

**FOREIGN RELATIONS AUTHORIZATION FOR FY  
1998-1999: DEPARTMENT OF STATE MANAGE-  
MENT INITIATIVES**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS  
AND HUMAN RIGHTS  
OF THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FIFTH CONGRESS  
FIRST SESSION

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FEBRUARY 26, 1997  
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# **FOREIGN RELATIONS AUTHORIZATION FOR FY 1998-1999: DEPARTMENT OF STATE MAN- AGEMENT INITIATIVES**

**WEDNESDAY, FEBRUARY 26, 1997**

**HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND  
HUMAN RIGHTS,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.***

The subcommittee met, pursuant to notice, at 1:33 p.m. in room 2200, Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the Subcommittee) presiding.

Mr. SMITH. The Subcommittee will come to order. I am pleased to convene this hearing of the Subcommittee on International Operations and Human Rights. This will be the first in a series of hearings devoted to the preparation of and enactment of a Foreign Relations Act for fiscal years 1998 and 1999.

I am also pleased to welcome our distinguished witness, Acting Undersecretary of Management, Patrick Kennedy.

In the course of these hearings, members of the Subcommittee will have hundreds, I am sure, of specific questions for this witness and others who will follow. Let me begin this process by stating a few central concerns which I hope Undersecretary Kennedy will be able to address.

First, there is a broad perception among American people that government costs too much. Most Americans believe that it is unacceptable to have unbalanced budgets year after year, and that the solution to this problem is to reduce the costs of government, rather than to raise taxes even higher than they have been raised during the last 20 years.

Many who work in government disagree with this assessment. The officials who are charged with conducting the foreign relations of the United States seem to be particularly strong in their conviction that they and their department are understaffed, underpaid and generally not adequately appreciated by the American people or by the Congress.

For instance, a series of sympathetic articles in the news media, relying heavily on official and unofficial sources in the State Department, has repeatedly informed the public that the Department's budget has been cut by 50 percent over the last 10 years. In preparing for this hearing, I asked the Department for its own statistics on actual appropriations and spending over the last 10 years. It appears that in fiscal year 1988, the Department spent

**\$3.578 billion, adjusted to fiscal year 1992 dollars to account for inflation, and the estimate for fiscal year 1997 is just over \$4 billion, also adjusted to fiscal year 1992 dollars. This is an increase of over 30 percent in actual expenditures, and even after the adjustment for inflation, there has been a 12-percent increase in real dollar expenditures of the Department.**

**The grossly misleading allegation of a 50-percent cut was apparently generated by counting the whole 150 account, which includes a number of non-State Department expenditures, including hundreds of millions of dollars in direct assistance to foreign governments, and by measuring from a single year in which expenditures were extraordinarily high. The 50-percent cut, in other words, is not an accurate statement of what has happened to the State Department budget. If the Administration is committed to working with the Congress for a bipartisan policy, and most of us in Congress share that commitment, it might be a good idea to start by foregoing this misleading and counterproductive rhetoric.**

**Second, while overall spending levels are important, how we choose to allocate the limited resources we have is an even better index to what really matters to our government. Many Americans believe that the cornerstone of our foreign policy should be the promotion of American values, that is, the protection and advancement of fundamental human rights of people around the world. Looking at the State Department budget, I see the Bureau of Democracy, Human Rights and Labor has only 52 employees and a budget of just \$6 million.**

**By way of contrast, the Public Affairs office is about twice as large, with 115 employees and a budget of over \$10 million. Even the Protocol office has 62 employees, ten more employees than the whole Human Rights Bureau. Each of the six regional bureaus have an average of about 1,500 employees. These are the bureaus the Human Rights Bureau sometimes has to contend with in ensuring that human rights is accorded its rightful priority against competing concerns, and they have a combined budget of about \$1 billion dollars, or about 160 times the budget of the Human Rights Bureau.**

**This gross disparity in resource allocation is not only a poignant symbol of the imbalance in our foreign policy priorities, it also has important practical consequences. For instance, Washington officials from the regional bureaus develop their expertise by taking trips to the regions in which they specialize. Officials in the Human Rights Bureau below the rank of Deputy Assistant Secretary almost never have the budget for such trips. It is an unfortunate fact of life that we usually get only what we pay for, and it appears that the American taxpayers are paying more for State Department protocol and public relations than they are for human rights.**

**Despite these serious concerns, I do want to congratulate the Administration for several of its management initiatives. The proposal to include certain fee revenues, including the machine-readable visa fees, in the Department's appropriated budget seems designed to increase transparency and accountability in the budget process. The International Cooperative Administrative Support Services also increases transparency and accountability by giving Congress**

and the American people an accurate picture of the real cost of maintaining our overseas personnel and how this cost is divided among the various government agencies that maintain an overseas presence. The Overseas Staffing Model is designed to ensure that our employees are posted where they are really needed. We will have questions about these initiatives, but I want to say at the outset that we appreciate the efforts by the Department to put its own house in order.

Finally, I want to encourage the Department and the Administration in what I understand is their ongoing effort to produce a plan for reforming our foreign policy agencies in a way that will increase efficiency, reduce costs and preserve the vital functions of these agencies. In particular, I think it is important that any such reform preserve the independence of our international freedom broadcasting services, and other functions of public diplomacy that are performed by the U.S. Information Agency.

I believe, however, that we all learned a lot from the experience of the last 2 years about the importance of working together. The indications we have received from the Administration is that it is willing to work with the Republicans and the Democrats in Congress on reform and possible reorganization of our foreign policy agencies, and I think that is an important symbol of that spirit of bipartisanship. If the Administration will produce a reorganization plan in time for markup, which has been tentatively scheduled for March 20, I promise that it will be carefully and thoughtfully considered by our subcommittee, and I am sure, by the full committee, as well.

I would like to ask Mr. Wexler if you would have any opening comments?

Mr. WEXLER. Thank you, Mr. Chairman. I do not have any opening comments of any specificity. I would just simply like to say on behalf of the Democratic members, that we look forward to working with the Chairman in a bipartisan fashion as you suggested, and likewise look forward to working with the State Department, and I personally look forward to possibly today or in the future hearing, some of the responses with respect to some of the concerns that were stated by the Chairman in the earlier part of his remarks.

Mr. SMITH. Undersecretary Patrick Kennedy—just a brief introduction—is currently the State Department's Acting Undersecretary for Management and Minister Counselor in the U.S. Foreign Service. Since joining the Foreign Service in 1973, Mr. Kennedy has held many posts, including Assistant Secretary of State for Administration and Counselor for Administrative Affairs in the U.S. Embassy in Cairo, among many other things. Mr. Kennedy, if you could proceed, and your statement will be made a part of the record, but proceed as you wish.

Mr. KENNEDY. Thank you very much, Mr. Chairman.

**STATEMENT OF THE HONORABLE PATRICK KENNEDY, ACTING UNDERSECRETARY FOR MANAGEMENT, U.S. DEPARTMENT OF STATE**

Mr. KENNEDY. I am pleased to appear before the committee today. The House International Relations Committee has a long history of assisting the Department in its efforts to advance the for-

eign policy interests of the American people. Your efforts have been invaluable in the past and I am seeking it again today as I testify in support of the Department of State's fiscal year 1998 budget request for those accounts which fund departmental operations.

I will not read my entire statement, but I would like to summarize its principal points. I would also be grateful, Mr. Chairman, if my written statement could be entered into the record.

Mr. SMITH. Without objection, so ordered.

Mr. KENNEDY. Secretary Albright has already spoken eloquently before this committee about the substantive foreign policy requirements that underpin this budget request. She has outlined the principal foreign policy challenges before us today and pointed to the challenges that lie ahead of us in what remains of this century and beyond.

In order to meet these challenges, there is a real need for diplomatic readiness, maintaining, or in many cases, restoring the human and material infrastructure that allows the Secretary and others, whether they work for the State Department or other agencies of the U.S. Government, to advance the national policy agenda overseas. This is not an easy burden.

To support and advance American interests around the world, the Department of State maintains some 250 diplomatic and consular posts in 164 countries. These platforms are the home bases for not only the Department of State but also for more than 200 other U.S. Government entities who help support and advance American interests.

The operation of these platforms clearly supports the Department's request for the amount specified in the President's budget, both for our own operations as well as those we carry out as a provider of support services to all agencies with an overseas presence.

In order to improve our ability to manage such a worldwide operation and ensure that every tax dollar is wisely utilized, the Department has made significant progress in a number of important management initiatives. I will speak about them later in my presentation.

Finally, we are making increasingly greater use of strategic planning in compliance with the Government Performance and Results Act of 1993, to ensure that we allocate our scarce resources to the highest priority.

Let me begin by highlighting the major elements of our budget request. We need to fund mandatory pay raises overseas as well as domestic inflation. We must continue to improve our information technology infrastructure. Our budget request seeks \$40 million additional funding in this area.

We need additional funding for other initiatives, as well, hosting important international conferences, upgrading our infrastructure in China and complying with legislated arms export control mandates. We must continue to support an aggressive border security program, particularly by upgrading consular systems, employing new technologies, and adequately funding worldwide consular operations.

We must maintain our overseas inventory of facilities to promote operational efficiency, employee health and safety, and an extended useful life for our buildings.

In her confirmation hearings, Secretary Albright noted that American leadership in the world derives from having the full range of foreign policy tools, including military force and vigorous diplomacy. We need to approach diplomacy with the same commitment that has made our armed forces what Secretary Albright referred to as "the best led, best trained, best equipped and most respected in the world." Diplomatic readiness is the basic foundation of a vigorous, constant, creative and effective diplomacy.

There are three principal components of diplomatic readiness. The first is human resources. We need a work force that reflects the vigor and diversity of the Nation it represents. We also need the right number of skilled employees, with foreign language and functional and technical expertise, who are well prepared to represent the varied interests of the United States overseas, build effective relationships with international counterparts, exercise foreign policy leadership, protect American citizens and provide operational support for the conduct of foreign affairs.

Second, information. We need highly qualified personnel and the information technology capability to gather, analyze and communicate information efficiently.

Third, infrastructure and operations. We need well-maintained office and overseas residential facilities, supported by efficient administrative, financial, logistical and security systems, which enable employees to conduct business properly at home and abroad.

Diplomatic readiness helps achieve real foreign policy goals. For example, how can we maintain constructive relationships with great powers without the right people with the right skills in our most important diplomatic missions? How can we advance the nations' economic and commercial interests abroad without properly trained and equipped personnel in the right places to help break down trade barriers, support U.S. business and negotiate mutually beneficial investment and tax agreements?

How can we effectively provide consular services to American citizens traveling or living abroad if successively reduced budgets cause us to close more overseas posts or reduce staffing at the posts we are able to keep open?

There has been a cumulative negative impact on our diplomatic readiness produced in recent years by the flat budgets the Department has had since 1993. Information systems have fallen behind in technology, interconnectivity and reliability. Buildings require substantial renovation. For well over a decade, we have not been able to maintain realistic replacement cycles for critical equipment that supports overseas operations, like computers, telephone systems, vehicles and office and residential equipment.

Staffing gaps, even at key embassies, are now the rule, not the exception. Language training, arguably the most important training done at the National Foreign Affairs Training Center, has been cut back. Other training has been reduced even further.

Without adequate security resources, the risk to our personnel, facilities and information will soon exceed what is prudent.

The Department has undertaken a number of important management initiatives that are designed to help us make the optimal use of the human and material resources that you provide us. As the Chairman mentioned, the International Cooperative Administrative



Support Services system (ICASS), is a new way to manage and fund administrative support for all U.S. Government agencies operating at diplomatic missions abroad. ICASS will provide senior managers for the first time with information on the full costs of overseas support, with the objective of obtaining quality service at the lowest possible cost. At the mission level, these costs will be distributed equitably and transparently under the guidance of a local ICASS council composed of representatives of all U.S. Government agencies.

The Department is re-engineering its logistics system and redesigning its worldwide support operations. Work will be organized around the total logistic process to provide material and services better, faster and cheaper. We hope to achieve greater efficiency in operations, move work from complex and expensive channels to simpler and more economical processes and reduce inventory carrying costs as well as transportation and internal processing costs.

Our Overseas Staffing Model calculates staffing requirements for overseas posts based on workload, such as consular and administrative staffing, or derivatively, as a function of the post's global, regional and bilateral foreign policy priorities, such as political, economic and human rights activities.

Based upon the relational model of post overseas staffing requirements worldwide, the model provides Department managers with an analytical tool for allocating personnel resources consistent with foreign policy objectives and priorities, adjusting staffing levels proportionately to deal with any funding level for personnel, and determining staffing levels at new posts.

We plan to revalidate the Overseas Staffing Model on a regular basis.

The Department has an ambitious border security program that includes deploying advanced technology to all consular posts. State and other agencies are actively sharing data to enhance the U.S. Government's ability to screen out terrorists, narco-traffickers and other criminals.

Every visa issuing post now has a sophisticated automated name-checking system to help prevent visa issuance to people who should not receive one. Every post now also utilizes the Machine Readable Visa system, which offers numerous security features to help strengthen U.S. border security.

In recent years, the infrastructure deficit has had a dramatic impact on many elements of the Department's information handling system. For example, about 40 percent of the Department's overseas telephone switchgear is obsolete, 82 percent of our radio equipment overseas is obsolete and 55 percent of overseas computer equipment is likewise obsolete.

Like all organizations in the public and private sector, the Department must also accelerate planning for and implement measures to solve the problems posed by the year 2000 dilemma, the fact that almost all current software and most hardware recognize only two digits in a date. This alone is expected to cost \$135 million.

A key budget strategy that we will actively pursue beginning in fiscal year 1998 is the retention of revenues generated by all fees. In the past, we have retained only fees for machine readable visas

and for expedited passport processing. In 1998, we expect to retain fees sufficient to support the delivery of standardized, high quality consular services that the American people expect from their government, implement an effective U.S. immigration policy, improve the nation's border security and contribute to the delivery of other critical services.

The Department is also responsible for the acquisition, operation and maintenance of over 12,000 office, residential and other properties abroad, which support some 200 U.S. Government entities at our over 250 embassies, consulates and other posts. The real estate asset management program disposes of unneeded properties and uses the proceeds to meet higher priority real property needs. This program generated \$59 million in the past two fiscal years, and with these funds and other appropriation balances, new facilities were purchased which are now saving over \$12 million every year in avoided lease costs.

The most important current security issue is the need to combat the threat of terrorism worldwide, especially in the Middle East. To meet this threat, the Counterterrorism Budget Amendment provided an additional \$38 million in no-year funding for the Department, of which \$23.7 million will be used for improving and emphasizing security upgrades. While producing an immediate response on the terrorist threat, the Bureau of Diplomatic Security must also address a longer-term strategy for a more stable budget level to address security requirements worldwide.

Diplomatic security rigorously applies a risk management strategy, the implementation of our security standards, at all overseas posts. We calibrate the established generic security standards and counter measures to meet specific threats at specific posts at specific times. This technique avoids the waste inherent in using a one-size-fits-all approach to meeting security standards and allows the Department to husband scarce security resources.

Diplomatic security has also expanded its outreach to the U.S. business community overseas, with the Overseas Security Advisory Council, which helps protect life and facilities through information-sharing activities involving over 1,500 American businesses having overseas operations.

The Department is also actively making progress in strategic management, including meeting the requirements of the Government Performance and Results Act of 1993. Under the leadership of an advisory group of nine Assistant Secretaries, the Strategic Planning Team is developing an overarching International Affairs Strategic Plan covering all U.S. Government activities abroad and based on that, a plan for a Department of State strategic initiative. Once reviewed by senior leadership, the plan will be the subject of consultations with our stakeholders and customers, including other agencies, the Office of Management and Budget, and the Congress in the coming months.

Finally, the Department already requires overseas missions and bureaus in Washington to prepare annual performance plans which will now be derivative of the Department's strategic plan.

In conclusion, Mr. Chairman, when Secretary Albright spoke to this committee earlier, she observed that, "There will be many occasions, in many places, where we will rely on diplomacy to protect

our interests and we will expect our diplomats to defend those interests with skill, knowledge and spine." She also noted that "we cannot have world-class diplomacy on the cheap. We must invest the resources required for American leadership."

In closing, I have focused on those parts of the State Department budget which I am responsible for, that is, State Operations. We have had flat budgets and State operating accounts for the past 5 years. This has led to a 17-percent real decline in State Department operating accounts, plus the overall 50 percent for the entire 150 account. We have clearly taken our share of cuts, and we have placed before you, as we have placed before ourselves, the most ambitious reform agenda ever. We seek your support, Mr. Chairman, in carrying out a reasonable, forward-looking U.S. foreign policy, one that advances the national interest everywhere in the world, and which requires a level of diplomatic readiness that the President's fiscal year 1998 budget request supports. Give us the tools and we will do the job. Thank you very much.

[The prepared statement of Mr. Kennedy appears in the appendix.]

Mr. SMITH. Mr. Secretary, thank you for your testimony and I would like to note for the record that Mr. Richard Greene is joining you, and in my understanding, he used to be the Chief Financial Officer for DOS.

Mr. GREENE. My understanding, too.

Mr. SMITH. Got that right. Would you like to add anything, Mr. Greene?

Mr. GREENE. No.

Mr. SMITH. Thank you. Let me ask a couple of questions and then I will yield to my distinguished colleague. In preparing for this testimony, we had asked the Department to provide statistics on how many U.S. Government employees in our embassies have as their principal responsibility issues about human rights, monitoring and cataloging human rights abuses and progress when there are some. I also asked for the statistics on how many of our employees, including those from State and Commerce and other agencies, have, as their principal responsibility, the promotion of other foreign policy goals like Commerce?

