

THE BUDGET IN BRIEF
FISCAL YEAR 2005 BUDGET REQUEST



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THE BUDGET IN BRIEF - FISCAL YEAR 2005

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Department of State Overview

Mission

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

Values

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

Performance Management Methodology

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

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

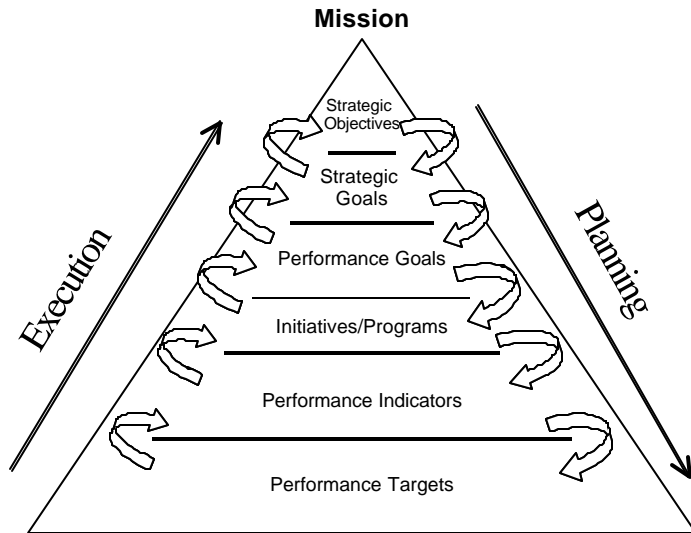
Performance Indicators

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

Performance Targets

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

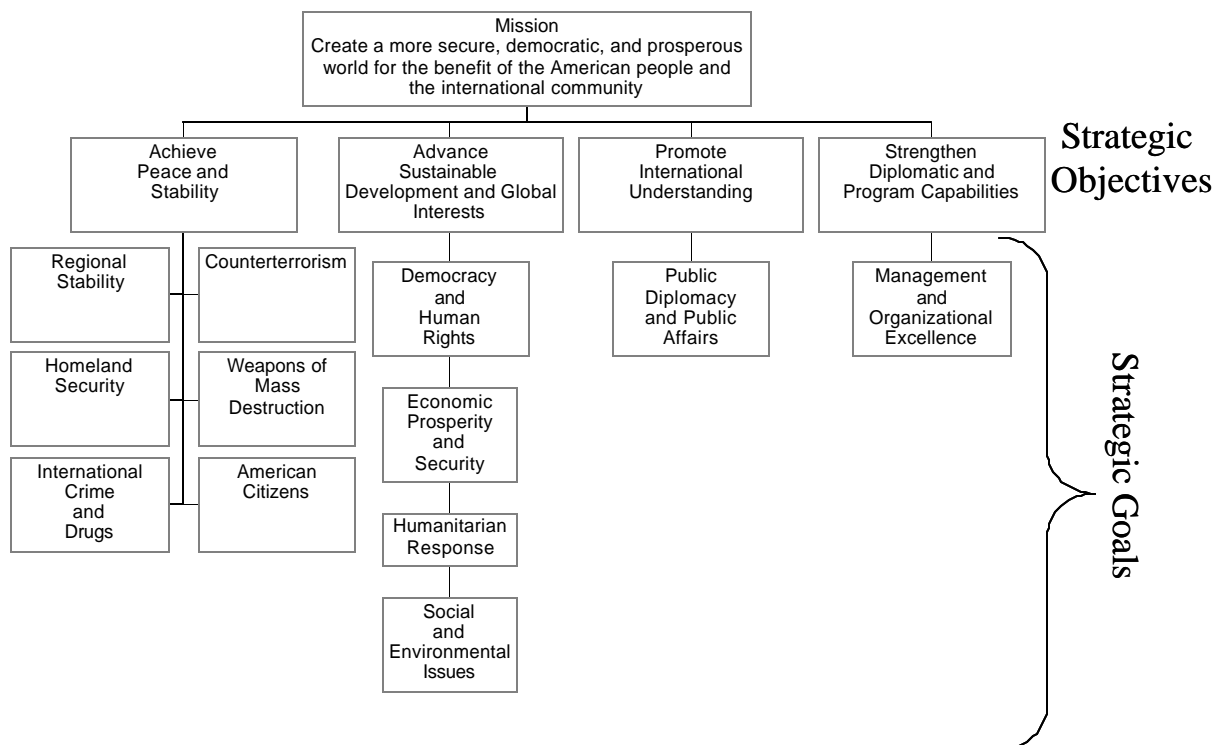
Performance Management Model



Strategic Planning Framework

Consistent with its performance management methodology shown on the previous page, the Department focuses its work around twelve strategic goals that capture both the breadth of its mission and its specific responsibilities. The Department's twelve strategic goals are centered around four core strategic objectives:

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



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BUDGET SUMMARY

The advance of freedom is the surest strategy to undermine the appeal of terror in the world. Where freedom takes hold, hatred gives way to hope. When freedom takes hold, men and women turn to the peaceful pursuit of a better life. American values and American interests lead in the same direction: We stand for human liberty.

President George W. Bush
May 1, 2003

Overview

The United States remains fully engaged in the global war on terrorism. Yet America is fundamentally committed to a campaign beyond the immediate terrorist threat – the expansion of human freedom. In both campaigns, the conduct of the nation’s foreign affairs plays a pivotal role.

The Department of State has helped maintain American leadership of an international coalition to counter terror, while at the same time advancing a broad array of other U.S. interests around the world. This has demanded the application of sustained diplomatic force – and demonstrated the necessity of having the means to deliver it.

The FY 2005 performance budget identifies the resources required for a proactive U.S. foreign policy. It provides funding to meet the President’s commitments in the campaigns we wage. The budget also provides funding to ensure the readiness of American diplomacy – the first line of offense against threats to the security and prosperity of the American people.

FY 2005 Budget Request

The FY 2005 budget request for Department of State appropriations totals \$8.552 billion. This amount represents an increase of \$364 million over the FY 2004 level, including supplementals.

The request sustains key components of the State Department’s operations and infrastructure, as well as U.S. engagement abroad through public diplomacy and international organizations. Moreover, it builds on initiatives for people, security, and information technology to meet new requirements in the post-September 11 environment.

The requested resources will enable the State Department to:

- **Support the war on terrorism**

The request provides \$659 million in Worldwide Security Upgrades to strengthen the security of diplomatic personnel and facilities in the face of terrorism. The program will continue to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. And because people continue to be the single most important factor in deterrence and

BUDGET SUMMARY

response to terrorist acts, it will increase worldwide security staffing by adding 71 security professionals.

