of refugees and conflict victims, including programs that guard against the exploitation of beneficiaries of humanitarian assistance; and press other donors to provide their fair share of assistance to international humanitarian organizations.

Overseas Assistance

The FY 2006 request for Overseas Assistance is \$607,720,000, an increase of \$52,968,000 from our FY 2005 appropriation.

Requirements by region include:

- Africa - \$256,500,000. The FY 2006 request reflects the potential for large-scale return and reintegration of as many as 50% of Africa's three million refugees in the next two to three years. In addition to return movements underway across the continent from Liberia to Angola to Somalia, we face major opportunities to advance solutions for refugees from Burundi and Sudan. At the same time, continued humanitarian assistance will be needed for vulnerable populations unable to return home, especially those in Chad and Sudan but also in the Democratic Republic of Congo (DRC), Somalia, and Cote d'Ivoire. The request includes USG regular contributions for UNHCR and ICRC, which help address the basic life support needs of vulnerable refugees and conflict victims in Africa and ensure that those who can return home are reintegrated into their home communities. Some funding is also included for other IOs and NGOs who work with UNHCR to fill gaps in basic relief and reintegration programs.
- East Asia - \$21,500,000. The FY 2006 request includes support for UNHCR and ICRC programs throughout the region as well as for the growing humanitarian assistance and protection needs of North Koreans in China. The request continues support for critical NGO programs that assist Burmese refugees in Thailand.

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- Europe - \$47,720,000. In Europe, a key humanitarian issue in FY 2006 will be the continuing ethnic violence and displacements in Chechnya. In addition, no resolution of the frozen conflicts in other parts of the Caucasus - Nagorno-Karabakh, South Ossetia, Abkhazia – is expected in FY 2005. MRA support is necessary to continue providing life-sustaining assistance for 1.3 million IDPs and refugees in the Caucasus. The FY 2006 request reflects decreased needs in the Balkans as successful returns continue, but the need for emergency response capacity continues. PRM's primary focus in the Balkans will be minority returns to Kosovo of internally displaced persons (IDPs) from Serbia & Montenegro and Macedonia, but UNHCR and NGOs must maintain humanitarian response capacity if political developments or public reaction to Kosovo final status talks lead to rioting, violence and displacements such as seen in March 2004. MRA funds will also be used to support ICRC's programs in both the Caucasus and Balkans.
- Near East - \$134,000,000. The FY 2006 request supports the return and reintegration requirements for some 200,000 Iraqi returnees, plus reintegration assistance for refugees and IDPs who are expected to return in FY 2005. These needs would be met through UNHCR, IOM, ICRC, and other IO and NGO partners. The request also reflects continued support for UNRWA's assistance programs, which benefit over four million Palestinian refugees in the region. These funds will go toward meeting the costs of delivering education, health, and social services programs in an increasingly difficult environment and for implementing critical security monitoring. MRA will also support UNHCR and ICRC programs in the Near East.
- South Asia - \$49,000,000. These funds reflect decreasing assistance needs for Afghans in FY 2006, with the majority of returns having occurred in 2002-2005. Reintegration needs as a result of prior large-scale returns will continue, along with the search for durable solutions for refugees who are unable to return. We will support UNHCR and NGO programs in the areas of health, shelter, education, and livelihood to bolster the sustainability of returns as well as assistance for those Afghans remaining in Pakistan. Elsewhere in the region, the request includes continued assistance to Tibetan, Bhutanese, and Sri Lankan refugees. FY 2006 contributions will also support ICRC programs in the region to assist conflict victims in Afghanistan, Nepal, Bhutan, Sri Lanka, and India.
- Western Hemisphere – \$26,000,000. Assistance to persons displaced by the conflict in Colombia will continue to be a major priority for the United States. The FY 2006 MRA request incorporates humanitarian program needs for Colombia that were formerly funded from other accounts to provide emergency assistance to the more than two million IDPs inside Colombia and thousands of refugees outside Colombia. The request includes support to the regional programs of UNHCR and ICRC. It also includes funds to meet the Department's commitment to support the needs of migrants at the Guantanamo Bay Naval Base who have been found to be in need of protection, as well as their initial resettlement in third countries.
- Migration - \$14,000,000. MRA funds in this line will meet the requirements of our assessed contribution to IOM, as well as continue our support, through IOM and its partners, to U.S. anti-trafficking initiatives, primarily to support the return and reintegration of trafficking victims. Through the FY 2006 request, we will also continue our support for regional migration dialogues in Latin America, Africa, and Asia.
- Strategic Global Priorities - \$62,000,000. The FY 2006 request will provide critical funding to programs that provide protection to the most vulnerable populations, including women and children, and prevent and respond to gender-based violence. It seeks to ensure that IOs and NGOs have the tools to respond quickly and effectively to emerging crises and to protect their staffs in increasingly insecure

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environments. The request includes support for the headquarters budgets of UNHCR and ICRC, reflecting the crucial role these organizations play in providing protection and humanitarian assistance to refugees and conflict victims. Funding is also included for UNHCR's Operational Reserve, an important mechanism on which UNHCR's emergency response capacity depends.