I will never forget one trip to China, back in 1995, one of several human rights trips. I was struck by the fact that there was only one human rights coordinator or service officer, but a seemingly endless supply of people who were dedicated to Commerce. I never got the exact number then, and I was wondering if you might have brought some of that information with you?

Mr. KENNEDY. We are collecting that information for you, Mr. Chairman, and we will have it shortly.

If I might note, there is an officer at each and every U.S. embassy who is charged with the human rights portfolio. This is a State Department officer and that is a responsibility we take very, very seriously. At those posts around the world where there is no official Department of Commerce presence there, the State Department also carries the commercial and trade promotion responsibilities. At those posts where there are Department of Commerce officers present, the primary responsibility for trade promotion lies with them. However, every State Department officer overseas, no

matter what their responsibility, always looks out for both of these matters, is always on the lookout for human rights violations to report to the human rights officer, and also looks out for trade promotion or economic development opportunities to bring to the attention of the Department and then onto the Department of Commerce.

I might note as well that of the entire panoply of personnel that you saw in China, for example, probably 70 percent of those personnel are employees of agencies other than the Department.

Mr. SMITH. That would be very helpful to the Subcommittee to know how that all breaks down, because I did get the sense of this one particular officer who was doing yeoman's work, and another time it was a woman who had that position, and she seemed to be very capable. They seem to be marginalized, though, in the general scheme of things. Trade seemed to be the zeitgeist that everyone was marching to, and not human rights.

It seems to me that one officer might work in Honduras, where it is a relatively small country, but a country the size of China, it seems to me, ought to be beefed up in terms of it. So, I look forward to receiving that.

I recently came across a Department notice dated February 6 of this year, and it contains an advertisement for a foreign service officer who would be detailed to the Population Reference Bureau, a non-governmental organization. At a time when you and others are making an appeal for additional sources of funds, because personnel is not sufficient to the task, to be tasking out to NGO's, individuals who might best be kept under our own roof, seems to me to present a mixed picture, especially when these are the same groups that end up coming up on the Hill and producing information that is used in very pitched battles on issues dealing with population. How do you explain this kind of activity?

Mr. KENNEDY. Unfortunately, I do not remember reading that particular notice, Mr. Chairman, but I fully agree with your phraseology, that this presents a mixed picture.

The Department engages in outreach to a large number of non-governmental agencies and it seeks in this way to use force multipliers. By having a State Department officer work in certain non-governmental organizations, we hope to derive, and we believe we do derive, a greater benefit for the Department of State and the U.S. Government than that one officer's presence might imply.

That officer, by working with that organization, has available to him or her the entire range of matter, for example, on population, which is an important international issue, and he or she then serves as a conduit to both make the U.S. Government's concerns known to that organization, but also to bring into the State Department and make available to the State Department the collective concerns of organizations such as that. So, we use these and regard these as a force multiplier.

Mr. SMITH. It strikes me that an organization like the Population Reference Bureau and others like it take a decidedly partisan position on some very controversial issues, including abortion. At the same time that you are making an appeal for additional funds, people are being tasked out to them. As you know, we just had a very, very pitched and arduous fight on the old issue of population con-

trol 2 weeks ago, and yesterday in the Senate, and that will be re-played again later on this year. It is hard to justify additional resources if people are so plentiful they are being put into controversial organizations.

I mean, to the best of my knowledge, nobody has been tasked to go with the National Right to Life Committee or the International Right to Life Federation, which is an international, U.N.-recognized entity, and I would not expect you to. But, then, I see something like this. The beneficiary has a clear, non-ambiguous ideological bent on how they perceive the world, they are entitled to it. But whether we ought to be paying a U.S. employee to participate in it is another question, in my view.

Mr. KENNEDY. Let me look into that and get back to you, Mr. Chairman.

Mr. SMITH. I would appreciate it.

Mr. KENNEDY. As I said, our usual policy and procedure in detailing personnel to other government agencies or to non-governmental organizations is, to seek opportunities where the benefit that can be derived for the Department of State and the U.S. Government as a whole exceeds the cost of sending that person to another entity.

Mr. SMITH. Let me just ask you on the refugee programs, I notice that there is a request for \$650 million, which is identical to the appropriation in 1997, but it is a cut from the \$671 million from 1996. Just about everything else in the budget request is ratcheted upwards, except for this account. We are awash in a world of refugees, both those who are internally displaced, or those who are seeking to find safe havens abroad. How do you account for that decline?

Mr. KENNEDY. The refugee account is not one of the State Department operating accounts that is within my jurisdiction. I would be very happy to submit material for you for the record, but that falls outside of my jurisdiction.

I can only surmise that in the era of attempting to balance the budget across the board, a cut of \$21 million, from \$671 million to \$650 million was regarded as something that could be borne, given the circumstances, and I believe that my colleagues in the Bureau of Refugee Program Affairs anticipated a reduced level of care and maintenance requirements in the Great Lakes region in Africa because at the moment, though the situation in Eastern Zaire is certainly very, very tenuous and no one is quite sure which way it is going to go, the refugee situation in Rwanda, Burundi, Uganda, Tanzania, bordering on the other side of the Great Lakes, has stabilized significantly. So, as they are projecting into the future, they felt that was the correct balance.

Mr. SMITH. I see. As you may know, this subcommittee had a hearing on Zaire and the ongoing trauma of those people and from many of the refugee groups that we heard from, there was deep concern that there was a willingness by the international community, including our own government, to put that one behind us, just because some people did go back.

But, there appears to be a lot of miscounting, a lot of other information that it is still an open book.

Mr. KENNEDY. It is, Mr. Chairman. The State Department is very concerned, and as we sit here today, my colleague, George Moose, who is the Assistant Secretary for African Affairs, is in Capetown, where a conference and discussions are now going on about trying to bring peace to that region.

As you know, if we can stabilize the political situation, we feel we have a much better chance of bringing some order and some stability back to the lives of these people.

Mr. SMITH. A number of county clerks have contacted my office. They have also contacted other Members, Senators and House Members in our State, and I am sure this has been happening elsewhere, and they are complaining that the 900 number to access information regarding passports is charging people for what, beforehand, was a free service.

Could you give us some insight into the rationale behind that, what are the facts?

Mr. KENNEDY. Yes, Mr. Chairman. What we call the National Passport Information Center opened in November of last year, and this is a self-funding, i.e., a caller-pays system, that U.S. citizens can contact to provide and receive a broad range of passport information and assistance.

Any American citizen can call any one of our dozen passport offices, which are spread around the United States, from Washington to Boston to Florida to Texas to the Midwest and all the way as far as California and Hawaii. They can call those offices and hear a recording, for no cost other than the toll cost, if they are not living in one of those 12 regions, and they can receive all this information for free.

We, though, realized that we do not have an office in every city in the United States and that people were having to make toll calls, so we entered into an arrangement with American Telephone & Telegraph, so for 35 cents a minute, which is probably less than the cost of a toll call from, say, Utah, to the nearest passport agency in Chicago or Los Angeles, they can get all the information that they need for 35 cents a minute, and probably at a cheaper cost than the toll call.

They can also go on if they require specific information, information that is not the normal information that the average citizen would need. They can go on and get that information by speaking to an operator. There have been over 240,000 calls placed to this service over the past 3 months and we have received only 25 complaints. We think that for this very low figure of 35 cents a minute, we are actually providing a service to the American people that we have not been able to provide in the past.

Passport agencies have had a 77-percent workload increase over the past 5 years, and it is growing at about a 7-percent rate annually, and we determined that it would be more efficient to devote our scarce government resources to dealing with citizenship questions and the actual production of the passport material and outsource these questions. Although, as I said earlier, any American citizen can still call one of our 12 passport agencies at only the cost of that call and receive this information from a recording, as well.

Mr. SMITH. The information that the county clerks provide, is that different? Do you provide more insight?

Mr. KENNEDY. No, sir.

Mr. SMITH. So, it is the same?

Mr. KENNEDY. Our Bureau of Consular Affairs has an extensive outreach program to clerks of the court and to post office clerks, and this is the same basic information.

This information is also available on the Internet, if anyone simply types in [www.statetravel.gov](http://www.statetravel.gov), they could call up all that information, and if they have the capability, they can download a passport application and print it out on their laser printer, and we will honor that passport application when it is filled out and mailed in.

Mr. SMITH. Where is C-Span when you need it to be here to give that number out?

Let me yield to some of my colleagues, and then I will come back to do some final questions. Mr. Wexler.

Mr. WEXLER. Thank you, Mr. Chairman. Mr. Kennedy, I very much appreciate your reiterating the Secretary's comments with respect to an expectation of having world-class diplomacy on the cheap and how unrealistic that is.

I listened very carefully, I think, to your comments with respect to the Department's effort at strategic planning and with respect to management initiatives and look at your text and you identified five areas of management initiatives that, I assume, you perceive as being important; the mandatory pay raises, improving the infrastructure, additional funding for certain conferences and initiatives, aggressive border security patrol and maintenance of overseas inventory facilities and so forth.

I certainly do not take exception with any of those items. I am just curious, in the context of management initiatives and in the context of strategic planning, unless I missed it, and if I did, I apologize, what specific efficiencies have been designated? What specific cuts have been provided as a result of the management initiatives?

Mr. KENNEDY. Over the last 4 years, we have reduced State Department's overall employment by 10 percent. We have 2,500 fewer people on board than we had before. We have closed 30 diplomatic and consular posts around the world. We have reduced equipment purchases to the point where, as I mentioned earlier, that 40 percent of our telephone systems are obsolete, 80 percent of our radio equipment is obsolete. We have reduced travel significantly.

Those are the bi-products. The initiative that we feel that we have to take, such as better training facilities, are the direction we have to go, but we realize that in an era of a balanced budget, we cannot just simply appear before you and ask for additional funds.

In addition to those initiatives, we also have a number of management reforms underway in the State Department now, and I mentioned some of those. But, with your permission, let me mention them again. One of the most important ones is our Overseas Staffing Model. This is an attempt to ensure that we have exactly the right people doing the right functions at every one of our 250 posts around the world. This allows us to take people from one location and redirect them to another, without an increase in staff.

Second, the International Cooperative Administrative Services operation. Up until this year, the State Department, which represents 30 percent of the U.S. Government employees, civilian employees overseas, was paying approximately 70 percent of the cost of maintaining those platforms abroad. That was between about \$100 and \$110 million. The State Department was, in effect, subsidizing the operation of other government agencies.

By implementing the new ICASS system, which has every government agency pay for their own cost of operation at a post overseas, this will shift that burden to those agencies and relieve the State Department of that burden.

Logistics reorganization, which I mentioned, is changing the way that we do business. We put together a team to look at the best practices of the best U.S. companies, Sears & Roebuck, Motorola, and find out how they deliver material and logistic services. Since they are driven by the bottom line, if we adopt those tactics and those procedures we think that we can make major savings. We have just started this now, so I do not have a figure for you on that.

Also, our information technology reform.

Mr. WEXLER. If I may, Mr. Chairman, one other question.

Mr. SMITH. Please do.

Mr. WEXLER. With respect to the fee retention part of the program, it seems a bit odd to me in that if \$10 million of fees are retained, \$10 million will be spent. If \$80 million of fees are retained, \$80 million will be spent. How does the fee retainage part of the program equate to an overall strategic plan?

Mr. KENNEDY. Sir?

Mr. WEXLER. How would that relate in terms of priorities?

Mr. KENNEDY. Right now, the State Department is facing 5 years of flat growth. We have not been able to keep up with the workload. If you take an example, we issue some six million passports a year. That is a 60 percent increase per annum over the last 5 years.

We issue eight million visas a year. That is up 12 percent. We assist American citizens abroad about one and a half million times a year.

What we are seeking to do in this activity is to tie the cost of providing the service to the services we deliver. That will drive us to be more efficient. To make sure that we are not cooking the books, we bring in an outside, very, very reputable firm, MitreTech Corporation, which is well known for its integrity. We bring them in, and they measure the cost of services.

So, then we know the cost of services, when we have to be as efficient and deliver them. But when the number of passports demanded rise, the State Department will have these additional fees. We will then be able to retain those fees, hire additional personnel, upgrade the equipment, upgrade the materials so we can deliver them.

If, for some reason, the number of passports that are being demanded fall, we also have on our staff what we call temporary and seasonal employees, and we also have a number of contracts with service providers. As the demand falls, if we are able to retain and



control the fees, we will then release those seasonal employees, not hire those temporary employees, and cut back on the contracts.

So, the advantage here is good government. We are able to link the demand on the State Department to the revenue, and therefore, save the taxpayer money by having that greater nexus.

Mr. WEXLER. Thanks.

Mr. SMITH. Thank you, Mr. Wexler.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. My apologies for being a little late this afternoon. Nothing like taking a 16-hour plane ride, coming back to Washington.

I certainly welcome Undersecretary Kennedy for his appearance and testimony before the committee this afternoon. I would certainly second what Mr. Wexler said earlier about Secretary Albright's classic statement that we cannot have world-class diplomacy on the cheap. If I could ask your comments, the Chairman made a statement earlier about the claim that the State Department has made a 50-percent cut on its operations. I would like your response to that, Mr. Secretary, unless you have already answered that question?

Mr. KENNEDY. The State Department, as the Chairman well noted, has many different subaccounts that are represented in the 150 account, which is the overarching OMB derivative for the State Department.

Mr. FALEOMAVAEGA. Just for the record, I do not think the Chairman questions the integrity of your accounting figures, but we want to find out where you came up with the 50-percent cuts?

Mr. KENNEDY. If you take the entire 150 account over this period, there is a 50-percent cut. If you take certain portions of the 150 account, one arrives at different figures.

For example, in the State Department operating accounts, for which I am responsible, there has been a 17-percent reduction in our purchasing power over the last 5 years. So, the figures of the 50 percent are true. The figures of the 17 percent are true, and if you go down each one of the sublimes, you will get a different figure. But, overall, there has been a 50-percent reduction in the function 150 account overall.

Mr. FALEOMAVAEGA. As I recall, because of the budget cuts, the State Department had to cancel its usual annual entrance examinations for Foreign Service applicants. Is this still canceled? Are there no more Foreign Service officers, junior officers, coming into the force because of this?

Mr. KENNEDY. No, luckily, sir, we were able to restore the exam this year. We had a 1-year hiatus and because of the budget cuts, we are stretching out these. So, we gave an exam last fall, and then we are going to give the next exam in February 1998.

So, because of budget restrictions, it was not given for 1 year, and then we gave it after a delay of 1 year, and for the next period of time, there will be an 18-month period between the exams. That is one of those very hard choices we have to make.

We believe that an 18-month period will be sufficient to keep replenishing the register of potential applicants for the Foreign Service.

Mr. FALÉOMAVAEGA. You mentioned exams given last fall. How many universities participated in this examination? Do you have to attend a Foreign Service school before you are permitted to take this examination?

Mr. KENNEDY. Certainly not, certainly not, sir. The examination is given in about 1,000 locations around the United States, and it is also given at every diplomatic and consular post overseas where an American citizen would like to take it.

Mr. FALÉOMAVAEGA. For example, last fall, how many participated in taking the exam?

Mr. KENNEDY. There were approximately 10,000 people who took the written exam last fall.

Mr. FALÉOMAVAEGA. How many entered the Foreign Service as a result?

Mr. KENNEDY. We are in the process now of giving the oral examination, which follows on. Because there are so many young men and women, and we are very, very proud of that fact, who are interested in serving their country in diplomacy, we simply could not give oral examinations to 10,000 people. We use the written examination as, in effect, a pre-screen.

About 2,000 individuals are considered to pass the written examination, pass simply being a relative rank order. We just take the first 2,000 people. We then work through that number to give oral examinations, and we try, then, to reach a register of about 300 individuals. We hope this year to be able to offer appointments to about 150 of those individuals.

Mr. FALÉOMAVAEGA. So, 10,000 apply, 2,000 pass the written examinations and only 150 slots are awarded each year?

Mr. KENNEDY. Yes, sir.

Mr. FALÉOMAVAEGA. What is the total number of personnel at the State Department?

Mr. KENNEDY. The entire State Department corps is about 23,000 people. About half that number is composed of foreign national, locally engaged staff overseas, and the State Department Foreign Service officer corps is about 3,000 people. We need somewhere between 150 to 200 individuals annually coming in to take account of retirements, deaths, resignations.

Mr. FALÉOMAVAEGA. These 10,000 to 12,000 foreign nationals, is that because it is required? Do we have to hire these foreign nationals?

Mr. KENNEDY. No, sir, we hire foreign nationals overseas for three reasons. To do blue collar work, where it is simply the maintenance work in unclassified areas of the embassy, to function as drivers. We also hire them to fill a number of jobs because of their language skills. While we have a number of foreign service personnel who have the right language skills, we need additional language-qualified personnel. We also hire them to do certain unclassified jobs, because it is simply cheaper to hire a foreign national for \$5,000 or \$10,000 a year, than to hire an American citizen at \$25,000 to \$75,000 a year and then transfer them to those locations.

Mr. FALÉOMAVAEGA. I see.

Mr. KENNEDY. We go for the best bang for the buck, consistent with getting the mission done and security concerns.

Mr. FALEOMAVAEGA. So, with about 11,000 permanent Foreign Service officers, that is a pretty low turnover, if you only have 150 junior officers coming in every year.