- **Strengthen protection of U.S. borders**

The FY 2005 budget provides \$836 million for the Border Security Program, including \$75 million in appropriated funds and \$100 million in fees associated with legislation proposed for later transmittal. Revenue from Machine Readable Visa (MRV) fees and other fees will help fund continuous improvements in systems, processes, and programs to protect U.S. borders against the illegal entry of terrorists and others who would threaten homeland security. This funding will also support the national security requirement to collect biometric data from visa and passport applicants. In addition, the budget request includes \$17 million in the Diplomatic and Consular Programs appropriation for 63 new Foreign Service positions overseas to ensure screening of all prospective visitors or immigrants to the United States as part of the visa adjudication process.

- **Meet critical staffing needs**

The request provides \$44 million to meet new requirements for staff and prevent the hollowing out of the Diplomatic Readiness Initiative (DRI). This funding will support 183 additional positions to shoulder increased workloads overseas and answer needs beyond those originally anticipated by DRI, including staffing for U.S. embassies in Baghdad and Kabul.

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

The request provides \$1.539 billion to support security-related construction projects and address the major physical security and rehabilitation requirements of U.S. embassies and consulates. This funding includes \$785 million for construction of new embassy compounds in eight countries. Under the new Capital Security Cost Sharing Program in the FY 2005 budget, all agencies with overseas staff operating under Chief of Mission authority will begin contributing toward the construction costs of 150 new embassies and consulates over the next 14 years.

- **Exploit information technology**

The Department's total request for IT in FY 2005 from all funding sources is \$831 million. The request provides \$155 million in appropriations for Central Fund investments in information technology (IT). This funding includes \$33 million to implement the State Messaging and Archive Retrieval Toolset (SMART) initiative, which will replace outdated systems for cables and messages with a unified system and serve inter-agency information needs. With every State Department program now dependent on IT, from simple electronic mail to specialized systems, such investments are essential to the business of foreign affairs.

- **Build alliances of common interests through public diplomacy**

The request provides \$309 million in direct appropriations for vigorous public diplomacy to influence foreign opinion and encourage support for U.S. foreign policy goals. In addition to advocating U.S. policies, public diplomacy communicates the principles and values that underpin them and define the nation. The new public diplomacy strategy emphasizes outreach to younger and wider audiences through powerful channels of communication, particularly television and the Internet. The strategy also places increased emphasis on research and analysis to target programs more effectively and on translations to facilitate access.

BUDGET SUMMARY

- **Conduct strategic educational and cultural exchanges**

The request provides \$345 million for educational and cultural exchanges to engage foreign publics and gain their understanding. This funding includes an increase of \$25 million for the Partnerships for Learning (P4L) initiative directed at youth in the Muslim world. P4L seeks to change how young people are educated and receive their information about the United States. By countering anti-American sentiment and negative stereotypes with constructive action and positive dialogue, the education and exchange programs under P4L can help win the war on terrorism for the next generation.

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

The request provides \$1.194 billion to fund U.S. assessed contributions to 44 international organizations, including the United Nations. The request recognizes U.S. international obligations and reflects a commitment to maintain the financial stability and efficiency of those organizations. Multi-lateral diplomacy through such organizations advances key U.S. policy goals and interests, including promoting economic growth through market economies, settling disputes peacefully, encouraging non-proliferation and arms control, and strengthening international cooperation in agriculture and health.

- **Back international peacekeeping efforts**

The request provides \$650 million to pay the U.S. share of projected costs for UN peacekeeping missions. This funding will help support peacekeeping missions in Europe/Eurasia, the Middle East, and Africa, including the UN mission in Liberia started in FY 2003. These peacekeeping activities leverage U.S. political, military, and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

President's Management Agenda

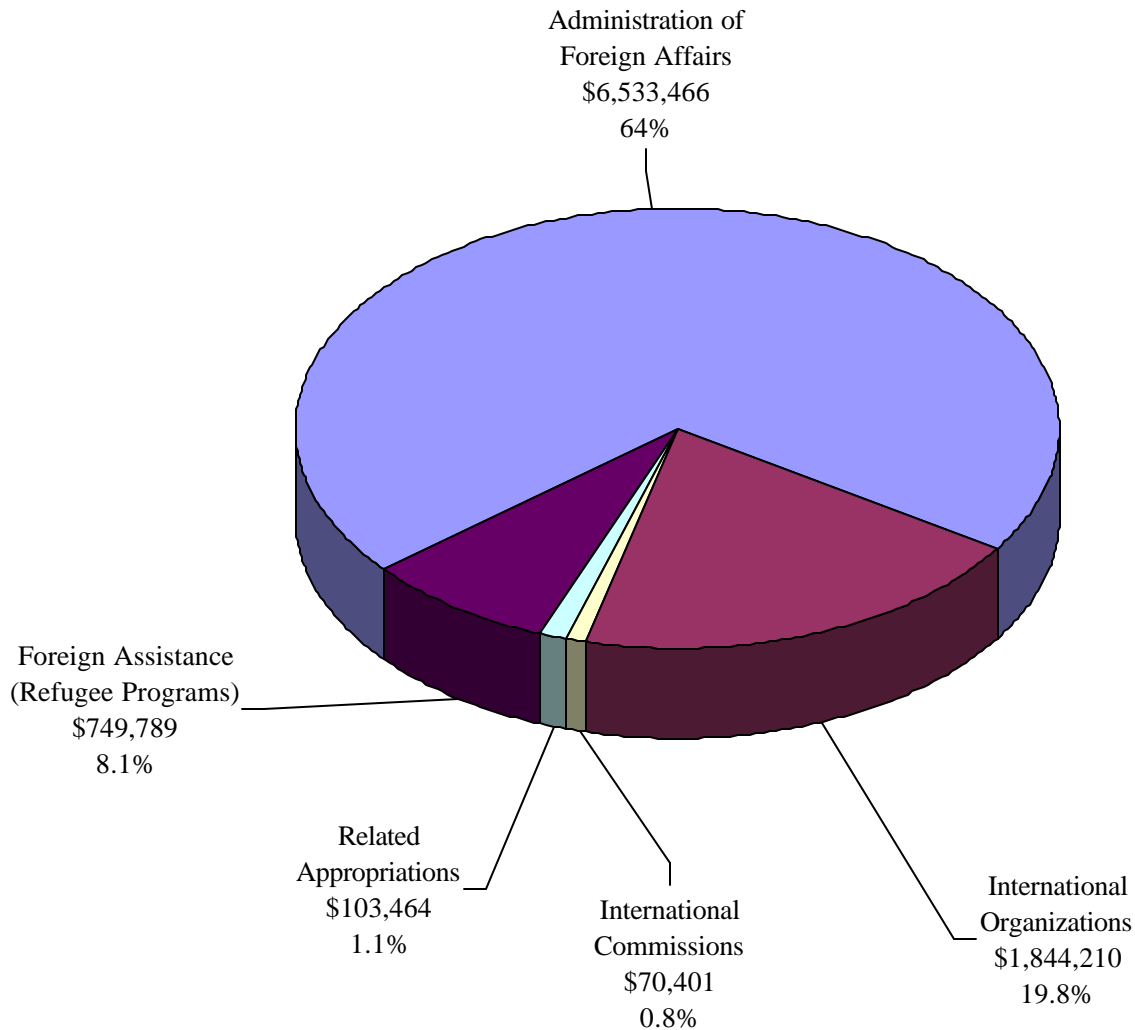
In addition to the resources required to sustain the diplomatic platform and foreign affairs programs, the FY 2005 performance budget identifies resources for the State Department to work more effectively and efficiently. These resources are needed to advance the reform initiatives of the President's Management Agenda (PMA).