Refugee Admissions

The FY 2006 request for Refugee Admissions is \$223,050,000. This is an almost \$85,386,000 increase over the anticipated FY 2005 level, reflecting the Administration's commitment to grow this program after the downturn in admissions following 9/11 as well as the additional logistical and security requirements and consequent increased costs of admitting refugees into the United States. The FY 2006 global and regional admissions ceilings will be set by a Presidential Determination after the Congressional consultations process later this fiscal year.

Humanitarian Migrants to Israel

The FY 2006 request of \$40,000,000, which is a decrease of \$9,600,000 from FY 2005, reflects a continuing decline in the number of Jewish migrants to Israel. The request maintains our support for the humanitarian migrant programs of the United Israel Appeal (UIA) at this lower emigration level.

Administrative Expenses

The FY 2006 request of \$22,000,000 for administrative expenses provides the Bureau with the resources to manage effectively and responsibly critical humanitarian programs funded through the MRA and ERMA appropriations.

With this administrative budget, the Bureau manages resources of over \$800 million and an array of significant humanitarian policy issues as well as the refugee admissions program. PRM staff address program design and implementation, monitor and evaluate operational activities, and support other parts of the State Department in integrating refugee and humanitarian issues into broader foreign policy concerns. They play an equally important humanitarian diplomacy role. Costs related to the small staff dedicated to international population activities are included in the Department of State's Diplomatic and Consular Programs account.

Purpose of Program

The United States helps to meet the needs of refugees and conflict victims by supporting programs of overseas assistance implemented by international and nongovernmental organizations and by accepting refugees of special humanitarian concern for resettlement in the United States. Central to these efforts is a recognition that refugee problems are matters of international concern, requiring multilateral solutions. UNHCR estimates that there are just over 17 million persons under its mandate worldwide, including refugees, returnees, certain IDP populations, and stateless persons. An additional 4.2 million Palestinian refugees are currently registered with UNRWA. ICRC's chief beneficiaries are conflict victims such as civilians caught in conflict zones and prisoners of war. For example, its water and sanitation programs helped meet the needs of over 14 million people in 2004, while it provided food and non-food assistance to some 1.5 million persons.

The focus of U.S. humanitarian foreign policy is:

- providing life-sustaining protection and relief for persons who have fled persecution and conflict;

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- obtaining effective and timely responses from the international community to assist refugees and displaced persons;
- seeking solutions to the origins of refugee problems; and
- supporting voluntary repatriation, local integration, and resettlement.

Program Description

Overseas assistance is carried out through voluntary contributions to:

- United Nations High Commissioner for Refugees (UNHCR);
- International Committee of the Red Cross (ICRC);
- United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);
- International Organization for Migration (IOM);
- Other international organizations (e.g., UNICEF, OCHA, UNDP); and
- Non-governmental organizations.

Refugee admissions are supported through funding to:

- Private voluntary agencies that conduct refugee processing and cultural orientation overseas, as well as state and private agencies that provide initial reception and placement services in the United States; and
- IOM, which provides transportation, refugee processing, medical screening services, and cultural orientation for refugees coming to the United States.

The Humanitarian Migrants to Israel program is implemented through a grant to the United Israel Appeal.

Benefits

Migration and Refugee Assistance funds continue to:

- maintain U.S. global leadership in humanitarian affairs and international refugee and migration policy;
- help preserve first asylum in countries that might otherwise close borders to refugees;
- provide for the protection of and direct humanitarian assistance to refugees, conflict victims, and some internally displaced persons according to established standards;
- support voluntary refugee repatriation and reintegration when political conditions allow;

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- develop multilateral support and burden-sharing for refugee needs; and
- bring refugees who are of special humanitarian concern to the United States for resettlement.

PART / Program Evaluation

Refugee Admissions to the United States

For preparation of the FY 2006 budget, the Administration reassessed the State Department's Refugee Admissions to the United States program using the Program Assessment Rating Tool (PART). In this third PART review, the program was rated as effective. According to the assessment, the program has a clear purpose, planning processes are in place, and the program is well managed. The Office of Management and Budget (OMB) noted that program managers have improved strategic planning, particularly the coordination efforts of program managers to ensure involvement of NGOs, international organizations, and other agencies in the planning process. The program established an efficiency measure and achieved considerable cost savings by consolidating overseas processing entities. The program managers will continue efforts to lower costs still further.

OMB continues to review the roles of the Departments of State, Health and Human Services, and Homeland Security in the U.S. Refugee Admissions Program to ensure there is no duplication. The PART process provided information that was taken into account in the overall decision-making process for resources allocation.

Key program performance indicators include: (1) refugees resettled in the United States, as a percentage of the allocated ceiling and (2) standardized essential services are provided by sponsoring agencies during the period of refugees' initial resettlement in the United States.

Humanitarian Migrants to Israel

For the FY 2006 budget, the Administration also reassessed the Department's Humanitarian Migrants to Israel program using PART. In its third PART review, the program was rated effective. According to the review, the program is well managed and has a clear purpose: to provide assistance for the resettlement in Israel of humanitarian migrants from the former Soviet Union, countries in Eastern Europe, Africa and the Near East, and other countries of distress. OMB noted that program managers have taken management actions based on findings from the review last year and have coordinated closely with the United Israel Appeal (UIA) to further develop the program's performance measures. The grant agreement signed between UIA and the Department this past year incorporated PART measures - an action which contributed to a higher program rating for the Humanitarian Migrants to Israel program this year. The assessment noted that the Department strengthened its annual and long-term measures, and created an efficiency measure. The improvement documented in the PART review was considered in the overall decision-making process for resources allocations.