Mr. KENNEDY. The Foreign Service component of the State Department, if I might, is broken up into two subcomponents. There are approximately 3,000 Foreign Service officers, and that is the 150 we are replacing every year. There are about 5,000 other, what we call Foreign Service specialists. These are security personnel, medical personnel, financial management specialists, computer specialists, information technology personnel, secretaries.

Mr. FALEOMAVAEGA. They are not subject to the Foreign Service examination?

Mr. KENNEDY. No, sir, we put a global announcement out and we open separate registers for each one of those categories and seek to draw the appropriate security personnel or the appropriate computer sciences professionals.

Mr. FALEOMAVAEGA. Mr. Secretary, I know my time is up. I just want to make an observation and ask another question. For over 8 years now I have been a member of this subcommittee and I am still puzzled about the low numbers of people of color that serve in the diplomatic corps. If the State Department is serious about its minority recruitment program, it should look not at just the Ivy League schools, but at the black universities and public universities in the West, not just the East Coast.

I have always been puzzled as to how you go about making these selections and I also question the fact that if the State Department is really dead serious about getting minorities involved, minorities who qualify should not be disqualified for some stupid reason—

Mr. KENNEDY. Let me give you a short answer, and then, if I might call your office and come up and meet with you and give you a longer answer?

Mr. FALEOMAVAEGA. Better yet, could you submit that for the record, please?

Mr. SMITH. That will be made a part of the record.

[The answer appears in the appendix.]

Mr. FALEOMAVAEGA. All right.

Mr. KENNEDY. Certainly, if I can give you a quick answer. For example, minority exam takers on this year's Foreign Service exam were up 114 percent over the one that was offered 2 years ago. I am not pleased, I am not satisfied with the intake of women and minorities into the Foreign Service. We have to, we must do better.

However, we have been taking a number of active steps over the last 4 years to reach out. For example, we have assigned ten Foreign Service officers, what we call diplomats in residence, to schools in Arizona, California, Georgia, Illinois, New York, North Carolina and Texas, and there is also one in Florida this year, to reach out to these areas where the population is more heavily minority, to try to use these diplomats in residence to reach out to those university populations.

We have what is called the Foreign Affairs Fellowship Program, which has a cadre now of 38 very highly qualified minority students who are on the verge of graduating from the universities with our assistance, and these 38 will be entering the Foreign Service in the period from 1997 through 1999. We have an active

outreach program. Is it as successful as it should be? No. Are we doing everything we can? We think we are, but we somehow have to do more, because a 114-percent increase is still not producing the actual intake into the Foreign Service that I wish.

Mr. FALCOMA. I appreciate that and I look forward to seeing that when you submit it for the record.

Diplomatic security—what is our proposed budget for 1998 on diplomatic security?

Mr. KENNEDY. Thanks to your help over the last 2 years, we had supplemental funding from the Appropriations Act.

We have taken this funding and we have expanded our local guard programs. We have begun a replacement program for our armored vehicles and for the technical security equipment that we deploy overseas.

We have also been able to open our register for new diplomatic security officers to be assigned overseas, and we will be bringing on this year a class of 75 new diplomatic security officers. The budget request that is contained in this proposal will allow us to annualize the costs that have been brought forward by the supplemental, so that we will have in future years salaries and other materials to keep these 75 new diplomatic security agents on the roles, and permit us to hire an additional 35 new diplomatic security agents every year for subsequent years, to serve as the fill ins for resignations and retirement. We will also use the funding to provide for the equipment and the local guard forces that are necessary to keep our facilities running. If I might turn to my colleague for the details.

Mr. FALCOMA. No, I am not looking for details. I just wanted to make sure that there is reasonable planning for this important area that ensures the safety and security of our personnel overseas. I have just gotten back from San Salvador and it is always easy to see things in hindsight. As an observation, Mr. Secretary, and I am sure the State Department is sensitive about this, but in San Salvador a couple of years ago, we built a \$70-million embassy because of the security measures that were deemed necessary for that Central American country.

My question is how did you go about assessing that we needed a \$70-million facility in El Salvador? Were there that many security problems in that country?

Mr. KENNEDY. During the height of the El Salvadoran conflict, when American government employees did lose their lives in El Salvador, there was a significant threat. Right now, we are not building any new \$70-million embassies. We have a \$285-million budget for security. We apply what we call risk management. Along with the intelligence community and other U.S. Government agencies, we look at the technical threat, the terrorist threat and the threats from crime in every city. We analyze those factors and we now use risk management to target the specific counter measures we should apply to each one of those threats in each specific location, to make sure that we spend both the minimum and the maximum amount necessary. The maximum amount necessary to get good security and the minimum amount necessary to get good security. So, we target it through risk management.

Mr. FALCOMA. All right, Mr. Chairman. Thank you, Mr. Secretary.

Mr. SMITH. Thank you. Before yielding to my friend, Mr. Payne, just let me follow up on that. I would like the details. You were turning to Mr. Greene for that. Is the \$285 million sufficient to the task, if I am correct on that? You talk of a security infrastructure gap, Mr. Secretary. Could you expound on that a little bit more in terms of how that came to be?

Finally, the shifting of the Marine guards, the cost to DoD, how much does that save and where does that money go, or is it just money that you now can rebudget for other things?

Mr. KENNEDY. The security infrastructure gap arose over the course of the last 5 years, along with our information technology gap and our personnel staffing gap. It arose from the fact that the State Department's budget was flat for 5 years, and as we went through this period with the 17-percent reduction in funding, we had to make some very hard choices.

I do not believe that at any point did we push security below the minimum necessary. What we did was push the envelope on equipment and material. Armored cars, which we need in many parts of the world, do not last as long as any other cars, because they have some 3,000 pounds of extra armor being carried. Security equipment, such as metal detectors, infrared motion detectors, cameras and similar items, have a limited life cycle and a life expectancy, and they wear out, as any piece of electronic equipment does.

So, we kept that equipment in service long after its expected life cycle, gambling that it would make it or we could play the triage game. If this armored car went, we pulled one of the few spares out.

With your help over the last few years, with supplemental funding the State Department has received, we have bought down that infrastructure gap in the security arena. With the President's budget, which is before you today, if we receive these funds, we will be then able to begin a reasonable replacement and replenishment cycle so we have the right amount of equipment and also the right amount of funding to keep the number of diplomatic security officers and the number of local guards in place.

On your question about the Marine security guards overseas, in our budget request when that funding was transferred from the State Department to the U.S. Marine Corps, the Department of the Navy, that amount of money was lapsed out of the State Department budget. So, we did not have the money to refund or reprogram for any other purpose. The funding simply no longer exists in the State Department budget.

Mr. SMITH. How much did that free up, though?

Mr. GREENE. About \$24 million.

Mr. SMITH. About \$24 million? The \$285 million, is that the right figure? Now, obviously that has been through the filter of OMB. Was their request higher at any point, as it worked up the chain of command?

Mr. GREENE. Well, we usually do not like to comment on internal budgetary matters.

Mr. SMITH. I understand, but you are being asked.

Mr. GREENE. It is probably safe to say that our request for everything we asked for was higher.

Mr. SMITH. OK. Is there any way that can be transmitted to us? I mean, it seems to me security matters are very high on my priority. Again, when you are talking priorities and our people being put at risk, it would be nice to know what the Department thought would be an adequate amount to make the difference.

Mr. GREENE. I will get that to you. I agree when Undersecretary Kennedy says that we clearly think this funding was adequate.

Mr. SMITH. I know, again, you are sincere in what you are saying, but adequate sometimes is not adequate. I will never forget a lesson I learned years ago on the POW/MIA issue, when General Thai (he was the head of the Defense Intelligence Agency), said he had all the tools and all the requisite money and material and everything else, analysts, to do the job on POW/MIA's. Then, a couple of years later, when live sightings were proliferating, he was head of the task force that asked for upwards of three times, and he testified that it was totally inadequate.

I know everyone is under some restraints, but it would be nice for this subcommittee to know what really is needed, especially with terrorists abounding.

Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman. I did not have an opportunity to hear your testimony, but I do have just a general question. With State Department personnel, I suppose there are categories of hardship assignments. What I have been able to ascertain, though, is that a hardship post, perhaps in the long run, does not provide any more compensation than a post that is in a so-called high-cost-of-living country, like maybe France or something.

I wonder if you could explain how does the State Department tend to induce people to go to hardship, Third World assignments if the compensation is the same as if you were in Paris or Bonn or something?

Mr. KENNEDY. Certainly, sir. The base salary of a State Department employee serving in a hardship post, serving in Paris or London or Bonn, is the same.

However, the State Department has a specific differential. It is called the post differential, in jargon usually called the hardship differential. Each post fills out a survey. This is sent to a team of experts in Washington, and that survey is measured and graded against a series of interagency-agreed categories, and the result of this grading is either 0, 5, 10, 15, 20, or 25 percent.

So, Paris does not even bother to submit a survey and they get a zero. A hardship post in the Third or the Fourth World would have a score ranging from 5 to 25 percent. That is paid as a taxable allowance to any U.S. Government employee serving in that area. By Executive Order, the Secretary of State administers the Allowance Benefits Act for all U.S. Government employees overseas. So, there is a definite monetary incentive to serve in those locations.

If I might also, there is an additional incentive in that in most cases, the number of positions in our posts in the Third or Fourth World are fewer than in the First or Second World, and a good

number of State Department officers go to these hardship posts not only for the financial benefits, but because posts are smaller, the work is more equally distributed and therefore, it is possible at a more junior grade to have, in effect, a more senior position.

Our No. 2 person in Paris, his position is graded at the most senior career position. Our Deputy Chief of Mission, our No. 2 in many of our posts in the Third or Fourth World, is four or five rungs below that; therefore, that person can acquire the management experience, can acquire the administrative experience, can be the No. 1 political or economic reporting officer in one of these hardship posts, and therefore gain what they perceive to be an advantage in the worldwide competition we hold each year for promotions.

So, there is both a monetary incentive and a career-enhancing incentive for serving in those hardship posts.

Mr. PAYNE. What I had heard, though, was that posts are also evaluated on the relative cost of living in that particular country, and therefore, my point was the cost of living adjustment, I guess, locality pay they would call it, they even have it in the United States, they have locality pay where in New York, perhaps, the pay is a little higher than in Des Moines, Iowa, I guess, perhaps—the way things are going, I would not be surprised if Des Moines, Iowa was higher paid than New York. But, is there a cost, is there a locality pay which would therefore increase the base salary of a person in the First or Second World that might bring it really to where a hardship post would be?

In Paris, I am sure that you get a pretty good locality pay. You do not get the same as you get in—

Mr. KENNEDY. I apologize. I misunderstood your question.

Mr. PAYNE. No, that is OK, but I was glad you explained what you did, because I learned a little bit more, too.

Mr. KENNEDY. There is a second allowance, there is a cost-of-living allowance which is also computed for every post in the world, using a format that we have derived from the Bureau of Labor Statistics, Department of Labor. Another questionnaire is given to every post annually to determine the cost of living in that country. How much does it cost for gasoline, how much does it cost for milk, eggs, clothing, whatever?

That information is then submitted to Washington. The computer analyzes it and the result is a scale of 100 which equals the cost of living in Washington. In Paris, if the answer is 120, then an employee in Paris would receive a 20 percent cost-of-living offset, because the cost is more than in Washington.

On the other hand, any hardship post also is analyzed and so no State Department/no U.S. Government employee of any agency who is serving in any post in the world where the cost of living has been mathematically determined to be more than the cost of living in Washington is disadvantaged. They will receive anywhere from 5 percent more on up to whatever the limit happens to be, because they have mathematically proven their cost of living.

So, serving at a hardship post does not cause you to be disadvantaged at all. You fill out the survey and it is compared to a Washington baseline and you receive the appropriate compensation.

Mr. PAYNE. OK, that is good. I guess my point is basically that you would find that probably in a hardship post, the cost of living

is lower, and in a locality pay, you have a higher locality, also. I mean, there is nothing you can do about it, it is just the way it works out. Bottom line, though, is that you would probably end up with about the same which would not make it an incentive. Let me say it is not a disincentive, but it is not because people go to work for the State Department for a lot of reasons, not only pay as a consideration. But, bottom line is that you may not end up, other than career opportunities, perhaps, with a financial incentive, by virtue of the cost of living, the locality being at level or below Washington costs.

I am sure that Liberia's costs are probably a little bit lower than Washington, DC, whereas in Paris, where you would get the locality pay, they are about level. But that is nothing that either one of us can do anything about offhand, it is just that it ought to be recognized, because we should have locality pay and we should have pay for difficult assignments. But, the bottom line is, it comes out to about the same.

Let me just ask another quick question. I hope you did not have anything to do with the building of the U.S. Embassy in the USSR, at the time. You have heard about that?

Mr. KENNEDY. The current building in Moscow is one of my responsibilities.

Mr. PAYNE. OK, but you inherited it?

Mr. KENNEDY. I inherited it, yes, sir.

Mr. PAYNE. I am glad to know that. I saw you reacting. Have they been able to counteract that? I mean, that must have been a good learning experience. I happened to go there, and the fellow said, let me go around the corner and upstairs and way back there and just listen, and they were talking on another floor way away, and you could hear a little better than I could hear you right there.

They were just shocked that the Russians cheated or something. Why would they, at the height of the cold war, let the Russian technocrats build the U.S. Embassy? I mean, they even had a battery that would last 99 years. We should have taken that and tried to get a prototype and see how it works. But, the batteries are still working, stuck in concrete somewhere. How did that ever happen, and what are they doing with the building now?

Mr. KENNEDY. Let me try to give you a multipart answer. For part of the answer, I would like to meet with you in a non-public forum because it is not a subject that I can discuss in this room, with this audience. But, I would be pleased to meet with you at any time to go over the details.

Mr. PAYNE. All right.

Mr. KENNEDY. A decision was made in the 1960's to build the building in a certain way and on the basis of certain assumptions. Those assumptions proved erroneous.

In 1993, the Secretary asked me to convene a committee and I convened that committee with representatives from a number of other U.S. Government agencies to decide what to do about the bugged building in Moscow. After an extensive range of interagency consultations, a classified presentation was made to the Congress, on a new proposal, which is usually called Hardhat, to tear down part of that building and build a new building on top of it, which meets everyone's concerns for security. That process is now under-



way. A contract has been let to an American company who will use entirely American labor, entirely American materials, and ship everything to Moscow in a controlled fashion. That work has already begun, and I have every belief that we will have in 1999, when the project is finished, a secure building which will be fully certified and which will serve the national security interest of the United States.

Mr. PAYNE. You did not hold the meeting in that building, did you?

Mr. KENNEDY. No sir.

Mr. PAYNE. Oh, OK.

[Laughter.]

Mr. SMITH. Thank you very much, Mr. Payne.

Mr. Secretary, I would appreciate it, and I know you will probably have to provide this for the record, but the quicker and more swiftly you can get it here, I would appreciate it, a list of all Department of State employees who are detailed to non-governmental organizations and the total cost and the names of those organizations.

I would also like to know which NGO's have personnel working inside the building, if that happens, either as interns or some other fashion, to know the kind of collaboration that is going on there. As quickly as you could get that to us, we would appreciate it.

Mr. KENNEDY. Certainly, sir.

Mr. SMITH. Just, in terms of the 17 percent cut you have mentioned a few times, again, in looking at these statistics which your folks were kind enough to send over, in looking at it, you keep talking about the 17 percent cut, yet if you look over it from the range of 1988, fiscal year 1988 to 1997, it went from \$3.6 billion to \$4 billion.

It seems as if you have locked onto the high number, what would that be, 1992, and then used that as the backdrop to measure whether or not something is a cut or an increase, is that correct?

Mr. GREENE. What the Undersecretary is referring to is just the diplomatic operations resources. The number you used also include contributions to international organizations, the United Nations.

Mr. SMITH. Yes, it is a State Department account, which is what we are all about here.

Mr. GREENE. Those are equivalent, and the 17 percent is just the money that is used for our analysis.

Mr. KENNEDY. State Department operating accounts, which are the responsibility of the Undersecretary. The diplomatic readiness portion, as opposed to contributions.

Mr. GREENE. Peacekeeping is part of the job.

Mr. SMITH. Right, but again, are you using a 10-year or 5-year timeframe to measure?

Mr. GREENE. We used the 17 percent to compare the 50 percent number to, so that is back to 1985.

Mr. SMITH. To 1985?

Mr. GREENE. Yes.

Mr. SMITH. The issue on foreign buildings, the last few the Appropriations Committee directed the Secretary to establish an interagency advisory board on real property management to help oversee the State Department's \$10 million in real property assets.

In your submission, it is suggested that about \$180 million can be realized through sale of property. What is the status of that advisory committee? Have they met, who makes it up, what kind of power will they have? Do they make their recommendation to you and then you turn around and implement? What is the modus operandi?

Mr. KENNEDY. We have formed the advisory committee. It has not yet had its first meeting. It is composed of representatives from the State Department and from other U.S. Government agencies, with a specialization in real estate and property management.

We have secured a senior representative from General Services Administration who is well aware of real estate issues. We have obtained a representative from the Central Intelligence Agency whose specialty is real estate and property management. We are also going to have a representative named by the U.S. Postal Service. I picked those three agencies because they are three civilian agencies of the U.S. Government who have the largest real property holdings.