Budget Request Details

Details of the FY 2005 budget – with specific resource requests for the programs and activities summarized above, as well as for the PMA initiatives – are provided in the following sections of this volume. Discussions of program performance and results, including evaluations using the Program Assessment Rating Tool (PART), can be found in the relevant sections.

FY 2005 State Department Request Distribution by Title

(dollars in thousands)



Total Request \$9,301,330

SUMMARY OF FUNDS

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Administration of Foreign Affairs	5,965,418	6,357,665	6,533,466	175,801
State Programs	4,070,274	4,298,946	4,440,144	141,198
Diplomatic & Consular Programs	3,888,155	4,219,788	4,285,044	65,256
Ongoing Operations (1)(2)(3)(4)(5)(6)	3,328,750	3,540,313	3,626,343	86,030
Worldwide Security Upgrades (7)	559,405	639,896	658,701	18,805
Worldwide IT Infrastructure	0	39,579	0	(39,579)
Capital Investment Fund	182,119	79,158	155,100	75,942
Embassy Security, Construction & Maintenance	1,404,787	1,420,659	1,539,000	118,341
Ongoing Operations	505,194	524,423	626,680	102,257
Supplemental (8)(9)	149,500	43,900	0	(43,900)
Worldwide Security Upgrades	750,093	852,336	912,320	59,984
Security Construction	604,594	753,388	785,320	31,932
Compound Security	145,499	98,948	127,000	28,052
Office of Inspector General	29,074	31,369	30,435	(934)
Educational and Cultural Exchanges (10)	243,712	316,633	345,346	28,713
Representation Allowances	6,443	8,905	8,640	(265)
Protection of Foreign Missions & Officials	10,929	9,895	9,600	(295)
Emergencies in the Diplomatic & Consular Service (11)(12)(13)	42,208	116,489	7,000	(109,489)
Repatriation Loans Program Account (14)	1,461	1,206	1,219	13
Payment to the American Institute in Taiwan	18,330	18,584	19,482	898
F.S. Retirement & Disability Fund (mandatory)	138,200	134,979	132,600	(2,379)
International Organizations	1,529,702	1,694,886	1,844,210	149,324
Contributions to International Organizations (15)	893,837	999,830	1,194,210	194,380
Contributions for Int'l. Peacekeeping Activities (16)(17)	635,865	695,056	650,000	(45,056)
International Commissions	57,730	57,187	70,401	13,214
International Boundary & Water Comm. -S&E	25,316	25,726	30,300	4,574
International Boundary & Water Comm. -Construction	5,415	3,514	8,545	5,031
International Fisheries Commissions (18)	17,589	19,097	20,800	1,703
American Sections	9,410	8,850	10,756	1,906
Border Environment Cooperation Commission	2,069	2,111	2,048	(63)
International Joint Commission	6,205	5,491	7,498	2,007
International Boundary Commissions	1,136	1,248	1,210	(38)
Related Appropriations	70,856	77,935	103,464	25,529
The Asia Foundation	10,376	12,863	8,880	(3,983)
National Endowment for Democracy	41,727	39,579	80,000	40,421
International Center for Middle Eastern -Western Dialogue (19)	0	6,926	0	(6,926)
East-West Center	17,883	17,692	13,709	(3,983)
Eisenhower Exchange Fellowship Program	497	500	500	0
Israeli Arab Scholarship Program	373	375	375	0
State Appropriations Act	7,623,706	8,187,673	8,551,541	363,868
Migration and Refugee Assistance	781,884	755,712	729,789	(25,923)
U.S. Emergency Refugee and Migration Assistance (20)	105,831	29,823	20,000	(9,823)
State Authorization Act	8,511,421	8,973,208	9,301,330	328,122

All FY 2003 Actuals, except for the Foreign Service Retirement and Disability Fund (FSRDF), reflect general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

All FY 2004 Estimates, except for the FSRDF, Eisenhower Exchange Fellowship Program (EEFP), Israeli-Arab Scholarship Program (IASP), Migration & Refugee Assistance (MRA), and U.S. Emergency Refugee & Migration Assistance (ERMA) appropriations, reflect the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673). The MRA and ERMA FY2004 Estimates reflect only the proposed .59% rescission. No rescissions were applied to EEFP and IASP.

- (1) FY 2003 Actual includes \$88.42 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (2) FY 2003 Actual includes a rescission of \$35.80 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106)
- (3) FY 2003 Actual includes \$14.00 million transfer from the Emergencies in Diplomatic and Consular Services Appropriation.
- (4) FY 2003 Actual includes \$14.72 million transfer from the Buying Power Maintenance Fund Appropriation.
- (5) FY 2003 Actual includes \$.60 million transfer to the International Fisheries Commissions Appropriation.
- (6) FY 2004 Estimate includes \$156.30 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106). This \$156.30 million includes re-appropriation of \$35.80 million originally appropriated in the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (7) FY 2003 Actual includes \$10.00 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (8) FY 2003 Actual includes \$149.50 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (9) FY 2004 Estimate includes \$43.90 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (10) FY 2004 Estimate includes funds previously funded from the FREEDOM Support Act (FSA) and Support for Eastern European Democracy Act (SEED) accounts within the Foreign Operations Appropriation Act.
- (11) FY 2003 Actual includes \$50.00 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (12) FY 2003 Actual includes \$14.00 million transfer to the Diplomatic and Consular Programs Appropriation and \$.25 million transfer to the Repatriation Loan Program Account Appropriation.
- (13) FY 2004 Estimate includes \$115.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (14) FY 2003 Actual includes \$.25 million transfer from the Emergencies in Diplomatic and Consular Service Appropriation.
- (15) FY 2003 Actual includes \$33.466 million transfer from Contributions for International Peacekeeping Activities.
- (16) FY 2003 Actual includes \$33.466 million transfer to Contributions to International Organizations.
- (17) FY 2004 Estimate includes \$245.00 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (18) FY 2003 Actual includes \$.60 million transfer from the Diplomatic and Consular Programs Appropriation.
- (19) Unrequested appropriation in the Consolidated Appropriations Act, 2004, (H.R. 2673).
- (20) FY 2003 Actual includes \$80 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).