Key program performance indicators include: (1) humanitarian migrants become self-sufficient members of Israeli society within two years of grant support and (2) percentage change of trainees from the former Soviet Union who advance a full grade level in language proficiency within five months.

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U.S. Contribution to the United Nations High Commissioner for Refugees

In preparation of the FY 2006 budget, the Administration for the second time evaluated the U.S. contribution to the United Nations High Commissioner for Refugees (UNHCR), as administered by the Department, using PART. The program was rated as effective, with one of the highest scores in the federal government. The program has a clear purpose: to help ensure a comprehensive response to the protection and assistance needs of refugees and to help provide refugees with lasting solutions. The PART review notes that the program partner is aware of the PART's short- and long-term performance measures, and efforts in the past year suggest it is taking USG priorities seriously in striving to address them. The PART review also found that each long-term performance measure has at least one accompanying annual performance measure that is ambitious and demonstrates progress in achieving the long-term goal. The review further found that close cooperation and consultation has existed for many years between UNHCR and the Department, leading to agreed upon goals that appear in the "Framework for Cooperation." The review concluded that the program provides for the protection and care of refugees on a multilateral basis, allowing the United States to advance its objectives, while providing only a portion of the costs of the programs.

Key program performance indicators include: (1) number of fully-funded permanent, international, professional posts in the "protection" area within UNHCR; (2) development and adoption/utilization of enhanced financial/supplies tracking system; and (3) UNHCR provides assessment of all refugee needs in countries with greater than 25,000 refugees.

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U.S. EMERGENCY REFUGEE & MIGRATION ASSISTANCE

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	Increase/ Decrease
ERMA Fund	29,823	29,760	40,000	10,240

FY 2004 Actual reflect the general rescission of .59% provided through the Consolidated Appropriations Act, 2004 (P.L. 108-199).

FY 2005 Estimate reflect the general rescission of .80% provided through the Consolidated Appropriations Act, 2005 (P.L. 108-447).

Explanation of Request

A \$40,000,000 replenishment of the United States Emergency Refugee and Migration Assistance (ERMA) Fund is essential to preserving the President's ability to respond quickly to the many unforeseen and urgent refugee and migration needs that occur worldwide each year.

Purpose of Program

The ERMA Fund is a no-year appropriation that is drawn upon to meet refugee and migration needs whenever the President determines that it is important to the national interest to do so.

Program Description

Pursuant to the Migration and Refugee Assistance Act of 1962, as amended, the President authorizes drawdowns from the ERMA Fund when unexpected refugee and migration needs require immediate financial support. At the beginning of FY 2005, \$41 million remained in the fund. During the first quarter of FY 2005, there was an \$8 million drawdown for Burundi refugee repatriation and reintegration, leaving a balance of approximately \$33 million as of January 1, 2005.

In February 2004, the remaining \$245,000 of the \$5 million drawdown for the Urgent Response Capacity (URC) program that was authorized in FY 2001 was used for contingency planning by our international organization partners (UNHCR, ICRC, and IOM) for possible increased humanitarian assistance needs in the Caribbean as a result of the crisis in Haiti. A total of \$66 million was drawn down from the ERMA Fund in FY 2004 for the following needs:

Presidential Determination 2004-22: \$12 million

- On February 5, 2004, \$12 million was authorized to address unexpected urgent refugee and migration needs, including those of refugees, displaced persons, conflict victims, and other persons at risk from the Sudanese refugee crisis in Chad (\$9.3 million) and to prepare for refugee repatriations to Sudan (\$2.7 million).

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Presidential Determination 2004-24: \$20 million

- On February 25, 2004, \$20 million was authorized to make a contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to address unexpected, urgent refugee needs in the West Bank and Gaza.

Presidential Determination 2004-38: \$34 million

- On June 24, 2004, \$34 million was authorized to meet unexpected urgent refugee and migration needs, including those of refugees, displaced persons, conflict victims, and other persons at risk, from the crises in the West Bank and Gaza (\$20 million), Sudan (\$5 million), and Chad (\$9 million).

Benefits

The ERMA Fund provides the President with the flexibility to respond on a timely basis to emergency refugee and migration crises around the world.