We will also have representatives from the State Department on the committee, but I have deliberately named representatives who have no vested interest in any of the properties. They will include the Assistant Secretary of State for Consular Affairs, to make sure that we have adequate consular facilities; the Assistant Secretary of State for Economic and Business Affairs, who is concerned about trade and agricultural promotion; the Assistant Secretary for Diplomatic Security, to make sure that whatever we do comports with our security requirements and the Chief Financial Officer, to make sure that the maximum amount of money is squeezed out of every nook and cranny.

The group will meet. What we intend to place before them are three packages of material; properties recommended for sale by the General Accounting Office, properties recommended for sale by the State Department's Office of the Inspector General, and properties recommended for sale by the State Department's own Office of Foreign Buildings, because the latter is the list of properties that the State Department wishes to sell. Because as I mentioned in my testimony, we sold \$59 or \$60 million worth of property over the last 2 years.

The State Department has every incentive to do this. The basic incentive is that there is no money in our budget request for any capital program for the Office of Foreign Buildings. There are no funds available, no new appropriated funds, to make any real estate purchases whatsoever. Therefore, the only way that I can construct the embassies that I must construct in places such as Berlin and Abuja, Nigeria, where each government is in the process of shifting their capital from Bonn to Berlin, from Lagos to Abuja, or in the newly independent states or elsewhere, is to use asset management, our program of sales.

What the Office of Foreign Buildings has done is to go out and look at the widest possible range of buildings. Can we raise \$180 million this year? I would like to think so, but I cannot guarantee that. The reason is, when we place properties on the market, which we do every day, we do not know how they are going to move, because we are operating in the local environment.

For example, we placed a property on the market last fiscal year in Beirut. We went through a bidding process, and took the winning bidder. Under local practice, he had several months to make payment. He is now unable to consummate the contract. Therefore, I am going to put that property back on the market. That sale was included in what we were counting on in that \$150 million. I would be glad to give you the figure privately, because we will be in negotiations with some other bidder, and I would not like to disclose a specific figure in a public forum.

We will put that property back on the market. Might we realize it this year? Yes. But, on the other hand, it might appear in a later fiscal year. The same is true around the world. We regularly put properties on the market and we are incentivized by the fact that this is my only funding source for new properties, which I desperately need.

Mr. SMITH. That is a dollar-for-dollar dedication?

Mr. KENNEDY. Yes. We sell them and we have the statutory authority under the Foreign Buildings Act of 1926 to reutilize those funds to make new property purchases.

Mr. SMITH. Let me ask you a question. Recently, amid allegations of improper influence peddling, James Wood resigned his position as chairman and managing director of the American Institute in Taiwan, an organization for which the Department has requested over \$14 million in fiscal year 1998.

In turn, Mr. Wood has charged that he was forced from his job at AIT, after unsuccessfully attempting to expose fraud and corruption within that organization. Among other things, Mr. Wood alleges that over \$5 million in taxpayer dollars are missing, and that women were forced to have sex with AIT employees in order to procure visas. Where do the various allegations stand right now? When do we expect to get the truth about this and how does the Department go about overseeing AIT, given its status as a quasi-government entity?

Mr. KENNEDY. If I might give you a moment's background, Mr. Chairman. Under the Taiwan Relations Act of 1979, the Congress empowered the State Department to set up a people-to-people arrangement between the people of the United States and the people of Taiwan. This arrangement is administered by a non-governmental entity, pursuant to statute.

The American Institute on Taiwan was established and chartered as a non-profit corporation under the laws of the District of Columbia. The State Department and other U.S. Government agencies who have dealings with the people of Taiwan do so through the American Institute and provide a certain amount of appropriated funds, and that is supplemented by non-appropriated collections and fees from Taipei or Kaohsiung, which is the other "post" that we have in Taiwan.

Given this special and unique arrangement, the accounting stream is not always as transparent as it would be if this was the American Embassy in Tokyo, where all the books are kept according to a rigorous rubric and overseen by the Chief Financial Officer. We have a contractual relationship with the American Institute in Taiwan. This contract binds AIT to follow certain procedures. They must also follow certain other statutory procedures

under the Corporations Act of the District of Columbia. At times, those two facts lead to separate sets of books.

I can assure you, Mr. Chairman, to the best of my knowledge, there are no appropriated funds missing. Mr. Wood's charges relate to \$5.3 million worth of visa fees that are a service charge imposed by AIT Taipei for processing. These were not appropriated funds. That does not mean, though, that we do not monitor them.

The original program that was set up required these funds to be put into a separate account. For reasons that we are now looking into, these funds were put partially into a separate account and partially into the regular operating account of the American Institute in Taiwan. The private sector auditors, which have been engaged, a well known company called Grant Thornton, is currently auditing those books in conjunction with our own Inspector General. As the Inspector General testified yesterday, she has no reason to believe that there are any unaccounted for or stolen or missing funds. We have every reason to believe that those funds are in the other account or have been dispensed for appropriate activities.

However, the auditing firm in conjunction with our Inspector General, is looking at that matter now. But, as she testified yesterday, she has no reason to believe there is anything unaccounted for.

As to some of these other charges, such as visa fraud, and possible sexual improprieties, the State Department's Office of Diplomatic Security looked into the charges of visa fraud in the early 1990's. These were brought by a disgruntled employee, a local national employee who had been dismissed, and the Diplomatic Security Service looked into that and says that there is no reason to believe that these allegations have any validity whatsoever. Professional investigators looked at them and said there was—

Mr. SMITH. So, there is nothing pending right now in terms of an investigation of those matters?

Mr. KENNEDY. He is repeating allegations that stem from 1989, 1990, 1993.

Mr. SMITH. So, none of the allegations are fresh?

Mr. KENNEDY. None of the allegations are fresh. On the allegation of sexual impropriety, this was the charge leveled against a local national employee of the American Institute in Taiwan. This was immediately looked into and that individual was dismissed. I believe that was in 1989.

Mr. SMITH. Could you provide the committee with documentation on how these allegations were investigated and the summary of the conclusions of what they did not find?

Mr. KENNEDY. Certainly, sir.

Mr. SMITH. I appreciate that. Let me ask one final question and then I will yield to Mr. Payne if he has any followup questions.

The third management initiative you list in your prepared statement highlights the asserted need to host the International Telecommunications Union conference. Last year, the Appropriations conference report stated, and I quote, "Funding for this conference will be addressed only after the State and Commerce Departments have exhausted every potential source of private funding to assure that the cost of this international conference will not be borne by the taxpayer."

Could you fill us in and expound on what the conference is all about and why should taxpayers foot the bill for it and what efforts were made to procure that funding from private sources?

Mr. KENNEDY. Certainly, Mr. Chairman. The International Telecommunications Union meets quadrennially around the world, and the ITU's purpose is to maintain and extend international cooperation in the telecommunications field, and to promote the efficient provision of telecommunication services. Its activities include global standards setting, allocation of the radio frequency spectrum, regulatory aspects on satellite services and the general mandate to do anything possible to make sure that there are common standards in order that the radio waves are shared and operate in an efficient and effective manner.

The United States is one of the major players in the area of global telecommunications. We have companies that operate satellite systems, we have great interest on the part of our military forces in the allocation of the spectrum and we are major providers of equipment in the telecommunications arena, bringing in hundreds of millions of dollars and many, many jobs for the American people. Therefore, the United States has a strong interest in the ITU and its setting standards that we can live with, standards that benefit us, so when we manufacture equipment for sale in the global market, we are manufacturing to a global standard that anyone can buy.

Several years ago, the United States offered to host the quadrennial conference. We believe that by hosting the conference, the United States will signal its preeminent role in international telecommunications. It will increase and expand our influence in international telecommunications policy by enhancing our relationship with the ITU and its permanent staff, and with the foreign government officials who shape their governments' policies toward the ITU.

It provides an important venue to further the policy support for international business development and it also affords American businesses an unprecedented opportunity to promote the export of American telecommunications equipment. And because alongside the conference, there is, in effect, a trade show, it provides American businesses a venue for bringing together the entire governing body of all 180-plus members to see American technology at its best and give them an opportunity to talk to representatives.

So, there are these two functions taking place simultaneously, the trade show, which is funded by the private sector, and the plenipotentiary conference, which is a governmental function.

We have agreed in the beginning that the cost of the U.S. hostship of the conference itself would be split with the Department of Commerce. Since the injunction in the Appropriations Bill, we have met extensively with the private sector, who readily agree that they are going to fund the trade show aspect of this, but believe, as we do, that the conference of nations itself, bringing together official government representatives and the ITU secretariat, is an inherently governmental function which ought to be funded by the U.S. Government.

So, the State Department and the Commerce Department are proposing, as we had before, that funding for the governmental por-

tion of this be split equally between the Department of State and the Department of Commerce.

Mr. SMITH. Is there anything that would preclude you from accepting voluntary contributions from those groups for the government side? I mean, how much are we talking about in terms of the cost of the conference?

Mr. KENNEDY. The entire cost of the conference is approximately \$14 million, which would be split, half between the State Department and half between the Department of Commerce. The State Department has the statutory authority to accept gifts. We would do so. However, after our consultations with the private sector, they believe that it is appropriate for them to fund the trade fair and they have expressed no interest in funding—

Mr. SMITH. Well, they would think it is appropriate when it affects their profit margin, believe me.

Mr. KENNEDY. Certainly, sir.

Mr. SMITH. You certainly could use another \$7 million, and it seems to me that it would be in their own interest, since they stand to benefit enormously from it, to be as cooperative as possible.

Mr. KENNEDY. We continue to engage them regularly on this matter.

Mr. SMITH. Let me just ask you, as I indicated earlier, we hope to begin marking up on March 20. Will we have the Administration's draft legislation, hopefully, at least a week before that, so we can take all of that into full consideration as we mark up the bill?

Mr. KENNEDY. Let me first say that we certainly appreciate the consideration that you have shown in providing us a copy of the Committee's draft bill and it is being carefully reviewed in the Department now.

It is certainly my hope that the authorization process go forward this year on a cooperative and bipartisan basis. We are working on a legislative package at this point to authorize the President's budget and to update a number of management-related issues that we think constitute good government.

The decision on our legislative package is being made at the very highest levels, and we hope to be able to give you a definitive answer very, very soon.

Mr. SMITH. I appreciate that. It would be most helpful, because we want to work with you. After last year's rather difficult process, I know this particular chairman is absolutely determined that we will not see a waiver of authorization so the appropriators do our job for us. I do believe we thought we might have had that commitment last year from our leadership, but this year, we will make it stick so that we are not superfluous to this process and the appropriators do the whole deal.

Mr. KENNEDY. We intend to work with your committee in gaining your support to accomplish our mission.

Mr. SMITH. Thank you very much.

Mr. Payne.

Mr. PAYNE. Just that I agree. I do not think that there should be legislating through Appropriations. It should be separate committees with the responsibility.

Just finally in regard to the tragedy in Saudi Arabia with the security being admitted that it was a bit lax, has there been an over-

all tightening up of security in general at our posts around the world, in particular, where some of our employees may be in harm's way?

Mr. KENNEDY. The answer to that, sir, is absolutely yes. We monitor security very closely. We work with all elements of the U.S. Government to look for any and all evidence of threats. Every year, our Diplomatic Security Service reviews almost 30,000 threat incidents, which can be from the very small to the very large. But, each one of those is given the time and attention it deserves.

On the specific question of the tragedies in Saudi Arabia the Secretary of State and the Secretary of Defense have executed a Memorandum of Understanding to more clearly specify and denote who is responsible for providing services of a security nature, when there are large numbers of U.S. military personnel overseas assigned conterminously with the U.S. diplomatic and consular post. We are addressing both the full picture and the specific picture, as well.

Mr. PAYNE. All right, thank you very much. I have no other questions.

Mr. SMITH. Mr. Payne, thank you very much. Mr. Secretary, Mr. Greene, thank you very much for your testimony. We look forward to working with you.

Mr. KENNEDY. Thank you very much, Mr. Chairman.

Mr. SMITH. The hearing is adjourned.

[Whereupon, at 3:11 p.m., the Subcommittee was adjourned.]

# APPENDIX

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TESTIMONY OF PATRICK F. KENNEDY,  
ACTING UNDER SECRETARY FOR MANAGEMENT,  
US DEPARTMENT OF STATE

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS  
AND HUMAN RIGHTS  
HOUSE INTERNATIONAL RELATIONS COMMITTEE

FEBRUARY 26, 1997

## Introductory Remarks

I am delighted to be here to testify in support of the Department of State's FY 1998 budget request for those accounts which fund Departmental operations. The opportunity to appear before you today is extremely important; the effort to secure the funding that will allow American diplomacy to do its job is one in which I believe and to which I am fully committed.

Secretary Albright has already spoken eloquently before this Committee, and on other occasions in other fora, about the substantive foreign policy requirements that underpin this budget request. She has outlined the principal foreign policy challenges before us today, and pointed to the challenges that lie ahead of us in what remains of the century and beyond. In order to meet these challenges, there is a need for "diplomatic readiness" -- maintaining, or in many cases restoring, the human and material infrastructure that allows the Secretary and others, whether they work for the State Department or other agencies of the US Government, to advance the national policy agenda overseas.

This is not an easy burden. To support and advance American interests around the world, the Department of State maintains some 250 diplomatic and consular posts in 164 countries. These "platforms" are the homebases for not only the Department of State but also for more than 200 other US Government entities who help support and advance American interests. These platforms involve operating in 150 different foreign currencies, developing local compensation plans for every country where we have diplomatic and consular posts, maintaining 12,000 buildings, and supporting 23,000 State Department employees -- American and foreign nationals, overseas and here at home -- and another 20,000 employees of other US Government agencies overseas. Our telecommunications facilities handle over 4 million telegrams per year, our Passport Agency issues over 6 million passports annually, our overseas posts issue over 8 million visas each year, and our consular officers overseas annually respond to over 2 million requests for American citizen services.



The operation of these platforms clearly supports the Department's request for the amount specified in the President's budget, both for our own operations as well as for those we carry out in our role as a provider of support services to all agencies with an overseas presence. In order to help improve our ability to manage such a world-wide operation, and insure that every tax dollar is wisely utilized, the Department has made significant progress on a number of management initiatives that deserve both your attention and your continuing support. I will speak about them later in my presentation.

Finally, we are making increasingly greater use of strategic planning -- in compliance with the Government Performance and Results Act of 1993 -- to insure that we allocate our scarce resources to the highest priorities. We are doing this at the broad, international affairs level, and at the overall Department level and within our organization at the bureau and program levels. However, strategic planning -- while focusing resources on high-priority goals -- does not allow us to fund all of the foreign policy objectives that make up our national security agenda.

#### Budget Summary Comments

Let me begin by highlighting the major elements of our budget request, before I discuss the programs and activities that contribute to "diplomatic readiness" and the management initiatives which we are implementing to manage our resources more effectively.

1. We need to fund mandatory pay raises and overseas as well as domestic inflation.
2. We must continue to improve our information technology infrastructure -- installing telecommunications systems, local area networks, personal computers, and software; modernizing our corporate information systems. Our budget request seeks \$40 million additional funding in this area.
3. We need additional funding for other initiatives as well -- hosting the International Telecommunications Union Plenipotentiary Conference and an international environmental cooperation conference, upgrading our entire infrastructure in China, and complying with legislated arms export control mandates.
4. We must continue to support an aggressive Border Security Program, particularly by upgrading consular systems, employing new technologies, and adequately funding worldwide consular operations.
5. We must maintain our overseas inventory of facilities to promote operational efficiency, employee health and safety, and an extended useful life for our buildings. We will continue to use the proceeds of sales to make cost-effective

real property purchases where there is both a demonstrated need and documented cost benefits.

### Diplomatic Readiness

Secretary Albright, in the statement submitted to this Committee for her confirmation hearing last month, noted that American leadership in the world derives from having the full range of foreign policy tools, including military force and vigorous diplomacy. The Secretary also cited the direct contribution to sustained American leadership over the past half-century made by a constant and creative diplomacy. Noting that one of her principal tasks will be to work with the Congress to ensure that we have the diplomatic representation that our people deserve and our interests demand, she pointed out that "first-class diplomacy" requires a serious investment of resources.

We need to approach diplomacy with the same commitment that has made our Armed Forces what Secretary Albright referred to as the "...best-led, best-trained, best-equipped, and most respected in the world." Diplomatic readiness is the human and material infrastructure that allows us to advance our national policy agenda overseas. It is the basic foundation of a vigorous, constant, creative, and effective diplomacy. Diplomacy can prevent many crises, but it must also be poised to devote its resources to those crises which cannot be prevented.

There are three principal components of diplomatic readiness:

1. Human Resources: We need a workforce that reflects the vigor and diversity of the nation it represents. We also need the right number of skilled employees -- with foreign language, functional, and technical expertise -- who are well prepared to represent the varied interests of the United States overseas, build effective relationships with their international counterparts, exercise foreign policy leadership in embassies abroad and in Washington, protect American citizens, and provide operational support for the conduct of foreign affairs
2. Information: We need highly qualified personnel and the information technology capability to gather, analyze, and communicate information efficiently.
3. Infrastructure and Operations: We need well maintained office and overseas residential facilities, supported by efficient administrative, financial, logistical, and security systems which enable employees to conduct business properly at home and abroad.