SUMMARY OF DIRECT FUNDED POSITIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Administration of Foreign Affairs	19,256	19,718	20,053	335
State Programs	17,833	18,295	18,612	317
Diplomatic & Consular Programs	16,788	17,165	17,411	246
Worldwide Security Upgrades	1,045	1,130	1,201	71
	0	0	0	0
Embassy Security, Construction & Maintenance	800	800	818	18
	0	0	0	0
Other Administration of Foreign Affairs	623	623	623	0
Office of Inspector General	314	314	314	0
Educational and Cultural Exchanges	309	309	309	0
	0	0	0	0
International Commissions	345	345	347	2
International Boundary & Water Comm. -S&E	295	295	295	0
International Boundary & Water Comm. -Construction	18	18	20	2
American Sections	32	32	32	0
International Boundary Commission	8	8	8	0
International Joint Commission	24	24	24	0
	0	0	0	0
STATE APPROPRIATIONS ACT	19,601	20,063	20,400	337

**2003 EMERGENCY WARTIME SUPPLEMENTAL ACT
(P.L. 108-11)**

(\$ in thousands)

Appropriations	Total
Administration of Foreign Affairs	262,120
Diplomatic & Consular Programs	62,620
Ongoing Operations	52,620
Worldwide Security Upgrades	10,000
Embassy Security, Construction & Maintenance	149,500
Ongoing Operations	149,500
Emergencies in the Diplomatic and Consular Service	50,000
Foreign Assistance	80,000
U. S. ERMA	80,000
Total	342,120

**2004 EMERGENCY SUPPLEMENTAL APPROPRIATION ACT
(IRAQ & AFGHANISTAN)**

(P.L. 108-106)

(\$ in thousands)

Appropriations	Total
Administration of Foreign Affairs	315,700
Diplomatic & Consular Programs	156,300
Ongoing Operations	156,300
Embassy Security, Construction & Maintenance	43,900
Worldwide Security Construction	43,900
Emergencies in the Diplomatic and Consular Service	115,500
International Organizations	245,000
Contributions to International Peacekeeping	245,000
Total	560,700

ADMINISTRATION OF FOREIGN AFFAIRS

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
State Programs	4,070,274	4,298,946	4,440,144	141,198
Diplomatic & Consular Programs	3,888,155	4,219,788	4,285,044	65,256
Ongoing Operations (1)(2)(3)(4)(5)(6)	3,328,750	3,540,313	3,626,343	86,030
Worldwide Security Upgrades (7)	559,405	639,896	658,701	18,805
Worldwide IT Infrastructure	0	39,579	0	(39,579)
Capital Investment Fund	182,119	79,158	155,100	75,942
Embassy Security, Construction & Maintenance	1,404,787	1,420,659	1,539,000	118,341
Ongoing Operations	505,194	524,423	626,680	102,257
Supplemental (8)(9)	149,500	43,900	0	(43,900)
Worldwide Security	750,093	852,336	912,320	59,984
Security Construction	604,594	753,388	785,320	31,932
Compound Security	145,499	98,948	127,000	28,052
Office of Inspector General	29,074	31,369	30,435	(934)
Educational and Cultural Exchanges (10)	243,712	316,633	345,346	28,713
Representation Allowances	6,443	8,905	8,640	(265)
Protection of Foreign Missions & Officials	10,929	9,895	9,600	(295)
Emergencies in the Diplomatic & Consular Service (11)(12)(13)	42,208	116,489	7,000	(109,489)
Repatriation Loans Program Account (14)	1,461	1,206	1,219	13
Payment to the American Institute in Taiwan	18,330	18,584	19,482	898
F.S. Retirement & Disability Fund (mandatory)	138,200	134,979	132,600	(2,379)
Total, Administration of Foreign Affairs	5,965,418	6,357,665	6,533,466	175,801

ADMINISTRATION OF FOREIGN AFFAIRS

All FY 2003 Actuals, except for the Foreign Service Retirement and Disability Fund (FSRDF), reflect general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

All FY 2004 Estimates, except for the FSRDF, reflect the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

- (1) FY 2003 Actual includes \$88.42 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (2) FY 2003 Actual includes a rescission of \$35.80 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106)
- (3) FY 2003 Actual includes \$14.00 million transfer from the Emergencies in Diplomatic and Consular Services Appropriation.
- (4) FY 2003 Actual includes \$14.72 million transfer from the Buying Power Maintenance Fund Appropriation.
- (5) FY 2003 Actual includes \$.60 million transfer to the International Fisheries Commissions Appropriation.
- (6) FY 2004 Estimate includes \$156.30 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106)
- (7) FY 2003 Actual includes \$10.00 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (8) FY 2003 Actual includes \$149.50 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (9) FY 2004 Estimate includes \$43.90 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (10) FY 2004 Estimate includes funds previously funded from the FREEDOM Support Act(FSA) and Support for Eastern European Democracy Act (SEED) accounts within the Foreign Operations Appropriation Act.
- (11) FY 2003 Actual includes \$50.00 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).
- (12) FY 2003 Actual includes \$14.00 million transfer to the Diplomatic and Consular Programs Appropriation and \$.25 million transfer to the Repatriation Loan Program Account Appropriation.
- (13) FY 2004 Estimate includes \$115.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- (14) FY 2003 Actual includes \$.25 million transfer from the Emergencies in Diplomatic and Consular Programs Appropriation.

STATE PROGRAMS

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Diplomatic & Consular Programs (1)(2)(3)(4)(5)(6)	3,328,750	3,540,313	3,626,343	86,030
Worldwide Security Upgrades (7)	559,405	639,896	658,701	18,805
Worldwide IT Infrastructure	0	39,579	0	(39,579)
Subtotal, Diplomatic & Consular Programs	3,888,155	4,219,788	4,285,044	65,256
Capital Investment Fund	182,119	79,158	155,100	75,942
Subtotal, State Programs Appropriations	4,070,274	4,298,946	4,440,144	141,198
Border Security Program/MRV Fees	523,601	630,891	661,480	30,589
Enhanced Border Security Program Fees (8)	0	0	100,000	100,000
IRM Central Fund/Expedited Passport Fees	99,500	122,641	114,000	(8,641)
Other Fees	18,989	30,112	32,916	2,804
Total	4,712,364	5,082,590	5,348,540	265,950

FY 2003 State Programs Appropriations Actual reflects general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

FY 2004 State Programs Appropriations Estimate reflects rescissions of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004 (H.R. 2673).

(1) FY 2003 Actual includes \$88.42 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).