APPENDIX
Department of State
FEE COLLECTIONS

(\$ in thousands)

Revenue Source	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
Machine Readable Visas Processing Fees			
Carryforward Allocations	41,549	97,331	-
Prior Year Collections Unallocated	83,918	114,315	112,594
Current Year Collections Projected (Net)	611,500	611,500	611,500
Total Collections Available	736,967	823,146	724,094
Carryforward Allocations Planned	19,727	30,284	-
Current Year Allocation Plan	602,925	680,268	672,097
Total Allocations	622,652	710,552	672,097
Carryforward Allocations Returned	21,822	67,047	-
Unallocated Collections	92,493	45,547	51,997
Ending Unallocated Collections	114,315	112,594	51,997
Enhanced Border Security Program Fees / Visa Fraud Fee			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	-	-
Current Year Collections Projected (Net)	-	110,200	184,300
Total Collections Available	-	110,200	184,300
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	-	110,200	184,300
Total Allocations	-	110,200	184,300
Carryforward Allocations Returned	-	-	-
Unallocated Collections	-	-	-
Ending Unallocated Collections	-	-	-
Expedited Passport Fees			
Carryforward Allocations	38,109	-	-
Prior Year Collections Unallocated	30,338	13,192	13,192
Current Year Collections Projected (Net)	114,965	114,000	116,000
Total Collections Available	183,412	127,192	129,192
Carryforward Allocations Planned	37,957	-	-
Current Year Allocation Plan	132,263	114,000	116,000
Total Allocations	170,220	114,000	116,000
Carryforward Allocations Returned	152	-	-
Unallocated Collections	13,040	13,192	13,192
Ending Unallocated Collections	13,192	13,192	13,192
Commercial Service Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	5	5	-
Current Year Collections Projected (Net)	12	16	16
Total Collections Available	17	21	16
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	12	21	16
Total Allocations	12	21	16
Carryforward Allocations Returned	-	-	-
Unallocated Collections	5	-	-
Ending Unallocated Collections	5	-	-

APPENDIX
Department of State
FEE COLLECTIONS

(\$ in thousands)

Revenue Source	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
Visa Fingerprint Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	4,317	6,077	7,737
Current Year Collections Projected (Net)	2,860	2,860	2,860
Total Collections Available	7,177	8,937	10,597
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	1,100	1,200	1,200
Total Allocations	1,100	1,200	1,200
Carryforward Allocations Returned	-	-	-
Unallocated Collections	6,077	7,737	9,397
Ending Unallocated Collections	6,077	7,737	9,397
Affidavit of Support Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	18,008	10,219	5,419
Current Year Collections Projected (Net)	11,811	12,000	12,300
Total Collections Available	29,819	22,219	17,719
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	19,600	16,800	16,800
Total Allocations	19,600	16,800	16,800
Carryforward Allocations Returned	-	-	-
Unallocated Collections	10,219	5,419	919
Ending Unallocated Collections	10,219	5,419	919
Diversity Lottery Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	2,942	3,304	3,504
Current Year Collections Projected (Net)	5,462	5,500	5,500
Total Collections Available	8,404	8,804	9,004
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	5,100	5,300	6,300
Total Allocations	5,100	5,300	6,300
Carryforward Allocations Returned	-	-	-
Unallocated Collections	3,304	3,504	2,704
Ending Unallocated Collections	3,304	3,504	2,704
Defense Trade Control Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	1,057	1,191	1,191
Current Year Collections Projected (Net)	3,465	4,000	4,200
Total Collections Available	4,522	5,191	5,391
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	3,331	4,000	4,200
Total Allocations	3,331	4,000	4,200
Carryforward Allocations Returned	-	-	-
Unallocated Collections	1,191	1,191	1,191
Ending Unallocated Collections	1,191	1,191	1,191

APPENDIX
Department of State
FEE COLLECTIONS

(\$ in thousands)

Revenue Source	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
Sec. 810 USI & EE Act Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	3,886	3,010	3,010
Current Year Collections Projected (Net)	4,805	6,000	6,000
Total Collections Available	8,691	9,010	9,010
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	5,681	6,000	6,000
Total Allocations	5,681	6,000	6,000
Carryforward Allocations Returned	-	-	-
Unallocated Collections	3,010	3,010	3,010
Ending Unallocated Collections	3,010	3,010	3,010

APPENDIX
Department of State
Language Changes

Explanation of Language Changes

This section explains those changes in the text of appropriations language other than changes in dollar amounts or fiscal year designations. Proposed deletions are denoted by enclosures in brackets [] and strikethrough text. Proposed insertions are denoted by ***bold italics***.

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Department of State
Language Changes

DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, [~~\$3,570,000,000~~] \$3,783,118,000: *Provided*, [~~That not to exceed 71 permanent positions shall be for the Bureau of Legislative Affairs: *Provided further*, That none of the funds made available under this heading may be used to transfer any full-time equivalent employees into or out of the Bureau of Legislative Affairs: *Provided further*,~~] That, of the amount made available under this heading, not to exceed \$4,000,000 may be transferred to, and merged with, funds in the “Emergencies in the Diplomatic and Consular Service” appropriations account, to be available only for emergency evacuations and terrorism rewards: [~~*Provided further*, That, of the amount made available under this heading, \$319,994,000 shall be available only for public diplomacy international information programs: *Provided further*, That of the amount made available under this heading, \$3,000,000 shall be available only for the operations of the Office on Right Sizing the United States Government Overseas Presence:] *Provided further*, That funds available under this heading may be available for a United States Government interagency task force to examine, coordinate and oversee United States participation in the United Nations head-quarters renovation project [:~~*Provided further*, That no funds may be obligated or expended for processing licenses for the export of satellites of United States origin (including commercial satellites and satellite components) to the People’s Republic of China unless, at least 15 days in advance, the Committees on Appropriations of the House of Representatives and the Senate are notified of such proposed action: *Provided further*, That of the amount made available under this heading, \$185,128,000 is for Near Eastern Affairs, \$80,234,000 is for South Asian Affairs, and \$251,706,000 is for African Affairs: *Provided further*, That, of the amount made available under this heading, \$2,000,000 shall be available for a grant to conduct an international conference on the human rights situation in North Korea: *Provided further*, That of the amount made available under this heading, \$200,000 is for a grant to the Center for the Study of the Presidency and \$1,900,000 is for a grant to Shared Hope International to combat international sex tourism: *Provided further*, That the Intellectual Property Division shall be elevated to office level status and shall be renamed the Office of International Intellectual Property Enforcement within 60 days of enactment of this Act].~~~~

In addition, not to exceed [~~\$1,426,000~~] \$1,469,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities.