But "diplomatic readiness" is also much more than words like **human resources**, **infrastructure**, and **information** normally evoke. "Diplomatic readiness" has a much more direct link to achieving real foreign policy goals than is apparent from those words. For example:

- How can we maintain constructive relations with great powers if we do not have the right people with the right skills present in our most important diplomatic missions? Think of Russia, and the critically important transformation it is currently undergoing. And reflect on how important it is for our future that we have good information about and good communications with our former global adversary.
- How can we advance the nation's economic and commercial interests abroad without properly trained and equipped people in the right places at the right time to help break down trade barriers, support US business efforts in foreign markets, and negotiate mutually beneficial investment and tax agreements with foreign governments?
- How could we have made meaningful contributions to preventing the spread of weapons of mass destruction and promoting peaceful solutions to regional conflict if we had not been able to establish and staff properly embassies in the new countries that emerged from the collapse of world Communism?
- And how can we effectively provide consular services to American citizens traveling or living abroad if successively reduced budgets cause us to close more overseas posts or reduce staffing at the posts we are able to keep open?

"Diplomatic readiness" is sustained, primarily but not exclusively, by the Administration of Foreign Affairs title of our appropriations. The increase above the estimated FY 1997 level we are requesting -- just under \$60 million -- is a genuinely modest increment when you consider the return in terms of advancing our national interests that this investment can achieve. And it appears even more modest if one considers the cumulative, negative effects on our "diplomatic readiness" produced in recent years by the flat budgets the Department has had since 1993.

Let me review some of those negative effects.

- Information systems have fallen behind in technology, interconnectivity, and reliability.
- Buildings require substantial renovation.
- For well over a decade, we have not been able to maintain realistic replacement cycles for critical equipment that supports overseas operations like computers, telephone systems, vehicles, and office and residential equipment. And the situation gets worse every year.
- Staffing gaps, even at key embassies, are now the rule, not the exception.

- Language training, arguably the most important training done at the National Foreign Affairs Training Center, has been cut back. Other training -- the professional development, area studies, and functional/technical courses -- has been reduced even further.
- We must continue to address a security infrastructure gap. Without adequate resources, the risks to our personnel, facilities, and information will soon exceed what is prudent.

### Management Initiatives

The Department has undertaken a number of management initiatives over the past year which I would like to review for you today. They are all worthy of your attention, and are designed to help us make optimal use of the human and material resources you provide us.

### ICASS

The International Cooperative Administrative Support Services (ICASS) system is a new way to manage and fund administrative support for all US Government agencies operating at diplomatic missions abroad. ICASS is a customer-driven system that depends upon the active involvement of all users. It will also capture direct and indirect costs.

Additionally, under ICASS, several categories of overseas costs previously paid by the Department from its own base funding (such as building operating expenses for government-owned and long-term leased properties, and non-residential local guards), -- which total about \$100 million -- will be shared by all users.

ICASS will provide senior managers for the first time with information on the full costs of overseas support, with the objective of obtaining quality services at the lowest possible cost. At the mission level, these costs will be distributed equitably and transparently under the guidance of a local ICASS council composed of representatives of all US Government agencies.

The financial underpinning of ICASS is the Department's Working Capital Fund (WCF). Using the WCF will capture various costs that comprise overseas administration and make reimbursement more transparent and more equitable than under the old process. During FY 1997, the Department is operating under "virtual" ICASS, i.e., using ICASS methodology and the WCF, although still billing other agencies under the old reimbursement process (FAAS). In FY 1998, ICASS will go "live." The Administration will be submitting a budget amendment shortly to reflect those shared administrative costs that will now be borne by other agencies. We ask your support for that amendment.

### Logistics Re-engineering

Antiquated and costly logistics operations have historically impaired overall performance and reduced diplomatic readiness for all US Government agencies operating overseas. Additionally, funds for replacement systems and equipment have been reduced over recent years, thus increasing maintenance costs and rendering most operations significantly less efficient.

The Department's logistics re-engineering project is redesigning worldwide logistics support operations. Work will be organized around the total logistics process to provide materiel and services better, faster, and cheaper. Implementation of this project has begun, and it is expected to take approximately two years. Affecting about 600 employees in different organizations, 200 of whom are contractors, the establishment of the new logistics management organization will be started following a reprogramming notification to the Congress.

We anticipate savings will accrue from greater efficiency in operations, and from the movement of work from complex and expensive channels to simpler and more economical processes. Other savings will come from reduced inventory carrying costs, transportation and internal processing costs, and from less dependence on contractors. Also, replacing about 30 old computer applications with just a handful of new ones will avoid the cost of upgrading and conversion, and reduce outyear maintenance and operating expenses. More efficient service delivery and increased satisfaction on the part of internal customers are also principal goals of this re-engineering effort

### Overseas Staffing Model (OSM)

After an intensive development project, we have produced the Overseas Staffing Model (OSM). The OSM calculates staffing requirements for overseas posts based on workload -- either as objective data (consular and administrative staffing) or derivatively as a function of the post's global, regional, and bilateral foreign policy priorities (primarily political and economic staffing). Based on the relational assessment of post staffing requirements worldwide, the Model provides Department management with an analytical tool for: (1) allocating personnel resources consistent with foreign policy objectives and priorities; (2) adjusting staffing levels proportionately to deal with any funding level for personnel, and (3) determining appropriate staffing levels for new posts.

The OSM, which will be revalidated on a regular basis, provides staffing guidelines -- not rigid templates to be applied universally. There will always be special circumstances produced by shifting policy priorities, the way in which diplomatic

relations are or must be conducted in certain countries, and the ability to get work done in certain environments. We have begun the validation process for the staffing levels proposed by the OSM. We asked overseas diplomatic missions to evaluate in this year's Mission Program Plan submission how they would carry out their responsibilities under the Model's proposed staffing levels.

The Overseas Staffing Board (OSB) will review these findings later this spring, and make whatever adjustments to post categories are required. The OSB is expected to meet twice a year to provide the Under Secretary for Management with recommendations for staffing changes

### Border Security

The Department has an ambitious border security program that includes deploying advanced technology to all consular posts within three years. State and other agencies are actively sharing data to enhance the US Government's ability to screen out terrorists, narco-traffickers, and other criminals. For example, the Department -- in cooperation with the Immigration and Naturalization Service (INS) -- is developing a prototype system to capture fingerprint information on non-immigrants from high-crime areas.

Every visa-issuing post now has a sophisticated, automated name-checking system to help prevent visa issuance to persons whose presence in the US would constitute either a security concern or be contrary to our immigration law. Every post now also utilizes the Machine Readable Visa (MRV) system, which offers numerous security features which strengthen US border security.

The Department's Bureau of Diplomatic Security (DS) has fully trained law enforcement agents in many US embassies abroad, and works closely with our domestic passport agencies to investigate the whole range of passport and visa offenses. DS agents have doubled their number of passport and visa fraud related arrests from 256 in 1992 to 567 last year.

Since 1994, the Department has been authorized to collect and retain fees from the issuance of MRVs for consular operations and to enhance border security activities. Projected FY 1997 collections in MRV fees, which also help fund investments in information management and communications networks, total \$137 million.

### Information Technology

In recent years, the infrastructure deficit has had a dramatic impact on many elements of the Department's information handling systems. For example:

About 40% of overseas telephone switchgear is obsolete;  
82% of all radio equipment overseas is obsolete; and  
55% of overseas computer equipment is obsolete.

The Department has submitted its Strategic Plan for Information Resource Management, as well as an associated tactical plan, to the Congress. As part of the strategic planning process, the Department has created a cost model for needed improvements to meet the infrastructure and communications needs by the year 2001. Although the Department has not yet initiated a formal Workforce study, our initial review already indicates significant weaknesses in both total staffing and skill levels needed to meet existing and expanded responsibilities by the year 2001.

Like all organizations in the public and private sector, the Department must accelerate planning for and implement measures to "solve" the problems posed by the Year 2000 dilemma -- the fact that almost all current software and some hardware recognize only two digits in a date, and thus will register the year 2000 as 1900. This alone is expected to cost \$135.2 million. To the extent that the Department will be required to reprogram funds to cover such costs, such reprogramming could divert resources that would otherwise go towards modernizing our antiquated information technology capabilities.

#### Fee Retention

A key budget strategy that we will actively pursue beginning in FY 1998 is the retention of revenues generated by all fees. In the past, we have retained only fees for Machine Readable Visas (MRVs) and for expedited passport processing. In FY 1998 we expect to retain fees sufficient to:

1. support the delivery of standardized, high-quality consular services that American citizens expect from their government;
2. implement an effective US immigration policy;
3. improve the nation's border security; and
4. contribute to the delivery of other critical services.

In the long run, we expect to see gains in operational efficiency and improvements in the way we manage our resources. A user-charge system will enable us to gauge public demand for services and to shift our resources to meet these needs. The schedule of fees for consular services is also being revised, with an eye toward updating the services provided overseas. Services originally established in the days of sailing ships are being streamlined and modernized.

#### Asset Management

The Department is responsible for the acquisition, operation, and maintenance of over 12,000 office, residential, and other properties abroad which support some 200 US Government entities at over 250 embassies, consulates, and other posts abroad. The Department continually reviews its real property inventory to determine which properties are no longer needed, which are too big or too small, which are too expensive to maintain, and which need improvements. The real estate asset management program disposes of unneeded properties and uses the proceeds to meet higher priority real property needs.

This program generated \$59 million in the last two fiscal years, and with these funds and other appropriation balances new facilities were purchased which are now saving over \$12 million annually in avoided lease costs -- a saving which will recur every year. Keeping leasehold costs under control is critical to preserving funding for even a modest maintenance and rehabilitation program, which is critical to the protection of life and property, and to preserving the value of our real estate.

#### Diplomatic Security

The most important current security issue is the need to combat the threat of terrorism worldwide, especially in the Middle East. To meet this threat, the Counterterrorism Budget Amendment provided an additional \$38 million in no-year funding for the Department, of which \$23.7 million will be used for improvements emphasizing security upgrades (both physical and technical security) and the deployment of additional security personnel to the Middle East region.

While producing an immediate response on the terrorist threat, the Bureau of Diplomatic Security (DS) must also develop a longer term strategy for a more stable budget level to address the full scope of security requirements worldwide. After five years of security infrastructure erosion, DS will begin to address its highest needs both in terms of national security information as well as personnel security. DS is also working with other elements of the Department to develop cost-sharing procedures for overseas security and for domestic criminal investigations, using fees generated by the Machine Readable Visa program to fund operational and systems support for the "border security" initiative.

DS has rigorously applied a risk management strategy to the implementation of its security standards at all overseas posts. We calibrate the established generic security standards and counter-measures to meet specific threats at specific posts at specific times. This technique avoids the waste inherent in using a "one-size-fits-all" approach to meeting security standards and allows the Department to husband scarce security resources.



DS has also expanded its outreach to the US business community overseas through the Overseas Security Advisory Council (OSAC). Begun in 1994, OSAC has focused its efforts on the protection of life and facilities, and accomplishes this through various information-sharing activities involving over 1,500 American businesses having overseas operations. In recent years OSAC has also begun to focus on the protection of information with the increase in international industrial espionage.

### Strategic Planning

The Department's is actively making progress in strategic management, including meeting the requirements of the Government Performance and Results Act (GPRA) of 1993. Under the leadership of an Advisory Group of nine Assistant Secretaries, a Strategic Planning Team is developing an overarching International Affairs Strategic Plan covering all US Government activities abroad and, based on that plan, a Department of State Strategic Plan. Once reviewed by senior leadership, the plans will be the subject of consultations with our "stakeholders and customers" (including other agencies, OMB, and the Congress) in the coming months.

Critical to our success is the development of meaningful performance indicators, by which we can track our progress in achieving goals and objectives. This task has been relatively easy in the management area (such as consular operations, administration, and diplomatic security). Policy areas in the political and economic fields have proven to be more difficult.

Finally, the Department already requires overseas missions, and bureaus in Washington, to prepare annual performance plans which will now be derivative of the Department's strategic plan. The process in place now involves the development of Mission Program Plans (MPPs) in the fall and Bureau Program Plans (BPPs) in the spring. Efforts are underway to streamline the process and to fully integrate planning and other aspects of resource management.

### Conclusion

Secretary Albright testified earlier this month before the House International Relations Committee to support the President's budget request for foreign policy resources. In addressing the variety of perils that have replaced the single, overriding threat of the Cold War era, she observed that "there will be many occasions, in many places, where we will rely on diplomacy to protect our interests, and we will expect our diplomats to defend those interests with skill, knowledge, and spine." But she also noted that "...we cannot have world-class diplomacy on the cheap. We must invest the resources required for American leadership."

Mr. Chairman, that last sentence is the essence of my appeal to you today. To carry out a reasonable, forward looking US foreign policy -- one which advances the national interest everywhere in the world -- requires the level of "diplomatic readiness" that the President's FY 1998 budget request supports. Give us the tools we need, and we will do the job.....and do it well.

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NAME RANK START TYPE\* RETIREMENT CONE POST SEMINAR REQUEST NOTES  
 DATE DATE--FY DATE--ANSWER--DATE DATE

FEBRUARY 1996 JOB SEARCH PROGRAM  
 (February 12, 1996 - 39 Clients)

Arakelian, Mary	FP-05	960205	B	960503	96	SEC	Vienna	(9601)	960122	CABLE	951214	6001 Blvd East WNYNJ; 2018684963
Bailey, Bonnie	FS-04	960205	B	960503	96	SEC	S/S-EX	(9601)	951204	E-MAIL	951129	6477457
Bauer, Edwin	FO-01	960205	B		96	RET						
Bethune, Terra	FS-02	960205	B	960630	96	FAS	USDA	(9601)	960116	APPL	951226	8726 Falkstone Lane Alex Va 22309; 7994941
Botij, Genevieve	GS-08	960205	D	96	96	AID	PPC/CDIC	9209	960116	APPLI	951204	7038754829; FAX 7038754866
Burgess, Tony	FO-01	960205	B		96	RET	EB/BSC					6477489
Carr, Dolores	FP-02	950205	B	960503	96	PER	ARA/EX/Miami	YES	951029	FAX	951027	Tr to 2/95; BO 12/95; 2023997624
Clyatt, Oscar	FO-01	960205	B	960503	96	POL	Istanbul	(9601)	951129	APPLI	951106	3053593788; tr. 2/96.
Conaor, James	FP-04	960205	A	960503	96	ADM	IO/ESA	(9601)		PHONE	960123	5853N14th St. Ar VA 22205; 7035333463
Daks, Lawrence	FE-OC	960205	A	960331	96	USIA	Honolulu	(9601)	950817	APPLI	950726	Rm 5331
Devgon, Pitamber	FS-02	960205	B		96	RET						8089447325; E/W Center
Diedrich, D. Thomas	FO-02	960205	B	960331	96	FAS	C&MP, FAS	(9601)	960118	APPLI	951220	2022052405
Dieffenderfer, John	FP-01	960205	B	960503	96	AID	M/FM/A/PNP	(9601)	960124	APPLI	960116	6632426 Fax 6632147H7035226362
Duffy, Michael	FO-01	960205	B		96	RET	IO/OIC-A	9410	950927	FAX	950831	RA 11/3/95; 2026477754; tr. fr. 10/95
Hamilton, Thomas	FE-OC	960205	B	960503	96	POL	PER/CDA/SO	(9601)	951025	MEMO	951002	RET 10/31/95-BO; H-7032761496
Hammond, Carol	FO-02	960205	B	960503	96	ADM	Niamey	(9601)	950531	FAX	950515	2026471417
Hurley, Sharon	FO-02	960205	B	960503	96	CON	Bratislava	(9601)	951025	FAX	950906	Mandatory 9/30/96
Isom, Harriet	FE-MC	960205	A		96	RET	Yaounde	9409	950818	CABLE	950810	Ret. 1/3/96
Jones, George F.	FA-MC	960205	A		96	RET	USUN	(9601)	951027	FAX	951013	Spouse Maria RPS; tr. to 2/96-10/13/95
Kern, Shirley	FP-05	960205	B	960331	96	ADM	Bona	(9601)		CABLE	951222	
Kinzer, George	FS-01	960205	A	951110	96	USIA	Public Liaison	(9601)		APPLI	960125	8018 Hatteras Ln Spring VA 22151
Lambertson, David	FA-MC	960205	A	?	96	AMB	Bangkok	9504	950817	FAX	950804	Tr. 8/4/95 to 2/96; 7/13-6/02
Law, Jack	FP-02	960205	B	960503	96	PROF	Caracas	(9601)	950804	CABLE	950703	Facilities Maintenance Officer
Lee, Ted	GS-14	960205	B	960403	96	AID	G/EG/BD	9404		PHONE	951013	2026632676; 6/27/83/95; Tr. fr. 10/95
Love, Ruth	FS-04	960205	A	960229	96	DS	DS	(9601)	960123	MEMO	960122	Mandatory 2/29/96; 6476290
Marsh, William	FE-MC	960205	A	960430	96	POL	PA/HO	(9601)	960122	APPLI	960118	Rm 3100SA-1; 6633715; Fax 6631289
Müller, Duncan	FE-OC	960205	A	960408	96	AID	Egypt		960124	APPLI	951219	01120233768278 Fax 0112023562932
O'Neal, Lucy	FS-03	960205	A	960503	96	GSO	Ouagadougou	(9601)		CABLE	951221	
Pace, Robert S.	FO-01	960205	D	80-HR	96	POL	PA/HO	(9601)	950927	FAX	950829	TIC-Last 60 days, 8-9-Ret. 9/30/95
Reid, Earline	FO-03	960205	A		96	RET	Lima	9105	950927	FAX	950919	Ret. 11/30/95; 2085222238 (Idaho Falls, ID)
Ripke, James	FP-04	960205	C	960503	96	DS	DS	(9601)	960116	APPLI	951215	1916 Wilsco Ln McLean VA 22102; 6477277
Rudy, Joseph	GS-14	960205	B		96	RET	A/FBO/FE/PN	9301	950817	APPLI	950404	Ret. 12/31/95; 7038756374
Saukers, Willies	FO-02	960205		960514	96	AID	AFR/WA			APPLI	960123	1307 Van Buren Dr. Ann MD 21403
Silva, Alan	FE-OC	960205	A	960504	96	AID	ENI/HR			APPLI	960123	POB 10671, Ar VA 22210
Smith, Scott	FE-OC	960205	A	960531	96	AID	PPC/CDE	9409	951206	APPLI	951128	Involuntary
Tomasi, Myron		960205		960405	96	AID	Udapest	?	950917	Memo	950728	Checking with AID
Worrel, Stephen	FO-01	960205	A		96	RET	INR/IL	(9601)	950804	MEMO	950711	7035384076; tr. to 2/96; Ret. 9/30/95
Wozniak, Robert	FE-OC	9602205A		960301	96	USIA	B/E	(9601)		APPLI	960123	2026191048; Fax 2026192053
Zavis, William	FE-OC	960205	A		96	RET	OSLO	(9601)		PHONE	951010	Ret. 8/31/95; Tr. fr. 10/95; 4/26/96/12/95

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\* Types of Participants are as follows: A = Involuntary or Mandatory Retirement; B = Voluntary Retirement; C = Junior or Mid-level Non-tenured Officer; D = Part-time JSP; E = Performance Standards Board Separation.