(2) FY 2003 Actual includes a rescission of \$35.80 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106)

(3) FY 2003 Actual includes \$14.00 million transfer from the Emergencies in Diplomatic and Consular Services Appropriation.

(4) FY 2003 Actual includes \$14.72 million transfer from the Buying Power Maintenance Fund Appropriation.

(5) FY 2003 Actual includes \$.60 million transfer to the International Fisheries Commissions Appropriation.

(6) FY 2004 Estimate includes \$156.30 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106). This \$156.30 million includes re-appropriation of \$35.80 million originally appropriated in the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).

(7) FY 2003 Actual includes \$10.00 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).

(8) FY 2005 Request includes \$100 million to be proposed as part of a legislative proposal for Enhanced Border Security Program fees related to biometric requirements.

STATE PROGRAMS

Explanation of Request

The Department of State must have sufficient resources to maintain the U.S. role as the world leader in the twenty-first century. As the lead agency for U.S. foreign policy and fostering relationships with foreign governments and international organizations, the Department provides sustained and secure, front line, diplomatic presence globally to secure America's national interests. Given the current world environment, the Department must expand its capacity to support our fundamental mission to help create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.

The FY 2005 State Programs budget request continues to emphasize the management commitment to address requirements for the U. S. diplomatic infrastructure required to carry out the State Department's global mission. In line with the Department's strategic planning and budgeting process, the Department's FY 2005 State Programs request continues to be guided by the Secretary of State's key management priorities, which are: People, Security, Technology, Facilities, and the resources that support these priorities. The FY 2005 appropriations required to support these initiatives for Diplomatic and Consular Programs and the Capital Investment Fund are \$4,440,144,000. Planned FY 2005 spending from consular and other fee revenue totals \$908,396,000.

Purpose of Program

The State Programs appropriations — Diplomatic and Consular Programs and the Capital Investment Fund — when combined with Machine Readable Visa, Expedited Passport, and other fees fund the salaries, operating expenses, and infrastructure required to carry out U.S. foreign policy at home and abroad. The Department's network of more than 260 posts not only carries out our diplomatic relations with foreign governments, it also assists American citizens, supports U.S. businesses, conducts public diplomacy, and develops the extensive local contacts that are essential to effective diplomacy. The FY 2005 budget request for State Programs sustains current Department operations and enables the Department to meet new staffing, security and technology requirements. The Department of State employs a direct-hire workforce of approximately 30,000 employees with about 60% of those working overseas. These employees, of whom about 20,000 are Americans and 10,000 are foreign nationals (FSNs), manage America's overseas diplomatic interests patriotically and professionally.

Highlights of the State Programs budget request by account follow:

Diplomatic And Consular Programs

The FY 2005 request of \$3,626,343,000 for Diplomatic and Consular Programs is a net increase of \$86,030,000 from the FY 2004 estimate. The request provides resources to meet critical new staffing needs, enhance border security, and provide for cost of living, pay raise, domestic and overseas inflation, and other mandatory cost increases.

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Worldwide Security Upgrades

The FY 2005 request for Worldwide Security Upgrades is \$658,701,000, an increase of \$18,805,000 above the FY 2004 estimate and provides funding to continue ongoing Worldwide Security Upgrade programs; continue perimeter security upgrades; implement a program to install and maintain a worldwide, automated physical-security monitoring system; and increase the number of special agents and other security personnel.

Capital Investment Fund

The FY 2005 request of \$155,100,000 for the Capital Investment Fund sustains the Department's program of investment in information technology. The FY 2005 Information Technology Central Fund, which includes the Capital Investment Fund combined with \$114,000,000 in estimated Expedited Passport Fees, will provide a total of \$269,100,000 to support the Department's information technology and communications systems initiatives.

Border Security Program

The FY 2005 request for the Border Security Program, which will be funded by Machine Readable Visa (MRV) Fees, Enhanced Border Security Program Fees, and appropriated funds, is \$836,480,000, an increase of \$96,089,000 from FY 2004 program levels of \$740,391,000. The Border Security Program, funded by \$661,480,000 from MRV fees, \$100,000,000 from a pending legislative proposal for Enhanced Border Security Program fees related to biometric requirements, and \$75,000,000 from the D&CP appropriation, will implement a comprehensive strategy to strengthen U.S. Border Security by improving consular systems, programs, and investments in human capital. The program will continue to provide the technology backbone, personnel and support needed to carry out the functions vital to U.S. homeland security. Major initiatives funded within the FY 2005 program include: operation of the domestic and international passport and visa adjudication services, collection and processing of a biometric from applicants seeking U.S. travel documents, continued expansion of the Consular Consolidated Database, and enhanced security processing of visa applicants overseas.

Other Fees

Diversity Lottery, Fingerprint Fees, and Affidavit of Support Fees - The FY 2005 program includes an estimate of \$5,100,000 for the Diversity Lottery Program. Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 provides that the State Department may collect and retain a fee that ensures the recovery of the cost to the Department of allocating and processing applications for visas to be issued under the Diversity Lottery Program. The Department's fee is imposed on successful applicants for the Diversity Lottery Program to ensure that the costs of administering the lottery and allocating diversity visas are recovered from actual users. These fee collections are available to provide consular services and are used to recover the cost to the State Department of the Diversity Lottery Program. In addition, the FY 2005 program includes an estimate of \$1,000,000 for the FBI Immigrant Visa Fingerprint Fee program. The request also includes \$16,800,000 for the Affidavit of Support (AOS) Program that is funded from a fee collected from persons submitting AOS documentation.

Defense Trade Control Fees - The FY 2005 program includes an estimate of \$4,000,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic Authorities Act, as amended. These fees are available without fiscal year limitation to pay expenses incurred for specified defense trade control license application processing and other functions.

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Commercial Services Fees - The FY 2005 program includes an estimate of \$16,000 for fees charged for the cost of providing commercial services at posts abroad in countries where the Department of Commerce does not perform commercial services for which it collects fees. Pursuant to section 52 of the State Department Basic Authorities Act, as amended, these fee collections are available until September 30 of the fiscal year following the fiscal year in which the funds were deposited.

United States Information and Educational Exchange Fees - As authorized by section 810 of the United States Information and Educational Exchange Act, authority is requested to have not more than \$6,000,000 credited to the Diplomatic and Consular Programs appropriation from fees and other payments received from English teaching, library, motion pictures, and publications programs, and from fees from educational advising and counseling, and exchange visitor programs.

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

Program Description

State Programs funding of \$5,348,540,000, including \$4,440,144,000 from appropriation requests and \$908,396,000 from fee collections, will continue to be directed toward global challenges and opportunities that affect nearly all Department activities. The resources requested to support the activities listed below are critical to the successful conduct of diplomatic and consular relations, public diplomacy, and maintenance of this nation's foreign affairs apparatus.