In addition, for the costs of worldwide security upgrades, [~~\$658,702,000~~] \$689,523,000, to remain available until expended [:~~*Provided*, That of the amounts made available under this paragraph, \$5,000,000 is for the Center for Antiterrorism and Security Training]. Beginning in fiscal year [2005] 2006 and thereafter, the Secretary of State is authorized to [change] **amend administratively the amounts of the** surcharges related to consular services in support of enhanced border security that are in addition to the passport and immigrant visa fees in effect on January 1, 2004 **and that were provided for in this appropriation in the**~~

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Department of State
Language Changes

Department of Commerce, Justice, State, the Judiciary and Related Agencies Appropriations Act, 2005 (P.L. 108-447, Div. B Title IV) [~~Provided, That funds collected pursuant to this authority shall be credited to this account, and shall be available until expended for the purposes of such account. Provided further, That such surcharges shall be \$12 on passport fees, and \$45 on immigrant visa fees]. (Department of State and Related Agencies Appropriations Act, 2005.)~~

Proposed Changes:

- (1) The first deletion eliminates an FTE ceiling and transfer restrictions that unduly restrict the Secretary's ability to manage the Department and allocate resources to meet mission needs and goals.
- (2) The second deletion eliminates two earmarks (relating to public diplomacy and right-sizing) that unduly restrict the Secretary's ability to allocate resources to meet mission needs and goals.
- (3) The third deletion eliminates a proviso that hampers the ability of the Department to review license applications in a timely manner and precludes any processing, even consideration leading to decisions to reject license applications, by making all review subject to notification procedures. It limits options to returning such applications without action.
- (4) The fourth deletion eliminates provisos containing earmarks for bureau levels and grants that unduly restrict the Secretary's ability to allocate resources to meet mission needs and goals.
- (5) The fifth deletion eliminates a proviso that is unnecessary, as renaming already was provided for in FY 2005 Commerce, Justice, State Appropriations Act (CJS Act).
- (6) The sixth deletion eliminates an earmark that unduly restricts the Secretary's ability to allocate resources to meet mission needs and goals.
- (7) The seventh deletion and corresponding insertion allows for the fees provided for in the FY 2005 CJS Act to be administratively adjusted in fiscal year 2006 and thereafter. This change provides the Department with the flexibility to adjust the passport and visa surcharges in response to changes in costs and/or requirements.

~~[CENTRALIZED INFORMATION TECHNOLOGY MODERNIZATION PROGRAM]~~

~~[For expenses relating to the modernization of the information technology systems and networks of the Department of State, \$77,851,000, to remain available until expended.] (Department of State and Related Agencies Appropriations Act, 2005.)~~

Proposed Changes:

No request is being made for this appropriation in FY 2006.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926 (22 U.S.C. 292-303), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, ~~[\$611,680,000]~~

APPENDIX

Department of State Language Changes

\$615,800,000 to remain available until expended as authorized, of which not to exceed \$25,000 may be used for domestic and overseas representation as authorized: *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies [~~: *Provided further*, That the United States Embassy Annex building in Rome, Italy, previously known as the “INA Building”, shall here after be known and designated as the “Mel Sembler Building”~~]. In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, [\$912,320,000] \$910,200,000, to remain available until expended [~~: *Provided*, That funds appropriated to this account in Public Law 108-287 may also be used for non-interim facilities for the United States Mission in Iraq, including associated planning, site preparation and pre-construction activities~~]. (Department of State and Related Agencies Appropriations Act, 2005.)

Proposed Changes:

- (1) The first deletion eliminates a proviso which is no longer necessary because the redesignation will already have been accomplished pursuant to FY 2005 CJS Act.
- (2) The second deletion eliminates a proviso that is no longer necessary as the funds were made available for non-interim facilities pursuant to the FY 2005 CJS Act.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, [~~\$1,000,000~~] \$13,643,000, to remain available until expended as authorized, of which [~~such sums as necessary~~] **not to exceed \$1,000,000** may be transferred to and merged with the Repatriation Loans Program Account, subject to the same terms and conditions [~~*Provided*, That funds previously appropriated under this heading for rewards for an indietee of the Special Court for Sierra Leone shall be transferred to the Special Court for Sierra Leone within 15 days of enactment of this Act: *Provided further*, That any transfer of funds provided under this heading shall be treated as a reprogramming of funds under section 605 of this Act~~]. (Department of State and Related Agencies Appropriations Act, 2005.)