Summary of Participants: USIA (4); AID (7); Total Other Agencies = 13; SO (0); SEC (2); CS (2); ADM (6); GSO (2); EC (1); POL (5); CON (1); PROF (1); DS (2); AMB (4); PER (1); B&F (1); Total Department of State = 29; Grand Total: 43.

CANCELLATIONS:

Charlton, John	FP-02	960205	A	RET	96	GSO	Beirut	9506	950804	APPLI	950725	After 9/29/95 (RET)	Arden, NC
Davis, John B.	FP-05	960205	B	960503	96	ADM	Dublin	(9601)	950817	CABLE	950811	Retiring at post: 8/23/95 ph.	
DeJarnette, Edmund	FE-MC	960205	A	KET	96	AMB	(Luzon)	(9601)		PHONE	951018	8047888677; Ret. 8/31/95; 8/02/9606/95	
Fuerst, Dean	FP-03	960205	A	960331	96	PROF	Budapest	(9601)	960118	APPLI	951213	0113611126450	
Gibson, Stephen	FE-MC	960205	A	RET	96	SO	ARA/MEX	9501	950927	FAX	950830	2026478529; ret. 9/29/95	
Hanson, John	FE-MC	960205	A	RET	96	AID	AID	(9601)		APPLI	950630	RET 7/31/95; 6/30/8/3/95; r 10/95	
Hunter, Timothy	FP-03	960205	A	RET	96	FMP	FMP/IFS	(9601)	960117	APPLI	951113	POB 13108ArlVAZ2219; 6695558	
Hurwitz, Edward	FE-MC	960205	B	960503	96	AMB	PA/HO	9501	950613	Phone	950612	Tr. fr. 10/95; Memo: 2/20/95-resp. 3/8/95	
Myers, Walter	FP-04	960205	B	960503	96	ADM	Madras	(9601)	951102	CABLE	951017	1 Cable earlier not forwarded	
Pita, Mario	FE-MC	960205	A	960319	96	AID	Honduras	9010	950927	APPLI	950804	RA-8/4/95	
Reilly, James J.	FO-01	960205	B	RET	96	EC	A/EM/IS/FPC	(9601)	951214	APPLI	951214	12808KomperLane; Bowie MD 20715	
Warpula, Karin	FP-03	960205	B	960503	96	ADM	EAP/EX	94?	951025	MEMO	951002	Rm. 4313A	

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NAME	RANK	START DATE	TYPE*	RETIREMENT DATE--FY	CONE	POST	SEMINAR DATE--ANSWER--DATE	REQUEST DATE	NOTES
<b>APRIL 1996 JOB SEARCH PROGRAM</b> (Apr 5 - 45 Clients)									
Alli, William	GS-14	960401	B	960430 96	AID	M/MPPI	9406	960315	APPLI 960229 2026472172;Fax2027367189
Babin, Virginia	FP-07	960401	B	960703 96	SEC	Guzatemala	(9603)	950817	CABLE 950628
Beckham, Robert	FO-01	960401	D	P/T 96	EC	S/RPP	9504	951025	MEMO 950906 Excep. last 60 days: 6/3-8/1; TIC; RA?; 72286
Bernier, Charles	FE-OC	960401	B	960531 96	USIA	Islamabad	(9603)	960212	APPLI 960205 90119251221012;90119251221018
Bratrud, Theodor	FS-02	960401	B	960601 96	AID	BHR/OFDA		960124	APPLI 961212 2026477334;Fax6475269
Brown, Bruce	FO-04	960401	A	960703 96	USIA		(9603)	960325	APPLI 960314 c/o ForeignSerLounge
Brown, Philip C	FE-MC	960401	B	960530 96	USIA	Vicna	(9603)	960226	APPLI 960111 4314053347;Fax4314088288
Callaway, Gilbert	FE-OC	960401	B	960530 96	USIA	Madrid	(9603)	962026	APPLI 960111 3415774000;Fax3415768464
Casse, Marshall	FE-MC	960401	B	960630 96	EC	Ottawa	9206	951214	APPLI 951128 6132384470;fax6132342588
Chillura, Anthony	FE-OC	960401	B	960430 96	USIA	FP	(9603)	960213	APPLI 960122 2027240032;Fax2027240122
Collaga, Helen	FO-03	960401	A	960630 96	CON	Calcutta	(9603)	951026	MEMO 950928 Mandatory: b-6/28/31
Constable, Elinor	FE-MC	960401	B	96	SO	OES	(9603)	950320	MEMO 960318 2022445905;Fax2023645134
Dieterich, William	FE-MC	960401	A	960430 96	USIA	M/HRFZ	(9603)	960212	APPL 960131 23125SecondSt.ArVa22204;7034867075
Eberle, Kyra	FO-01	960401	B	960430 96	USIA	LSAS	(9603)	960325	APPLI 960131 Rm550;2026195070;Fax6194175
Ellington, Herman	FS-03	960401	B	960630 96	ADM	A/IM/SO/FO	9510	960315	APPLI 960306 Rm4422;2026473456;Fax2027364003
Finkelstein, Phyllis	FS-05	960401	B	960703 96	SEC	NEA/ARN	(9603)	960212	APPLI 951213 Rm6250;6472670;Fax6470989
Gagen, John	FS-03	960401	B	960703 96	ADM	IM/SO/TO/PIF	9301	960227	MEMO 960125 Rm453SA6;8756120
Garcia, Ricardo	GS-14	960401	B	960628 96	AID	M/OP/TRANS		960306	APPLI 960215 78110HysionParkCTFCVa22043
Garrod, Larry	FP-04	960401	A	96	JO	DGP/OC		960326	PHONE 960326 2027768406
Ge, Willie	GS-13	960401	B	RET 96	GS	OIS/RA/RD	9309	960123	MEMO 951207 Retired 12/31/95;3013360336w496
Gonzalez, Adele	FS-06	960401	B	960703 96	SEC	Ottawa	(9603)	960209	MEMO 960131
Gustafson, Marianne	FO-02	960205	A	RET 96	CON	Stockholm	(9601)	960215	APPLI 951006 Ret. 113095; RA-10/6/95
Herrin, Audrey	FS-06	960401	B	960630 96	SEC	NEA/ARN	(9603)	960129	APPLI 951127 Room6250;6474453
Hill, Barry	FS-02	960401	B	961111 96	AID	G/ENV/ENR	(9603)	960315	APPLI 960304 5805N26thSt.ArVa22207;7032177618
Hjelt, John	FS-01	960401	B	960430 96	AID	Rwanda	(9603)	960320	APPLI 960307 c/oM/HR/POD/CDRm608SA-36
Jakubowski, Stanley	FO-01	960205	B	RET 96	ADM	Singapore	9208	950606	CABLE 959531 Ret. 10/31/95.0
Jarrell, John	FP-02	960401	D	P/T 96	DS	DS/PEL/SEM	9409	951025	FAX 950918 Excep. last 60 days: 7/1-8/31; Mand.; RA?
Leverette, Sue Anne	FP-05	960401	B	960703 96	SEC	Kathmandu	(9603)	951025	CABLE 951011 Spouse Thomas also RPS
Lippe, Michael	FE-OC	960401	A	960430 96	AID	G/ENV/UP	94006	951026	APPLI 951002 Transfer from 2/95; 7038754230
McLeod, Evelyn	FS-01	960401	A	960531 96	AID	ENI/HR		960315	APPLI 960226 7205PinecrestRdBaltMD21228;4107470211
McNeil, Geraldine	RS-05	960401	B	960703 96	SEC	EAP/EX/PMO	(9603)	951129	MEMO 951018 6476204
McNeil, Peter	GS-12	960401	B	960430 96	GS	DS/OA/ASD	(9603)	951113	MEMO 951106 6630080
Middleton, George	FS-02	960401	B	96	EC	FMP/F/IFS	(9603)		APPLI 960301 Rm5000SA15;7038755628;Fax8755639
Morton, Carole	FS-04	960401	B	960703 96	SEC	Zagreb	(9603)	960307	FAX 960306 38514555848;Fax38514550394
Naya, Mary	FP-07	960401	B	960430 96	SEC	Cairo	(9603)	960306	APPLI 960226 Unit64900Bx6AFOAE09839
Perez, Virgilio	FP-03	960401	A	960531 96	AID	OMS	(9603)	960315	APPLI 960304 2117ESTnWWDc20037;Fax2026598601
Rector, Mary	FP-01	960401	B	960430 96	USIA	Quito	(9603)	960215	APPLI 960131 90115932562896;Fax0115932569072
Sargant, Walter	FE-OC	960401	A	960703 96	SO	Manila	9506	950531	CABLE 950511
Segars, Joseph	FA-OC	960401	A	960331 96	CON	Praia	(9603)	960123	APPLI 960117 P/T;Retire 3/31/96
Seigal, Sarah	FS-02	960401	B	960703 96	ADM	FSL/SPS/AT		951129	MEMO 951114 7033026978;RmF4130,SA42

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Tom, Margaret	FP-04	960401 B	960703 96	SBC	PRM	9109	951214	MEMO	951214	Room5824
Wilford, Jean	FP-06	960401 B	RET 96	SEC	Retired		960306	LETT	960213	9050Henry75NPinsonAL35126
Wollenborg, Leo	FE-OC	960401 A	RET 96	CON	OIG/ISP	9409	950315	MEMO	960215	OIG/ISP(was);7032842730;SA39Rm930
Xochitlan, Alba	FP-04	960401 B	960430 96	SEC	PER/CDA/ASD	9406	950315	MEMO	960311	c/oPPR/CDA/ASD,Room2419M45

**CANCELLATIONS:**

Guzman, Cecilia	FP-03	960205 B	960930 96	B&F	A/OPR/ST/TD	9406		APPLI	951214	Pending her decision
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**NO SHOW:**

Bailey, Eugene	FO-01	960401 B	951231 96	ADM	A/FBO		960209	APPLI	951211	SA6Rm963;8756872;Fax7038122390
Menroe, Eldera	GS-07	960401 B	RET 96	GS	DFO/OP/RAD	9506	950617	APPLI	950630	Retired 12/31/95;7038757126
Womack, Barbara	FP-06	960401 B	RET 96	SEC		9006		MEMO	960326	POB48325OakPt;MI48237

**Summary of Participants:** AID (8); USIA (8); FCS (0); FAS (0) - Total Other Agencies (16); SO(2); EC (3); POL (0); CON (4); ADM (1); DS (1); AMB (0); GSO (0); B&F (0); SEC (11); GS (2); IO (1) - Total Department of State; ; Grand Total: 45.

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NAME	RANK	START DATE	TYPE	RETIREMENT DATE--FY	CONE	POST	SEMINAR DATE--ANSWER--DATE	REQUEST DATE	NOTES
<b>JULY 1996 JOB SEARCH PROGRAM</b> (July 24, 1996 - 86 Clients)									
Adesso, Elena	FP-03	960401	B	960703 96	SEC	DGP/PER	9101 960212	FAX 950919	Tr.fr 4/96JSP; (6/12/95/5/8/95;2/9/96)
Allao, L. Stuart	FE-OC	960701	A	960930 96	SO	EAP/EP	9601 951129	MEMO 951124	6474835;FAX6470136
Aubert, Jack	FS-01	960701	A	960930 96	EC	IM/RM/PPB	9501 960507	APPLJ 960416	2615WestStFCVa;6473227
Austria, Robert	FE-OC	960701	A	960930 96	SO	Brazilia	9410 950911	CABLE 950824	
Barquist, Walter	FP-01	960701	B	960930 96	ADM	Med	(9606) 951114	MEMO 951113	Fax90112712342269
Barrera, Manuel	FS-01	960701	A	960930 96	ECON	FSI	(9606) 951129	FAX 951127	7033026750
Biddick, Thomas	FS-01	960701	A	960830 96	POL	AIT	(9606) 960307	APPLI 960213	AITKaoksiung;88672240154
Binnis, William	FP-02	960701	A	961001 97	ALD	ENJ/ED/SB	(9606) 960507	APPLI 960429	7140RooseveltAveFCVa22042
Bock, J. Richard	FE-OC	960701	A	960930 96	SO	AIT/W	9301 960215	APPLI 960206	1700NMooreSte1700ArIVa22209
Brown, David	FE-OC	960701	A	960930 96	POL	EAP/K	9501	APPLI 960303	7701MaryknollAvBethMD20817
Brown, Gordon	FE-MC	960701	A	960930 96	AMB	OIG/ISP	9506 951001	APPLI 950828	7032842764
Burgess, Roger	FE-OC	960701	A	960930 96	SO	c/o CDA/SO	(9606) 960621	PHONE 960620	Fax202736-4531
Cabrera, Carlos	FO-01	960701	A	960802 96	AID	USAID/KG	(9606) 960626	APPLI 960607	3708 RidgeRdAnnondaleVa22003
Casey, Edward	FE-MC	960701	A	960930 96	SO	ARA	9301 960401	FAX 960321	Rm6263;2026470754;Fax6470791
Chao, John	GS-14	960701	B	960731 96	AID	G/PHN/POQ	(9606) 960520	APPLI 960502	9914ChaseHillCIViennaVa22182
Clark, Warren	FE-MC	960701	A	960930 96	AMB	EB/CIP	9406 960401	APPLI 960315	2929MacombSUNWashDC2008
Clunan, James	FE-OC	960701	A	960930 96	SO	Ankara	9406 960215	APPLI 960105	903124686110;fax903124684775
Connell, James	FE-OC	960701	A	960930 96	SO	PM/SDE	9601 950927	FAX 950918	7036933901
Couch, Thomas	FP-02	960701	A	960930 96	ADM	IM/SO/DO/C	9002 960215	MEMO 960211	Rm5440;6471641;Fax6476377
Crowfoot, Arthur	FS-02	960701	A	960930 96	ADM	A/DM	(9606) 960205	MEMO 960113	Rm5440;6471641Fax6476377
Cubbiacos, Edwin	FE-OC	960701	A	960930 96	SO	New Delbi	(9606) 960206	CABLE 960104	Fax91116872028
Daris, Charles	FE-OC	960701	A	960930 96	SO	Jeddah	9109 951027	FAX 951019	Tr.fr.10/95;529-40695
Deal, Timothy	FE-MC	960701	A	960930 96	SO	London	(9606) 950817	CABLE 950626	Probable TIC
Dorris, Carl	FS-01	960701	A	960930 96	EC	Ankara	(9606) 960401	APPLI 960320	PSC93Bx5000APOAE09823
Dougherty, Martin	FS-01	960701	A	960930 96	POL	c/o PER/CDT	(9606) 960626	PHONE 960626	
Edgerton, Robert	FP-03	960701	A	960831 96	USIA	VOA	(9606) 960624	FAX 960604	c/oTraining;2026191092;Fax2058427
Eubank, Margaret	FO-01	960701	A	960930 96	USIA	LGEA	(9606) 960604	APPLI 960423	2022050632;Fax2024011488
Farley, Thomas	FE-OC	960701	A	960930 96	SO	Kuwait	(9606) 950907	FAX 950823	
Fijol, Joseph	FP-03	960701	A	960831 96	USIA	VOA	(9606) 960624	FAX 960604	c/oTraining2022056191092;Fax2058427
George, Lloyd	FS-01	960701	A	960929 96	EC	Stockholm	9301 960401	FAX 960326	0114687835323;Fax4686611964
Haines, George	FE-OC	960701	A	RET 96	SO	A/OPR/ST	9504 950817	APPLI 950628	7038756065;probable TIC;ret.8/31/95
Hester, Donald	FS-01	960701	A	960929 96	POL	PM/EX	9601 960418	APPLI 960318	4817KinstonDrAnnVA22003-6148
Himes, Thomas	FP-03	960701	A	961003 97	DS	DS/ST/STO	8710 960213	APPLI 960124	6134BEDsallRdAlexVa22394;2026630318
Hoffman, William	FO-01	960701	A	961001 97	ADM	San Salvador	(9606) 950601	FAX 950428	TIC warning only
Jarrell, John	FP-02	960701	A	960831 96	DS	DS/PEL/SEM	9409 951025	FAX 950918	Except last 60 days:7/1-8/31;Mand.;RA?
Kennedy, G. Alfred	FE-OC	960701	A	960930 96	SO	Toronto	9601	APPLI	POB135LewistonNY14092;4165951648
Kleinmuth, Alexander	FP-02	960701	A	960930 96	ADM	Kuala Lumpur	(9606) 950802	CABLE 950721	FAX-6/12-Ans.6/17; TIC warn;RPS8908
Kotheloff, Mary	FO-03	960701	A	960930 96	ADM	Bamako	9605	FAX 960319	E-Mail5/19/96