Policy Formulation and Executive Direction (\$325,724,000) – Direction, policy formulation, and coordination are provided by the Secretary, the Deputy Secretary, the Under Secretaries, Assistant Secretaries and other bureau heads, chiefs of diplomatic missions, and their immediate staffs. They are assisted by legislative affairs and public affairs staffs who explain to the Congress and the American public the U.S. position on foreign policy issues and interests managed by the Department.

Diplomatic Relations (\$673,139,000 including \$667,450,000 from direct appropriations, \$1,673,000 from Machine Readable Visa Fees, \$4,000,000 from Defense Trade Control Registration Fees, and \$16,000 from Commercial Services Fees) – A wide spectrum of activities are a part of American diplomacy. Some examples are described below.

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

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- There is a continuous need to keep abreast of scientific and technological developments abroad and to assist cooperatively some nations in these fields by aiding two-way exchanges of information and expert personnel.

Public Diplomacy (\$315,224,000 including \$309,224,000 from direct appropriations and \$6,000,000 from USIEE fees) - Public diplomacy activities of the U.S. Government are intended to engage, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad. In FY 2000, certain public diplomacy activities, formerly carried out by the United States Information Agency, were fully integrated into the Department of State pursuant to the Foreign Affairs Reform and Restructuring Act of 1998. Public diplomacy, within the Department of State, continues to operate under the authority of the Smith-Mundt Act of 1948, as amended, the Fulbright-Hays Act of 1961, as amended, and other statutes.

- The primary goal of Public Diplomacy is to engage with international publics to augment and reinforce government-to-government discussions, communicating not only policies but also the principles and values that underpin the policies and define the U.S. as a nation. Used over the long-term, public diplomacy programs seek to build and maintain a foundation of positive public opinion that directly supports U.S. approaches to satisfying universal demands for human dignity; the rule of law; limits on the absolute power of the state; free speech; freedom of worship; equal justice; respect for women; religious and ethnic tolerance and respect for private property.
- Public diplomacy programs should seek to counter and prevent anti-American sentiment that threatens national security. As part of its contribution in the War on Terrorism, the Department will continue to expand the reach of public diplomacy to include younger and broader audiences, especially in Arab and Muslim environments.
- Public diplomacy includes information and cultural programs carried out by overseas missions and supported by public diplomacy personnel incorporated into the Department's regional and functional bureaus, as well as the Bureau of International Information Programs and the Bureau of Educational and Cultural Affairs. This description excludes educational and cultural exchange programs that are described elsewhere in this document under a distinct appropriation.
- Public diplomacy officers work at American embassies and consulates abroad, developing strategies in coordination with the Department to build understanding and support for the U.S., its policy objectives, and the values of the American people. Activities and programs are planned and implemented country by country, directed at audiences identified by institutional analyses of each country's political, economic, and societal influence structures, inside and outside of government.
- Public diplomacy staff in Washington, in consultation with posts, create information products and services for overseas missions and foreign publics. The current catalogue includes: Websites; the Washington File, a daily electronic compilation of U.S. policies and actions; U.S. speakers and specialists; digital video conferences and teleconferences; and electronic journals, published policies and materials on issues of importance to embassies abroad.

Consular Relations (\$908,794,000 including \$184,645,000 from direct appropriations, \$601,249,000 from MRV fees, \$100,000,000 from Enhanced Border Security Program Fees, \$5,100,000 from Diversity Lottery Fees, and \$1,000,000 from FBI Fingerprint Fees and \$16,800,000 from the Affidavit of Support Fee) The events of September 11 demonstrate the national security importance of a robust and sophisticated system to process persons seeking visas to travel to the United States.

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Furthermore, the reaction of the traveling public to those events have combined with the continued international economic situation to decrease significantly the demand for international travel. At the same time, the Department of State is experiencing major increases in the cost of providing consular services as a result of enhanced security measures implemented to strengthen U.S. homeland security. All of these factors combine to place a heavy burden on Department of State operations:

- Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials require substantial effort at missions abroad. In FY 2004, the Department projects that approximately 6 million persons will apply for non-immigrant visas that generate an MRV fee. All of these applicants will undergo a thorough screening to help ensure U.S. homeland security. The State Department expects that demand for non-immigrant visa services will remain virtually at this same level in FY 2005.
- Persons seeking immigrant visas to the United States also undergo comprehensive screening involving the combined efforts of the Department of Homeland Security and the Department of State. In FY 2004, the Department projects total immigrant visa workload consisting of 590,000 adjudications. This workload is expected to remain at the same level in FY 2005.
- Routine and emergency assistance must be provided to American citizens in distress. In FY 2004 and FY 2005, the Department projects that it will respond to 2 million citizen services requests worldwide each year.
- American travelers and the U.S. travel industry need to be kept aware of dangerous situations abroad. This is done through Consular Information Sheets, Travel Warnings, and helpful tips to travelers through the Consular Affairs World Wide Web Site available at the Internet Web address: <http://travel.state.gov>.
- Passport applications in the millions must be adjudicated, and passports must be issued or denied for U.S. citizens wanting to travel abroad. In FY 2004, the Department projects a demand of 7.7 million passport applications growing to 8.0 million applications in FY 2005.
- The worldwide Border Security Program supports all areas of the President's Management Agenda through programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management and Training. These cross-cutting programs are required to secure the borders of the United States against travel by terrorists, international criminals, or persons whose presence in the U.S. would violate United States immigration law. Border Security plans include continuing to enhance and refresh the equipment and systems that support worldwide consular activities. It also includes continuing modernization of the hardware and software systems that support visa name checks, operating the Border Crossing Card Program in Mexico, implementing biometric collection from visa applicants, strengthening cooperation between the consular and United States law enforcement and intelligence communities, enhancing American Citizen Services, and providing for the staff and operating costs of the Border Security Program. The Border Security Program relies on dedicated funding from consular fees and appropriations.

Supporting Multilateral Diplomacy (\$52,923,000) – The United States participates in international organizations because we have an interest in working with other nations to maintain stability, uphold laws, facilitate commerce, spur economic growth, maintain a healthy environment, address urgent humanitarian needs, and halt the spread of weapons of mass destruction. Organizations in which we play a leading role include the United Nations, regional bodies such as NATO and the Organization of American States, and a variety of more specialized and technical organizations. The Department monitors and participates in the

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organizations through both the headquarters staff and its missions to the larger organizations. The increasingly complex nature of world problems makes U.S. involvement in these multilateral organizations even more important to our future. This includes funding for State Department participation in international conferences.

Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Upgrades (\$964,240,000 including \$938,191,000 from direct appropriations [\$279,490,000 for Diplomatic Security/Law Enforcement Cooperation and \$658,701,000 from Worldwide Security Upgrades] and \$26,049,000 from MRV Fees) – These activities provide resources, allocated by application of risk management principles, necessary to meet security responsibilities, both foreign and domestic. Included in these activities are:

- Protection of overseas U.S. government employees through local guards, technical security measures, residential security measures, and armored vehicles;
- Protection of the Secretary and visiting or resident foreign dignitaries;
- Counter-terrorism policy formulation, coordination, and research and development as well as investigations to detect passport, visa, and federal benefits fraud;
- Management of security operations at missions;
- Protection of information at headquarters through domestic guards and physical security equipment and measures;
- Protection of information abroad through diplomatic couriers, electronic and security equipment, secure conference rooms, development and application of standards for information security, and security protection and inspection of construction property; and
- Counterintelligence investigations, background security investigations, and evaluations.

The State Department is the lead agency in U.S. Government efforts to reduce the terrorist threat to Americans overseas. The tragic bombings in Africa and attempted attack on the Consulate in Karachi, Pakistan highlight the volatile environment worldwide. As part of efforts to prevent terrorist attacks, the Department works closely with other governments to strengthen international counterterrorism cooperation, sends expert teams to augment U.S. embassies in crisis situations, and eliminates physical security vulnerabilities at our diplomatic missions. The security program enhancements, funded first by the FY 1999 Emergency Security Supplemental and now with the \$658,701,000 contained in this budget request, provide for continuing this program that further strengthens security and continues to correct problems identified at our diplomatic facilities.

Information Resource Management (\$796,891,000 including \$499,762,000 from Diplomatic and Consular Programs, \$155,100,000 from the Capital Investment Fund, \$28,029,000 from MRV Fees, and \$114,000,000 from Expedited Passport Fees) – This program provides the resources for the effective and efficient creation, collection, processing, transmission, dissemination, storage, and disposition of paper and electronic information required for the formulation and execution of foreign policy and for the conduct of daily business including consular services consistent with the President's Management Agenda for Expanded Electronic Government. The information needs of the President, the Secretary of State, the Department, and its overseas missions, and approximately 100 other government organizations drive the resource requirements. This activity includes:

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

Training Services (\$109,832,000 including \$105,352,000 from direct appropriations and \$4,480,000 from MRV Fees) – Professional development (including training) is a continuous process by which the Department ensures that its people — its most important asset — have the skills, experience and judgment to fulfill their functions at all levels. Investments in training are vital to a changing and streamlining organization. Training programs provide the language, area, information technology, consular, and other professional skills needed for the conduct of foreign relations. The Department’s training program is the principal responsibility of the Foreign Service Institute, which has an innovative training strategy designed to support directly new and emerging policy and management priorities.

Medical Services (\$22,477,000) – The Medical Program promotes the health of all under its care by encouraging prevention of illness and facilitating access to health care. This activity encompasses medical programs for the Department of State and the Foreign Service as well as other U.S. Government departments and agencies overseas. Approximately 31,000 employees and their eligible family members receive medical care at about 190 overseas health units overseas and in Washington, DC.

Rental Payments to GSA (\$141,667,000) – GSA finances its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled properties. This funding provides payment for domestic space occupied by the Department.

Overseas Program Support (\$504,674,000) – This activity includes administrative activities at more than 260 posts abroad, such as overseas administrative support for over 100 U.S. Government organizations; personnel and financial management services; and short-term lease property management and building maintenance staff, shipping and customs clearance, and motor pool services.

Domestic Infrastructure and Program Support (\$415,097,000) – This activity includes the infrastructure located in the United States that is dedicated to the administrative support of U.S. diplomatic activities and other U.S. Government agencies overseas, such as domestic personnel and financial management services, domestic building operations and routine maintenance, acquisition services, and other general administrative services.

Post Assignment Travel (\$117,858,000) – Post Assignment Travel funds the cost of travel, transportation, and related items in connection with the appointment, transfer, and separation of the Department’s American full-time permanent staff and their families. The Department’s general tour of duty policy (with some exceptions) is four years at most overseas posts, and two years at posts with extreme hardship conditions.

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Program Activities Summary

Funds Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Policy Formulation	301,023	317,191	325,724	8,533
Conduct of Diplomatic Relations	558,754	625,501	673,139	47,638
Public Diplomacy	303,958	304,390	315,224	10,834
Conduct of Consular Relations	588,949	789,298	908,794	119,496
Multilateral Diplomacy	50,408	49,921	52,923	3,002
Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Upgrades	851,722	963,298	964,240	942
Information Resource Management	795,997	758,431	796,891	38,460
Training Services	84,748	98,023	109,832	11,809
Medical Services	30,867	22,095	22,477	382
Rental Payments to GSA	116,955	136,326	141,667	5,341
Overseas Program Support	474,223	488,749	504,674	15,925
Domestic Infrastructure and Program Support	422,736	412,753	415,097	2,344
Post Assignment Travel	132,024	116,614	117,858	1,244
Total	4,712,364	5,082,590	5,348,540	265,950