Proposed Changes:

- (1) The insertion corresponds with language utilized in previous CJS appropriations acts and reflects the fact that such transfer authority has routinely been capped at \$1 million (including in the FY 2005 CJS Act, when the appropriation itself was \$1 million).
- (2) The first and second deletions eliminate language pertaining to a transfer already provided for in the FY 2005 CJS Act.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, [~~\$1,182,000,000, of which up to \$6,000,000, to remain available until expended, may be used for the cost of a direct loan to the United Nations for the cost of renovating its headquarters in New York: *Provided*, That such costs, including the cost of modifying such loan, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal of up to \$1,200,000,000: *Provided further*, That~~

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~~the Secretary of State shall, at the time of the submission of the President's budget to Congress under section 1105(a) of title 31, United States Code, transmit to the Committees on Appropriations of the Senate and of the House of Representatives the most recent biennial budget prepared by the United Nations for the operations of the United Nations: *Provided further*, That the Secretary of State shall notify the Committees on Appropriations at least 15 days in advance (or in an emergency, as far in advance as is practicable) of any United Nations action to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations to exceed the adopted budget for the biennium 2004-2005 of \$3,160,860,000] \$1,296,500,000: *Provided [further]*, That any payment of arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: *Provided further*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings, except that such restriction shall not apply to loans to the United Nations for renovation of its headquarters. (Department of State and Related Agencies Appropriations Act, 2005.)~~

Proposed Changes:

- (1) The first and second deletions eliminate provisos that refer to loan authority that was already provided for in the FY 2005 CJS Act.
- (2) The third deletion eliminates a proviso requiring the Department to submit the UN biennial budget which is burdensome and not useful as the budget adopted by the UN inevitably varies from the budget request document (which is over 1,300 pages and available online). The UN does not prepare a revised version of the budget request document to reflect the changes made during final deliberations of the General Assembly.
- (3) The fourth deletion eliminates the proviso requiring 15-day advance congressional notification of UN actions to increase funding for UN programs which injects an unworkable level of oversight into US diplomatic efforts at the UN. The proviso is exceedingly difficult to implement because program decisions are taken throughout the year while budget decisions generally are taken at year's end. Moreover, the 15-day notice requirement can almost never be met as budget decisions are typically made at the last minute as a result of close negotiating. The better approach would be for the Department to brief the committees on developments at the UN.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, [~~\$490,000,000~~] \$1,035,500,000, ***of which 15 percent shall remain available until September 30, 2007***: *Provided*, That none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless, at least 15 days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency as far in advance as is practicable): (1) the Committees on Appropriations of the House of Representatives and the Senate and other appropriate committees of the Congress are notified of the estimated cost and length of the mission, the vital national interest that will be served, and the planned exit strategy; and (2) a reprogramming of funds pursuant to section 605 of this Act is submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: *Provided further*, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to

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provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers[: ~~Provided further, That none of the funds made available under this heading are available to pay the United States share of the cost of court monitoring that is part of any United Nations peacekeeping mission~~]. (*Department of State and Related Agencies Appropriations Act, 2005.*)

Proposed Changes:

- (1) The insertion is requested to allow a portion of the funds to be available for two years.
- (2) The deletion eliminates a proviso which addresses a peacekeeping mission that no longer exists.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, [~~\$770,000,000~~] \$892,770,000, which shall remain available until expended: *Provided*, That not more than \$22,000,000 may be available for administrative expenses [~~: Provided further, That not less than \$50,000,000 of the funds made available under this heading shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel: Provided further, That funds appropriated under this heading may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines (and so reports to the appropriate committees of Congress) that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement~~]. (*Department of State and Related Agencies Appropriations Act, 2005.*)

Proposed Changes:

The deletion primarily eliminates earmarks that unduly restrict the flexibility of the Department to allocate resources.

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE TRUST FUND

~~[For a grant to the Center for Middle Eastern-Western Dialogue Trust Fund, \$6,750,000, for operation of the Center for Middle Eastern-Western Dialogue in Istanbul, Turkey, to remain available until expended.]~~
~~[In addition, for the operations of the Steering Committee of the Center for Middle Eastern-Western Dialogue, \$250,000, to remain available until expended.]~~
~~[In addition, for] For necessary expenses of the Center for Middle Eastern-Western Dialogue Trust Fund, the total amount of the interest and earnings accruing to such Fund before October 1, [2005] 2006, to remain available until expended. (*Department of State and Related Agencies Appropriations Act, 2005.*)~~

Proposed Changes:

The deletions reflect the request of appropriation authority to spend the interest and earnings of the Trust Fund only.