Lijek, Mark FO-01 960701 A 961003 97  
 Lowe, George FE-OC 960701 A 960930 96  
 Marcott, Edward FO-01 960701 A 960930 96  
 Marcus, Randolph FO-01 960701 A 960930 96  
 Marshall, David FP-03 960701 A 960930 96  
 Martin, Thomas FE-OC 960701 A 960930 96  
 McDowell, Robert FE-OC 960701 A 960830 96  
 Meinhart, Harold FS-01 960701 A 960930 96  
 Metrinko, Michael FO-01 960701 A 960929 96  
 Millan, William FO-01 960701 A 960930 96  
 Milligan, Michael FS-01 960701 A 960930 96  
 Moffitt, William FS-01 960701 A 960930 96  
 Mohr, Mark FO-01 960701 A 960930 96  
 Moore, Ralph R. FE-MC 960701 A 960930 96  
 Mousa, Arafat FP-04 960701 A 960831 96  
 Murphy, Thomas FO-01 960701 A 960930 96  
 Neal, Alfred FS-02 960701 A 960930 96  
 Nix, John FE-OC 960701 A 960930 96  
 Nora, Clyde G. FO-01 960701 A 960930 96  
 Olson, V. Edward FS-01 960701 A 960930 96  
 Pace, Robert S. FO-01 960701 A 960930 96  
 Peashock, David FO-01 960701 A 960930 96  
 Pelletreau, Nancy FO-01 960701 A 960930 96  
 Perkins, Anthony FO-01 960701 A 960930 96  
 Pitts, John FS-01 960701 A 960930 96  
 Pozorski, David FO-01 960701 A 960930 96  
 Quaterman, Neil FP-04 960701 A 961003 97  
 Rechcigl, Miloslav GS-15 960701 B 960831 96  
 Roucher, David FS-01 960701 A 960930 96  
 Robins, David FS-01 960701 A 960903 96  
 Salmon, Charles FE-MC 960701 A 960930 96  
 Scarlis, Basil FO-01 960701 A 960930 96  
 Schlammer, Paul FO-01 960701 A 960930 96  
 Schloeder, Kathleen FO-02 960701 A 960730 96  
 Schmiel, Eugene FO-01 960701 A 960930 96  
 Schoover, Richard FE-OC 960701 A 960831 96  
 Smith, Charles B. FO-01 960701 A 960930 96  
 Snyder, Robert FS-02 960701 A 960930 96  
 Talcott, Gregory FO-01 960701 A 960930 96  
 Thurman, J. Richard FO-01 960701 A 960930 96  
 Tea, Benjamin FS-01 960701 A 960930 96  
 Tyson, Donald FO-01 960701 A 960930 96  
 Warren, Louis FE-OC 960701 A 960930 96  
 Widenhouse, Thomas FE-OC 960701 A 960930 96  
 Wilkinson, Theodore FE-OC 960701 A 960930 96  
 Wilson, Jerry FS-01 960701 A 960930 96  
 Winn, David FS-01 960701 A 960930 96

ADM NEA/SA/EX/PM (9606) 950911 MEMO 950823 Mandatory 11/01/96;2026474895  
 SO IFR/REE/BEX 9404 950818 FAX 950817 TIC confirmation by phone  
 EC EB/TTP/ATP 9501 960409 APPLI 960315 Rm3526;2026473090;Fax6471894  
 POL Buenos Aires (9606) 950911 FAX 950911  
 DS DS/FLD/WFO 9406 960212 MEMO 951212 7033027606;Suite 100, SA-23  
 SO Detail 9504 960315 MEMO 960311 AirUnivMaxwellAFBAL36112  
 USIA (9606) FAX 960614  
 POL Oslo 9301 CABLE 951127  
 CON PRM/ENSA (9606) MEMO 960515 9604JudgeC/ViennaVa22181  
 POL ARA/USOAS (9606) 951027 APPLI 950925 2026479483  
 ADM Milan 9406 960215 APPLI 951226 01139229035336;Fax0113929001165  
 POL M/P (9606) 951129 MEMO 951127 6473797;FAX6472524  
 SO Canberra (9606) 950911 APPLI 950907 Room 4B661, (H) 7034957782  
 USIA VOA (9606) 960215 APPLI 960122 PSC277Bx109APOAP96549  
 CON Jakarta (9606) 960624 FAX 960604 c/oTraining2026191092;Fax2058427  
 CON Guatemala (9606) 950818 CABLE 950801  
 SO INLP 9601 951213 APPLI 951208 Fax0115022310564;0115022311541  
 ADM PER/REE/BEX (9606) 950911 FAX 950823 2026479090;FAX2027364291  
 EC ARA/SCO 9506 960315 APPLI 960229 7038756815, Fax:875-7243 (SA-15)  
 POL PA/HO 9601 950927 FAX 950829 RmJ250;6470614;Fax7367618  
 EC Tunis (9606) 960206 CABLE 960104 TIC-P/T 2/96 JSP-last 60 Aug./Sept.  
 CON CA (9606) 960208 FAX 960123 2027364987  
 CON DRL/ASY 8808 951213 MEMO 951207 Room 7811;2027768958;FAX2027768528  
 EC EB/TTP/ATT (9606) 960213 APPLI 960131 Rm3526;6471813;fax6471894  
 POL S/IR (9606) 950617 MEMO 950612 TIC warning only  
 JO Munich (9606) FAX 960513 901149892888761;Fax:49892802317  
 AID PPC/CDLE (9606) 960628 APPLI 960612 1703 MarkCaveRockvilleMd20852  
 POL IS/FPC/CDR 9409 APPLI 960205 Room 1434;6473715;Fax6475094  
 EC INR/NEA ? 9606 APPLI 960621 Room 4634;2026475192;Fax6474296  
 AMB PM (detailed) (9606) APPLI 951212 3019KalamazooAveAnnArborMI48106  
 EC Athens (9606) 950911 FAX 950831 FAX 6/12/95; TIC warning only  
 POL EB/TRA/AVP 9406 950617 MEMO 950605 FAX 6/12/95; TIC warning only  
 USIA LTDHR (9606) 960505 APPLI 960604 RmM22;Fax2026196520  
 POL PER/PE 9601 951206 FAX 951129 FAX2022245301  
 USIA Brussels (9606) APPLI 960329 90113227264580;Fax90113227269368  
 POL EUR/PM (9606) 951108 APPL 951108 RA-- 7036976026;(use home address)  
 POL EAP/ANZ (9606) 960208 APPL 960123 Rm4209;6479691;RPS08/89  
 POL S/FSG 9510 FAX 950928 7032353181; trf: 10/95 JSP 9/28/95(6/26/95)  
 POL A/IS/FPC/CDR 9603 960307 APPLI 960212 Rm1434;6472846;Fax6475094  
 POL EUR/RPM (9606) 960612 APPLI 960610 1456 PathfinderLnMcLeanVa22001  
 CON PER/G 9501 950911 MEMO 950828 7032359518  
 SO Bombay 9506 960206 APPLI 951213 01191223633611;Fax01191223630358  
 SO PER/CD/A 9204 950911 FAX 950908 2026474432  
 SO Brasilia 9101 CABLE 951121  
 DS OIG/OSO/ISP 8710 960213 APPLI 960117 Room800SA39;7032841897;Fax2841847  
 POL Dhahran 9401 960213 APPLI 951227 CommGenUnit66803APOAE89858



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Woodruff, Larry FO-01 960701 A 961083 97 CON Manila (9606) 950620 MEDAO 950609 Resp.FAX 6/12,17& 20; clos.win.'96 panels

Not TIC'ing in September 1996:

Benquist, Walter FP-01 960701 B 961001 96 MED Pretoria (9606) 951001 CABLE950706 Tentative on space 6/1/96-8/17/95  
 Stuvaga, Lynn FP-03 960701 B 961001 96 GSO Bridgetown (9606) 951001 CABLE950921 Not eligible?; Any special reasons?

CANCELLATIONS:

Bogosian, Richard FE-MC 960701 A 960930 96 SO AF/FO 9309 960418 MEMO 960409 Rm6236;6471818;Fax6476301  
 Browning, James FP-01 960701 A 960930 96 B&F EUR/EX/BUD 9206 950911 FAX 950911 2026473279  
 Carlson, Roger FE-MC 960701 A 960531 96 AJD Mozambique 9006 960401 APPLI 960212 90112581491670  
 Carter, Landon FO-01 960701 A 961001 97 ADM Bangkok 9406 950601 FAX 950510 Family considerations exception  
 Chaca, Thomas FP-02 960701 A 961003 97 DS A/FBO/PE/CSM 9306 960212 MEMO 960125 7035161593;Fax7035161642  
 Hahn, Zachary FO-01 960701 A 961203 97 AID ANE/EA 9306 960506 APPLI 960328 3207FoxMtlRdOakVa22124;6474515  
 Olsen, Norman FS-01 960701 A 960830 96 AID Kampala 9601 960401 APPL 960208 901125641244890;Fax901125641233417  
 Perkins, Edward FE-CM 960701 A 960815 96 SO Canberra (9606) 960409 APPLI 960401 901161062705841  
 Poole, Virginia FS-03 960701 B 960831 96 AID New Delhi (9606) 960520 APPLI 960508 Fax901191116868594  
 Richardson, Karl FE-OC 960701 A 960930 96 SO Seoul (9606) 960409 APPLI 960405 Unit15550APOAP96205  
 Woodward, Richard FO-02 960701 A 961003 97 AID IG/A/FA (9606) 960626 APPLI 960625 12207Quick.FoxLaBowieMd20720

NO SHOWS:

Hicks, Irvin FA-MC 960701 B 961003 97 AMB Addis Ababa (9606) 960412 CABLE 960401  
 Kessinger, James FS-01 960701 A 960930 96 ADM Beirut (9606) 960307 APPLI 960220 90119611402200;Fax90119611407112

03/08/97 15:38 0703 20C 0178

OCTOBER 1996 JOB SEARCH PROGRAM  
(December 17, 1996 - 101 Clients)

Antico, Peter	FE-OC	961007	A	961205	97	USIA	Mexico City	(9609)	960814	APPLI	960426	POX3087LaredoTx780443087
Baum, Harold	FS-02	961007	B	970103	97	CON	INR/PMW	9601	960313	APPLI	960411	16FoxRunLaFredericksburgVa22405
Berube, Elizabeth	FP-02	961007	B	970103	97	CON	CA/VO/P/I	9601	950927	FAX	950922	Transfm2/96&A/96
Betta, Lou	FP-03	961007	B	970103	97	ADM	IM/SO/FO	(9609)	960514	MEMO	960328	
Borner, David	FE-OC	961007	B	970103	97	SO	A/IM/SO/FO	(9609)	960815	APPLI	960815	Rm4422;2026473803;Fax7364003
Boyle, John	FE-MC	961007	B	970103	97	SO	A/IM/FPC/CDR	9309	960419	APPLI	960124	4603OrdinaryCtAnnaVA22003
Braunstein, Arthur	FS-02	961007	B	970103	97	AID	Banako	9306	960826	APPLI	960417	Fax9011223223933
Bricker, Gary	FS-02	961007	B	970103	97	AID	Jakarta	?	950815	FAX	950807	Awaiting AID Roster
Burdick, John	FS-02	961007	B	970103	97	AID	G/PHN/OFPS		960806	APPLI	960729	132511thStNW/WDC20036
Burkart, Helga	FS-01	961007	B	961130	97	CON	Dhahran	(9609)	960514	MEMO	960324	Mand11/30/96;Fax901196638916816
Caurvorst, Michael	FO-01	961007	B	970103	97	CON	Stuttgart	(9609)				E-MAIL 960801 Fax901149711244917
Chamberlin, James	FS-01	961007	B	970103	97	PROF	Rome	(9609)	960517	FAX	960508	901139646742345;Fax901139646742663
Clark, Alfred	FS-01	961007	B	961231	97	ADM	PER/BEX	9601	960725	APPLI	960708	5776CrownkighCtBurkeVa22015
Debaar, Albert	FP-03	961007	B	970102	97	ADM	Bonn	(9609)	960481	CABLE	960222	
Diaz, Leticia	FE-OC	961007	B	961130	97	AID	Kampala	9601	960506	APPLI	960411	901125641235174;Fax901125641233417
Dickson, Loretta	FS-04	961007	B	970103	97	SEC	EAP	9006	960725	APPLI	960717	Rm6205;2026476918;Fax6477350
Dion, Jerrold	FE-MC	961007	A	RET	96	SO	Istanbul	(9609)	960717	APPLI	960616	9011902122513218
Ditmer, Clark	FE-MC	961007	B	961231	96	SO	DS/DS	(9609)	951030	MEMO	950918	7034828775
Doyle, Michael	GS-15	961007	A	970103	97	AID	M/ROA	(9609)	960311	APPLI	960215	7038600656;6632481
Duffy, Carol Ann	FP-04	961007	B	970103	97	SEC	Ouagadougou	(9609)	950818	CABLE	950711	Spouse Patrick for RPS
Dumont, C. Robert	FS-02	961007	B	970103	97	B&F	FSEB	(9606)	960710	APPLI	960628	7032353181;Fax2354405
Dwyer, Patricia	FP-05	961007	B	970103	97	SEC	NEA/SA/EX/PM	(9609)	960419	MEMO	960408	Fax2026470283
Dyala, Jake	FE-OC	961007	B	970103	97	SO	PER/EXAM	(9609)	960725	APPLI	960710	SA15;7038757230;Fax8757243
Eaton, Mark	FO-01	961007	A	961101	97	POL	Surabaya	(9609)	951030	MEMO	951006	Closed Window TIC
Emey, Kenneth	FS-01	961007	B	970103	97	ADM	A.DTS/-PO	9006	960710	MEMO	960415	H7037548384;W7036076124
Falkner, William	FS-01	961007	A	RET	96	EC	Geneva	9504	960520	APPLI	960420	7921GreelyBlvdSpringVA22152
Faulk, Richard	FE-MC	961007	B	961231	97	SO	A	(9609)	960401	APPLI	960117	1559MaryEHenCtMcLVA22101
Fichte, Royce	FE-OC	961007	B	961231	97	SO	PER/BEX	?	960725	APPLI	960710	705BostonAveTakomaPkMd20912
Flynn, Kay	FP-04	961007	B	961231	97	SEC	AF/EX	9306	960215	APPLI	960206	AF/EX,Rm3517;6471298;Fax6476805
Forrest, Gregory	FP-03	961007	B	970101	97	PROF	A/FBO/FACTS	9501	960222	MEMO	951204	7035161617.SA-6
Franklin, Douglas	FE-OC	961007	B	961101	97	AID	Moacow	9306	960708	APPLI	960701	901170959405841;Fax70959567092
Gaudet, John	GS-14	961007	B	970113	97	AID	AFR/SD	(9609)	960514	APPLI	951025	6525MulroyStMcLeanVA22101
Garvin, Anne	FE-OC	961007	B	961005	97	USIA	FSQB	(9609)	960819	APPLI	960731	2027977106
Harrid, John	FE-MC	961007A		961130	97	USIA	WEU	(9609)	960819	APPLI	960808	Run751;2026196565
Hoortin, Earlyne	FP-01	961007	B	961231	97	PROF	London	(9609)	960522	FAX	960522	9011441714088;70;Fax9011441714088104
Holl, Fay	FS-05	961007	B	970103	97	AID	M/MP/OD	9501	960621	APPLI	960529	Room3742;2026472101;Fax2027367189
Hooper, James	FE-OC	961007	B	970109	97	SO	Warsaw	(9609)	960725	CABLE	960712	SpouseRPS(Sylvia)
Hoolahan, J. Michael	FO-01	961007	A	961031	97	USIA	M/HRZ	(9609)	960814	APPLI	960808	RmM05;2026194605
Howell, Charles	FS-01	961007	A	Rifed	97	AID	Mongolia	(9609)	960808	APPLI	960709	5056McArthurBlvdNW/WDC20016
Ikele, Larry	FE-OC	961007	A	961031	97	USIA	B/TV	(9609)	960814	APPLI	960724	Rm3080PHB;2025017806
Johnson, Gilbert	FS-02	961007	B	961231	97	EC	AF/EPS	(9609)	960222	APPLI	960205	6474033;Fax7364583
Johnson, John	FS-02	961007	B	970103	97	B&F	Riyadh	9406	960419	CABLE	960326	
Kayatin, Kenneth	FS-02	961007	B	970103	97	DS	DS/PS/PSD	9106	960809	APPLI	960807	Rm804;7038756549;Fax8756535