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GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCY

SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of title 5, United States Code; for services as authorized by 5 U.S.C. 3109; and for hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the Broadcasting Board of Governors in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided further*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. None of the funds made available in this Act may be used by the Department of State or the Broadcasting Board of Governors to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

~~[SEC. 404. (a) The Senior Policy Operating Group on Trafficking in Persons, established under section 406 of division B of Public Law 108–7 to coordinate agency activities regarding policies (including grants and grant policies) involving the international trafficking in persons, shall coordinate all such policies related to the activities of traffickers and victims of severe forms of trafficking.~~

~~(b) None of the funds provided in this or any other Act shall be expended to perform functions that duplicate coordinating responsibilities of the Operating Group.~~

~~(c) The Operating Group shall continue to report only to the authorities that appointed them pursuant to section 406 of division B of Public Law 108–7.]~~

~~[SEC. 405. (a) Subsection (b) of section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708) is amended—~~

~~(1) in paragraph (5) by striking “or” at the end;~~

~~(2) in paragraph (6) by striking the period and inserting “; or”; and~~

~~(3) by adding at the end the following new paragraph:~~

~~“(7) the disruption of financial mechanisms of a foreign terrorist organization, including the use by the organization of illicit narcotics production or international narcotics trafficking—~~

~~“(A) to finance acts of international terrorism; or~~

~~“(B) to sustain or support any terrorist organization.”.~~

~~(b) Subsection (e)(1) of such section is amended—~~

~~(1) by striking “\$5,000,000” and inserting “\$25,000,000”;~~

~~(2) by striking the second period at the end; and~~

~~(3) by adding at the end the following new sentence: “Without first making such determination, the Secretary may authorize a reward of up to twice the amount specified in this paragraph for the capture or information leading to the capture of a leader of a foreign terrorist organization.”.~~

~~(c) Subsection (e) of such section is amended by adding at the end the following new paragraph:~~

~~“(6) FORMS OF REWARD PAYMENT.—The Secretary may make a reward under this section in the form of money, a nonmonetary item (including such items as automotive vehicles), or a combination thereof.”.~~

~~(d) Such section is amended—~~

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(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(2) by inserting after subsection (h) the following new subsection:

“(i) MEDIA SURVEYS AND ADVERTISEMENTS. —

“(1) SURVEYS CONDUCTED. — For the purpose of more effectively disseminating information about the rewards program, the Secretary may use the resources of the rewards program to conduct media surveys, including analyses of media markets, means of communication, and levels of literacy, in countries determined by the Secretary to be associated with acts of international terrorism.

“(2) CREATION AND PURCHASE OF ADVERTISEMENTS. — The Secretary may use the resources of the rewards program to create advertisements to disseminate information about the rewards program. The Secretary may base the content of such advertisements on the findings of the surveys conducted under paragraph (1). The Secretary may purchase radio or television time, newspaper space, or make use of any other means of advertisement, as appropriate.”.

(e) Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committees on Appropriations of the House of Representatives and of the Senate, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a plan to maximize awareness of the reward available under section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708 et seq.) for the capture or information leading to the capture of a leader of a foreign terrorist organization who may be in Pakistan or Afghanistan. The Secretary may use the resources of the rewards program to prepare the plan.]

[SEC. 406. For the purposes of registration of birth, certification of nationality, or issuance of a passport of a United States citizen born in the city of Jerusalem, the Secretary of State shall, upon request of the citizen, record the place of birth as Israel.]

[SEC. 407. The Secretary of State shall provide to a member of the Committee on Appropriations of the Senate or the Committee on Appropriations of the House of Representatives a copy of each cable sent to or by a Department of State employee that pertains to any topic specified by the requesting member, regardless of the level of classification of the cable, not later than 15 days after the date on which the member makes a written or verbal request for such copies.]

[SEC. 408. There is established within the Department of State the Office of the Coordinator for Reconstruction and Stabilization: *Provided*, That the head of the Office shall be the Coordinator for Reconstruction and Stabilization, who shall report directly to the Secretary of State: *Provided further*, That the functions of the Office of the Coordinator for Reconstruction and Stabilization shall include —

- (1) cataloguing and monitoring the non-military resources and capabilities of Executive agencies (as that term is defined in section 105 of title 5, United States Code), State and local governments, and entities in the private and non-profit sectors that are available to address crises in countries or regions that are in, or are in transition from, conflict or civil strife;
- (2) monitoring political and economic instability worldwide to anticipate the need for mobilizing United States and international assistance for countries or regions described in paragraph (1);
- (3) assessing crises in countries or regions described in paragraph (1) and determining the appropriate non-military United States, including but not limited to demobilization, policing, human rights monitoring, and public information efforts;
- (4) planning for response efforts under paragraph (3);
- (5) coordinating with relevant Executive agencies the development of interagency contingency plans for such response efforts; and
- (6) coordinating the training of civilian personnel to perform stabilization and reconstruction activities in response to crises in such countries or regions described in paragraph (1).]

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[~~SEC. 409. (a) The Secretary of State shall require each chief of mission to review, not less than once every 5 years, every staff element under chief of mission authority, including staff from other departments or agencies of the United States, and recommend approval or disapproval of each staff element. Each such review shall be conducted pursuant to a process established by the President for determining appropriate staffing at diplomatic missions and overseas constituent posts (commonly referred to as the “NSDD–38 process”).~~

~~(b) The Secretary of State, as part of the process established by the President referred to in subsection (a), shall take actions to carry out the recommendations made in each such review.~~

~~(c) Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary of State shall submit a report on such reviews that occurred during the previous 12 months, together with the Secretary’s recommendations regarding such reviews to the appropriate committees of Congress, the heads of all affected departments or agencies, and the Inspector General of the Department of State.]~~

[~~SEC. 410. Funds appropriated by this Act for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 15 of the State Department Basic Authorities Act of 1956, section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).]~~

[~~SEC. 411. During fiscal year 2005, section 404(b)(2)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 22 U.S.C. 287e note), shall be administered as though the matter following clause (iii) reads as follows:~~

~~“(v) For assessments made during calendar year 2005, 27.1 percent.”.]~~

[~~SEC. 412. (a) Section 402(a) of the Foreign Service Act of 1980 (22 U.S.C. 3962(a)) is amended—(1) in paragraph (1), by striking the second and third sentences and inserting the following new sentences: “The President shall also prescribe ranges of basic salary rates for each class. Except as provided in paragraph (3), basic salary rates for the Senior Foreign Service may not exceed the maximum rate or be less than the minimum rate of basic pay payable for the Senior Executive Service under section 5382 of title 5, United States Code.”; and (2) by striking paragraph (2) and inserting the following new paragraphs:~~

~~“(2) The Secretary shall determine which basic salary rate within the ranges prescribed by the President under paragraph (1) shall be paid to each member of the Senior Foreign Service based on individual performance, contribution to the mission of the Department, or both, as determined under a rigorous performance management system. Except as provided in regulations prescribed by the Secretary and, to the extent possible, consistent with regulations governing the Senior Executive Service, the Secretary may adjust the basic salary rate of a member of the Senior Foreign Service not more than once during any 12-month period.~~

~~“(3) Upon a determination by the Secretary that the Senior Foreign Service performance appraisal system, as designed and applied, makes meaningful distinctions based on relative performance—~~

~~“(A) the maximum rate of basic pay payable for the Senior Foreign Service shall be level II of the Executive Schedule; and “(B) the applicable aggregate pay cap shall be equivalent to the aggregate pay cap set forth in section 5307(d)(1) of title 5, United States Code, for members of the Senior Executive Service.”.~~

~~(b) Section 405(b)(4) of such Act (22 U.S.C. 3965(b)(4)) is amended by inserting before the period the following: “, or the limitation under section 402(a)(3), whichever is higher”.~~

~~(c) Section 401(a) of such Act (22 U.S.C. 3961(a)) is amended by striking “shall not exceed the annual rate of pay payable for level I of such Executive Schedule” and inserting “shall be subject to the limitation on certain payments under section 5307 of title 5, United States Code, or the limitation under section 402(a)(3), whichever is higher”.]~~

[~~SEC. 413. (a) Section 2 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669) is amended by adding at the end the following:~~

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~~“(e) make administrative corrections or adjustments to an employee’s pay, allowances, or differentials, resulting from mistakes or retro active personnel actions, as well as provide back pay and other categories of payments under section 5596 of title 5, United States Code, as part of the settlement or compromise of administrative claims or grievances filed against the Department.”.~~

~~(b) Such section is further amended—~~

~~(1) in subsection (k), by striking “and”;~~

~~(2) by transferring subsection (m) within such section to appear after subsection (l);~~

~~(3) in subsections (l) and (m), by striking the period at the end of each subsection and inserting a semicolon; and (4) in subsection (n), by striking the period at the end and inserting a semicolon and~~

~~“and”.~~](*Department of State and Related Agencies Appropriations Act, 2005.*)

(1) The first deletion (Sec. 404) eliminates a provision that is based upon a section that has since been repealed (i.e., section 406 of the FY 2003 CJS Act). The Senior Policy Operating Group is provided for in the Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193).

(2) The second deletion (Sec. 405) eliminates a provision that need not be repeated, as the FY 05 CJS Act has already amended the Department’s Basic Authorities Act

(3) The third deletion (Sec. 406) eliminates a section that is unconstitutional. If construed as mandatory rather than advisory, the section would impermissibly interfere with the Executive’s conduct of foreign relations, as set forth in the President’s signing statement to the FY 05 Consolidated Appropriations Act.

(4) The fourth deletion (Sec. 407) eliminates a section that raises constitutional concerns to the extent it seeks information, the disclosure of which could impair foreign relations, national security, the deliberative processes of the Executive, or the performance of the Executive’s constitutional duties. The section also raises questions as to compatibility with Privacy Act requirements.

(5) The fifth deletion (Sec. 408) eliminates a section that is unnecessary as the Office has already been established.

(6) The sixth deletion (Sec. 409) eliminates a section that raises constitutional concerns to the extent it seeks information, the disclosure of which could impair foreign relations, national security, the deliberative processes of the Executive, or the performance of the Executive’s constitutional duties. Moreover, there is no need to repeat the section as the reporting procedure is already provided for in the FY 2005 CJS Act.

(7) The seventh deletion (Sec. 410) eliminates a section that is unnecessary if an authorization bill is signed into law. In the event there is not an authorization act, the waivers contained in this section would be required.

(8) The eighth deletion (Sec. 411) eliminates a provision raising the UN Peacekeeping Cap. The Department will seek additional cap relief through authorization legislation.

(9) The ninth deletion (Sec. 412) eliminates a section that need not be repeated, as the FY 05 CJS Act amended the Foreign Service Act.

(10) The tenth deletion (Sec. 413) eliminates a section that need not be repeated, as the FY 05 CJS Act amended the Basic Authorities Act.

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