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703 302 7416

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Kleiber, Norma	FS-01	961007	B	970103	97	ADM	PER/RCT/CTC	(9609)	APPLI	960725	Rm350SA30;7032354240;Fax2354265	
Kleiman, Kathryn	FP-05	961007	B	970103	97	SEC	S/S-O	9501	960223	MEMO	960222	6470122
Koob, Kathryn	FO-01	961007	A	961130	97	USIA	Canberra	(9609)	960814	APPLI	960726	
Kracke, David	FE-OC	961007	A	961031	97	USIA	NEA	(9609)	960314	APPLI	960711	Rm866;2026195529
Lane, Paul	FP-03	961007	B	970102	97	ADM	Caracas	(9609)	960517	E-MAIL	960419	Pending
Leggio, Anthony	FS-01	961007	B	961231	97	CON	Munich	9006	960517	E-MAIL	960514	
Lineberger, Craig	FP-01	961007	B	RET	97	GSO	Berlin	(9609)	951027	FAX	951005	Not eligible-except space avail.6/1/96
Marte, Jane	FS-01	961007	A	961031	97	USIA	D/C	(9609)	960627	APPLI	960607	Rm858;202619
McGuire, Edna	FS-02	961007	B	970103	97	PROF	Med	(9609)	960724	CABLE	960718	
McGuire, Kenneth	FE-OC	961007	B	961202	97	DS	DS/EX/PLD	9504	960306	MEMO	960117	SA-11;7032046205
Mecklenburg, Clifford	FS-01	961007	B	961231	97	ADM	A/FBO/OPS	(9609)	960222	APPLI	960122	3865WaythornPFFVA22033;5161780
Miller, Barbara	FS-01	961007	B	970103	97	ADM	London	(9609)	960506	MEMO	960229	Fax9011441714088102
Miller, Charles	FP-01	961007	B	961231	97	ADM	FMP/FMS	9205	960514	MEMO	960417	Fax7038756852;4thFlrSA-15
Miller, Stephen	FS-04	961007	C	970103	97	JO	Seoul	(9609)	960801	CABLE	960725	Unit1550APOA/P96205
Montagne, Elizabeth	FO-02	961007	B	961231	97	CON	Brussels	(9609)	950818	CABLE	950728	
Moyer, Lezetta	FO-02	961007	A	961130	97	USIA	Milan	(9609)	960819	APPLI	960711	9011392795053
Murray, Anne	FS-02	961007	B	970103	97	PROF	MED	(9609)	960629	APPLI	960606	2401ESIN/WDC20037;2026631664
Myers, Robert	FE-OC	961007	A	RET	96	SO	Dip-in-Res	(9609)	960523	APPLI	960404	ICoponhiAtiGa
Neuser, David	FS-03	961007	B	961231	97	ADM	Frankfurt	(9609)	960724	CABLE	960531	Fax90114969748938
Newman, Margaret	FS-06	961007	B	970103	97	SEC	Monterrey	(9609)	960717	CABLE	960617	Fax90112583420177
Nico, Jeremy	FE-OC	961007	A	970103	97	SO	Islamabad	9504	960708	MEMO	950830	Contact CDO Lucille Thomas by phone
Odor, Sandra	FS-02	961007	B	970103	97	ADM	NEA/SA/EX	8902	960710	APPLI	960708	Room4249A;2026474889;Fax2026470281
Olsen, Norman	FS-01	961007	A	960830	96	AID	Kampala	9601	960401	PHONE	960916	901125641244890;Fax901125641233417
Patterson, Sue	FE-OC	961007	B	970103	97	SO	Florence	(9609)	960515	MEMO	960417	
Pavich, Frank	FS-01	961007	A	RET	96	AID	Egypt	?	960423	APPLI	951121	90112023573314;
Peck, Juliana	FS-03	961007	B	961231	97	POL	PM/SRP	9601	960514	APPLI	960412	2026478214;Fax6479779
Peterson, Robert	FE-OC	961007	A	961130	97	USIA	Rabat	(9609)	960814	APPLI	960603	PSC74Br021APOAE097185000
Piculas, Hilda	FP-07	961007	B	970103	97	SEC	Tel Aviv	9406	960517	E-MAIL	960416	Fax97235173227
Pryce, William	FA-MC	961007	A	97		SO	ARA/CEN	9606	960826	MEMO	960822	Involl0/31/96;Fax2026472597
Pugh, David	FS-02	961007	B	970103	97	ADM	A/FBO/OPS	9601	960419	APPLI	960228	2702ShawnLeighDrVionVa22181
Ransom, Gordon	FE-OC	961007	B	961101	97	AID	OIG/	9406	960627	E-MAIL	960617	8754369
Reese, Bobby D.	FS-01	961007	A	RET	96	AID	Jordan	?	960603	APPLI	960520	49 SpruceAveNewmanGa30263
Richardson, Karl	FE-OC	961007	A	970103	97	SO	Seoul	(9609)	960409	APPLI	970927	Unit15550APOA/P96205
Rodgers, R. Roes	FO-01	961007	B	970103	97	POL	INL/CI	(9609)	960806	APPLI	960801	INL/ICJrRm5819;2027364556;Fax7364515
Royer, Jack	FS-01	961007	A	RET	96	AID	Mbabane	9101	960401	APPLI	960116	901126846430
Royer, William	FO-01	961007	A	961031	97	USIA		(9609)	960819	APPLI	960702	
Sanbrailo, John	FE-CM	961007	A	961130	97	AID	Ecuador	9409	960708	APPLI	960701	90115932521100;Fax90115932561278
Shaw, Vicki	FP-04	961007	B	970103	97	SEC	Mexico City	(9609)	960226	MEMO	960212	Fax0115252070091
Stocum, Glenn	FE-OC	961007	B	970102	97	AID	AFR/EA	9409	960621	APPLI	960612	Room2733A;2026479066;Fax2026479805
Smith, James	FE-OC	961007	A	961031	97	USIA	M/HRZ	(9609)	960814	APPLI	960719	RmM04;2026194605
Spelman, Stephen	FE-OC	961007	A	961131	97	AID	Nigeria	(9609)	960419	APPLI	960326	01123412614621;Fax2341614412
Stansfield, Alan	FP-02	961007	B	961231	97	DS	DS/WR	9501	960517	APPLI	960429	RmL508SA6;7035161551;Fax5161786
Stephan, Charles	FE-OC	961007	B	970103	97	SO	Port-Au-Prince	(9609)	960517	CABLE	960319	
Stephan, Marie	FP-05	961007	B	970103	97	SEC	Port-Au-Prince	(9609)	960517	CABLE	960319	Spouse of Charles L.
Stephans, Patsy	FP-02	961007	B	970103	97	CON	CA/VO/P/D	9601	960522	FAX	960521	Room L701;6631213;Fax2026631608
Teague, Ruth	FS-04	961007	B	970103	97	SEC	Tokyo	9406	960708	FAX	960626	MedicallyRetiring;Fax901181332245312
Tomsoth, Victor	FE-MC	961007	A	RET	96	SO	Vientiane	8901	960621	CABLE	960529	BoxVAPOA/P96546;901185621212584

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Usman, Abraham	FS-05	961007	A	961231	97	AID	Ghana	(9609)	APPLI	960983	Fax:901123321231937
Van Trosck, Douglas	FO-03	961007	B	970103	97	EC	EB/CIP	(9609)	960604	FAX	960603 Room2533A;2026479340
Vertocnik, Robert	FP-02	961007	B	961231	97	DS	A/FBO/RMO	(9609)	960419	MEMO	960226 Rm 1174SA6;Fax:8755771;8755700
Villegorob, Phyllis	FE-OC	961007	B	961231	97	SO	PER/CDA	(9609)	960604	FAX	960603 2026471693;Rm 2328
Waria, Richard	FO-01	961007	A	961201	97	AID	ENI/FS	(9609)	960513	APPLI	960415 8833StarkRdAnnsVa22803;2027367253
Washburn, Michael	FS-03	961007	B	961231	97	ADM	Athens	(9609)	951181	E-MAIL	950823
Wearmouth, Jurgan	GS-12	961007	B	RET	96	GS	IMS/OFO	9109	960627	MEMO	960402
Weitzer, James	FE-MC	961007	B	961231	97	SO	ARA/EX	(9609)	960517	MEMO	951208 2026473685;Fax 2026478949
Williams, Edward	FS-01	961007	A	RET	97	ECON	Kinshasa	(9609)	961010	MEMO	960925
Winch, Fred	FE-OC	961007	A	961130	97	AID	Yerevan	(9609)		APPLI	960812
Woodard, Richard	FO-02	961007	A	961003	97	AID	IG/A/FA		961010	APPLI	960930 12207QuickFxlLaBowickM420728

Summary of Participants: USIA (12); AID (21); Total Other Agencies = 33; SO (17); SEC (11); CS (1); ADM (13); GSO (1); EC (4); POL (3); CON (7); PROF (5); DS (4); B&F (2); JO (1); Total Department of State = 69; Grand Total:

Types of Participants are as follows: A - Involuntary or Mandatory Retirement; B - Voluntary Retirement; C - Junior or Mid-level Non-tenured Officer; D - Part-time JSP; Performance Standards Board Separation.

#### CANCELLATIONS:

Abel, Lawrence	FS-01	961007	B	RET	97	AID	G/EG/AFS	9409	960513	APPLI	960229 2122NRofcStAriVa22204;7035278607
Adesso, Elena	FP-04	961007	B	970103	96	SEC	Jakarta	9101	950612	CABLE	950508 Tr. to 4/96JSP, 9/19/95 FAX
Daris, Charles	FB-C/C	961007	B	RET	96	SO	Jeddah	9109	950606	CABLE	950529 Ret.7/15/96;7/No.7/96 on 8/22/95 tentatively
Eisner, Adolph	FE-MC	961007	B	951231	95	EC	A/IMS/AFPC	9501	950831	MEMO	950822 Retire 12/31/95;took 10/95JSP
Findlay, Barbara	FP-07	961007	C	970103	97	SEC	Dakar	(9609)		FAX	960823 Non-Tenure; c/o CDA:McGehee
Garza, Oliver	FE-MC	961007	B	970131	97	SO	Bogota	9601	960423	APPLI	960200 APO AA 30438;90113713201308
Giusti, John	FS-02	961007	B	970103	97	AID	M/HR/POD	9306	960506	APPLI	960416 6901FernLaAnnsVA22003
Hobin, Gary	FS-04	961007	C	970104	97	JO	Riyadh	(9609)		FAX	960813 Non-Tenure
Hoffer, Richard	FS-02	961007	B	970103	96	ADM		(9609)		E-MAIL	951129 A/IM/DTSP0
Hooper, Paul	FO-01	961007	B	970103	96	ADM	Manila	9506	950928	CABLE	950926
Kelly, Everette	FS-02	961007	B	970103	97	DS	Vienna	(9609)	960227	CABLE	951212
King, Maria	FS-05	961007	B	970103	97	SEC	Geneva	(9609)	960621	CABLE	960528
Lee, John	FS-05	961007	A	970101	97	AID	AFR/WA	(9609)	960507	APPLI	960209 1621DSINE#2WDC20002;6478835
Meyers, Frank	FS-02	961007	B	961231	96	ADM	DTS-PO/SG	9409		MEMO	951206 SA43;7033027868
Sorensen, Paul	FS-01	961007	B	970103	97	DS	DS/PSD/PCB	(9609)	960419	MEMO	960123 RM204SA6;8756344;Fax:8756353
Stevens, Lynn	FP-03	961007	A	RET	96	GSO	Bridgetown	(9609)	960118	FAX	951213 8094364950;Fax:8094295246
Stitt, Wilbert	PS-01	961007	B			ADM			960725	E-Mail	960716
Watson, Eunice	FP-07	961007	C	970103	97	SEC	Nicosia	(9609)		E-MAIL	960820 Non-Tenured
Wooster, Elizabeth	FP-05	961007	B	970103	96	SEC	Copenhagen	9401	951181	FAX	950914 Did not request JSP, just info
Zabetakis, Kathryn	FP-04	961007	B	970103	97	SEC	EUR/EX/PER	(9609)	951030	APPLI	951018 Rover;2026478245

#### NO SHOWS:

Arn, Adrienne	FP-04	961007	B	970103	97	SEC	S/FSG	9404	960819	MEMO	960701
Baskey, Nicholas	FE-MC	961007	B	RET	97	SO	London	(9609)	960222	APPLI	961228 901144122338118
D'Antonio, Victor	GS-12	961007	B	RET	96	GS	A/EX	9306	960522	FAX	960425 Rm4/30/96;238518thSINW#301;WDC20809
DeBoer, Charles	FE-OC	961007	A	RET	96	AID	Senegal	7	960423	APPLI	951118 810NE26thTanGainesvHFL32801
Lyons, John	FE-OC	961007	B	960103	97	PROF	RET	9510	960423	APPLI	950828 21953AgateBeachRd;StCINMN56301
Moyer, Larry	FS-04	961007	B	RET	96	ADM	Mexico	9510	960423	APPLI	951019

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03/18/97

03/18/97 15:37 0703 302 7418

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Purvis, Malcolm  
Scama, Eugene

FE-OC 961007 A  
FE-MC 961007 B

961231 97  
970103 97

AID  
SO

Indonesia  
Dip-In-Res

?  
(9609)

960307 APPLI 951127 901162217806319; Fax 901162213806694  
960423 MEMO 960229 11015OaktreePkSanAntonioTx78249

**Question for the Record Submitted to Patrick F. Kennedy  
House International Relations Committee  
February 25, 1997**

**Q. Given that AIT is supported by funds appropriated to the State Department and is staffed by Foreign Service Officers, what is the relationship of AIT to the Department? Are those officers accountable to anyone in the Department?**

**A. The Taiwan Relations Act (TRA) provides that relations carried out by the USG with respect to Taiwan are to be conducted "in the manner and to the extent directed by the President" through the American Institute in Taiwan or such comparable successor non-governmental entity as the President may designate. The President has delegated his authority under the TRA to the Secretary of State, and the Institute is a contractor to the Department.**

The Institute was created so that the U.S. could carry out unofficial relations with Taiwan. While it is not an embassy, the AIT office in Taipei (AIT/T) is in many practical respects akin to an embassy. Similarly, the AIT office in Washington (AIT/W) fulfills some of the functions that the Department's Bureau of East Asian and Pacific Affairs (EAP) would normally fulfill in Washington. However, because AIT is a contractor, its management and financial requirements differ from those of an embassy or office within the Department. AIT is a nonprofit organization incorporated under the laws of the District of Columbia. The AIT Trustees are appointed and can be dismissed by the Secretary of State and their fiscal responsibilities must be exercised in a manner consistent with the Department's policy directions.

In accordance with the TRA, AIT is largely staffed by personnel separated from the Department or other federal agencies (e.g. USDA, Commerce and USIA) who work under individual contracts with AIT, but who remain accountable to the Department through the terms and conditions of the State/AIT contract.

**Question for the Record Submitted to Patrick F. Kennedy  
House International Relations Committee  
February 25, 1997**

**Q. Who in the Department is responsible for overseeing AIT activities and reviewing their audit reports? How frequently are those reviews conducted?**

**A. Various organizations within the Department share responsibility for overseeing AIT activities. The Bureau of East Asian and Pacific Affairs (EAP) provides policy oversight. The Bureau of Administration, Office of Acquisition (A/OPR/ACQ); the Bureau of Finance and Management Policy (FMP); the Office of the Inspector General (OIG); and EAP have primary responsibility for management and operational oversight and review of audits.**

**Other bureaus having some oversight responsibilities include the Bureau of Legal Affairs (L), the Bureau of Consular Affairs (CA), the Bureau of Diplomatic Security (DS) and Foreign Building Operations (A/FBO).**

**The Institute is required under its contract with the Department to have at least one Circular A-133 audit annually, performed by an independent accounting firm. In addition, various "special audits" and Agreed-Upon Procedures have been undertaken, when appropriate. The results of the annual and special audits are reviewed by the relevant Department bureaus as they are finalized.**



Question for the Record Submitted to Patrick F. Kennedy  
House International Relations Committee  
February 25, 1997

**Q.** Does the quasi-government status of AIT hinder proper management of that organization?

**A.** AIT is a nonprofit corporation that carries out unofficial relations with Taiwan. The unique nature of AIT presents a number of challenges, none of which has precluded proper management. Over the 18 years since its creation AIT has served the American people well. The Department and AIT have worked actively to rectify problems identified during day-to-day operations as AIT's work requirements increased and in AIT inspection and audit reports. These efforts included a new DOS/AIT contract, effective January 1995, which was designed to tighten day-to-day controls. AIT has purchased and is in the process of installing an independent financial management system designed to accommodate its unique needs.

We are confident that these ongoing initiatives will improve the efficiency and operations at AIT.

Question for the Record Submitted to Patrick F. Kennedy  
House International Relations Committee  
February 25, 1997

**Q. What steps are being taken to reform AIT financial management?**

**A. The Department and AIT have been involved in an ongoing process to improve the financial management of AIT. This process included putting in place a new State/AIT contract, effective January 1995, which added requirements designed to reform AIT's financial management. In accordance with this contract, AIT is proceeding with:**

-- The purchase and installation of an independent financial management system which will provide full accounting, disbursing and financial reporting for AIT's operations, and

-- Hiring a Certified Public Accountant for AIT/T to provide additional guidance for overall accounting functions and fiscal reporting.

In addition, the yearly independent audits provide an ongoing basis on which to evaluate whether additional steps need to be taken.

State and AIT are engaged in an ongoing consultative process to monitor AIT's operations to assure its proper management and adherence to management policies and procedures.