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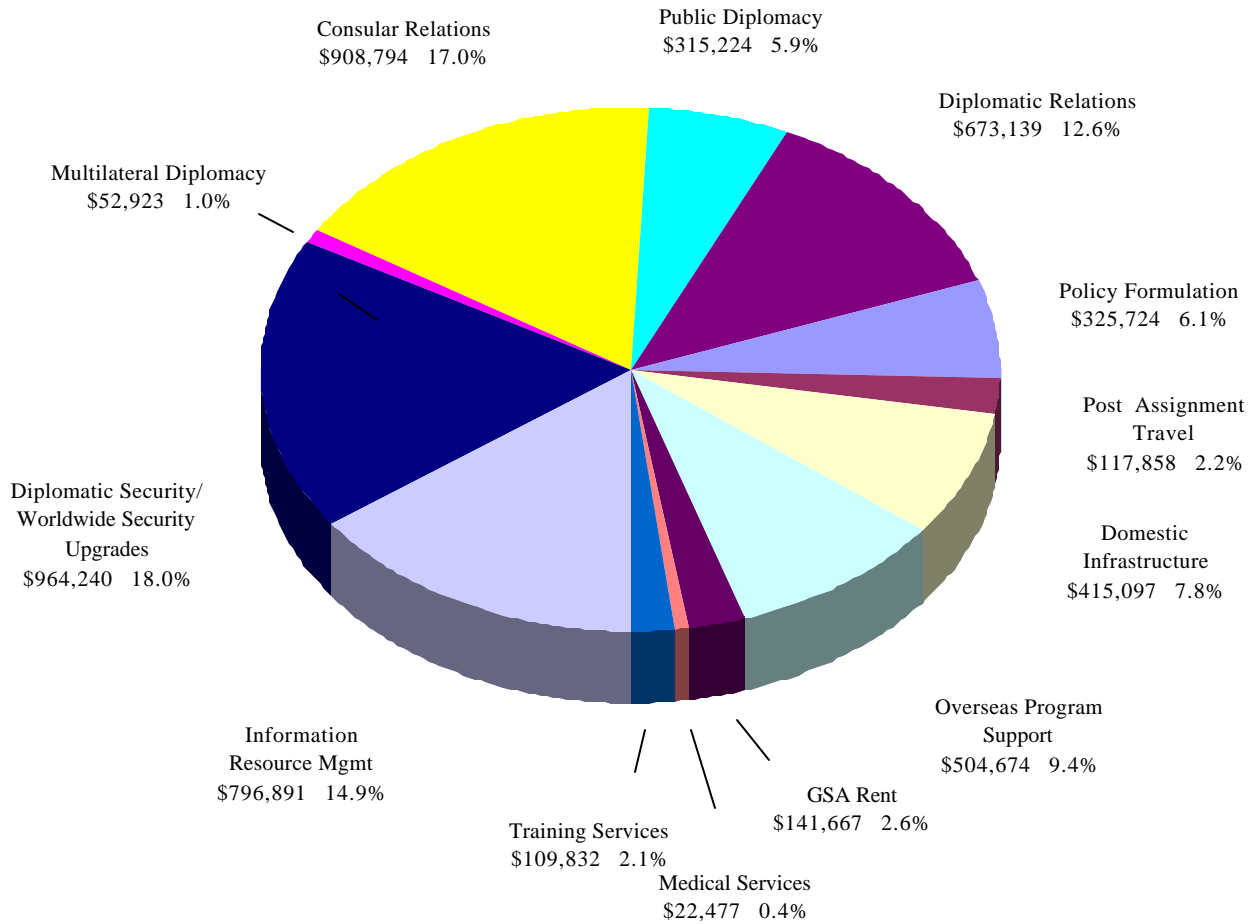
Program Activities Summary

Positions Summary Statement

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Policy Formulation	2,064	2,066	2,066	0
Conduct of Diplomatic Relations	3,814	4,011	4,134	123
Public Diplomacy	2,645	2,645	2,645	0
Conduct of Consular Relations	3,822	3,983	4,106	123
Multilateral Diplomacy	338	338	338	0
Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Upgrades	2,651	2,736	2,807	71
Information Resource Management	1,971	1,971	1,976	5
Training Services	558	681	726	45
Medical Services	72	74	74	0
Overseas Program Support	318	330	340	10
Domestic Infrastructure and Program Support	2,012	1,985	1,985	0
Total	20,265	20,820	21,197	377

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FY 2005 State Programs Request Program Activities Distribution (dollars in thousands)



Total Request \$5,348,540

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Highlights of Budget Changes

Summary Statement

(\$ in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
FY 2003	3,328,750	559,405	182,119	4,070,274
FY 2004 Conference Level	3,460,000	646,701	80,000	4,186,701
CJS Rescission (0.465%)	(16,089)	(3,007)	(372)	(19,468)
Overall Rescission (0.59%)	(20,319)	(3,798)	(470)	(24,587)
FY 2004 Supplemental	156,300	0	0	156,300
FY 2004 Current Estimate	3,579,892	639,896	79,158	4,298,946
Current Services				
Base Adjustments	(143,693)	(27,963)	39,579	(132,077)
Supplemental: Afghanistan Security	(11,000)	11,000	0	0
Supplemental: Border Security Program Fees	(34,500)	0	0	(34,500)
Supplemental: Establish Baghdad Operations	(35,800)	0	0	(35,800)
Worldwide IT Infrastructure	(39,579)	0	39,579	0
Transfer: STL Maintenance to ESCM	(1,047)	0	0	(1,047)
Transfer: White House Audiovisual for Presidential Diplomatic Missions	534	0	0	534
Transfer: Terrorist Screening Center and Terrorist Threat Integration Center	(4,156)	0	0	(4,156)
2004 Summit of the Industrialized Nations/International Conferences	(3,000)	0	0	(3,000)
Athens Olympics	(1,723)	(2,763)	0	(4,486)
Certification and Accreditation	0	(24,800)	0	(24,800)
Domestic Security Upgrades	0	(2,685)	0	(2,685)
Other Security One-Time Costs	0	(6,293)	0	(6,293)
One-Time Hiring Plan Costs	(13,422)	(2,422)	0	(15,844)
Annualization of 2004 Requirements	47,806	15,438	0	63,244
Hiring Increases Annualization	22,572	2,479	0	25,051
Annualization of FY 2004 Overseas Operations	10,000	12,095	0	22,095
Annualization of FY 2004 Cost of Living Adjustments and Benefits Increase	15,234	864	0	16,098
Anticipated 2005 Wage Requirements	42,602	1,085	0	43,687
FY 2005 American Cost of Living Adjustments	19,178	1,085	0	20,263
FSN Wage Increases	23,424	0	0	23,424

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Highlights of Budget Changes

Summary Statement

(\$ in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
Anticipated 2005 Price Requirements	38,416	12,547	0	50,963
Overseas Inflation	19,486	2,442	0	21,928
Domestic Price	7,510	2,455	0	9,965
GSA Rent	5,341	0	0	5,341
Local Guard Program and Other Global Inflation	5,173	7,650	0	12,823
Workers Compensation	906	0	0	906
Total Increases	128,824	29,070	0	157,894
Net Total, Built-In Changes	(14,869)	1,107	39,579	25,817
FY 2005 Current Services	3,565,023	641,003	118,737	4,324,763
People	44,180	0	0	44,180
New Staffing Requirements	44,180	0	0	44,180
Security	17,140	17,698	0	34,838
Consular Associates Replacements	17,140	0	0	17,140
Overseas and Homeland Security Staffing	0	14,698	0	14,698
Security Management System Initiative	0	3,000	0	3,000
Technology	0	0	36,363	36,363
Capital Investment Fund	0	0	36,363	36,363
Total, Program Increases	61,320	17,698	36,363	115,381
FY 2005 President's Budget Request	3,626,343	658,701	155,100	4,440,144

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Explanation of Current Estimate

The FY 2004 current estimate for State Programs appropriations of \$4,298,946,000 consists of the following amounts:

- \$3,579,892,000 estimated for Diplomatic and Consular Programs.
- \$639,896,000 estimated for Worldwide Security Upgrades.
- \$79,158,000 estimated for the Capital Investment Fund.

Explanation Of 2005 Built -In Changes - Decreases

The net decrease (non-recurring costs and adjustments) of \$132,077,000 for Department of State programs appropriations includes decreases of \$143,693,000 for Diplomatic and Consular Programs, \$27,963,000 for Worldwide Security Upgrades, and an increase of \$39,579,000 for the Capital Investment Fund as follows:

- **Supplemental: Afghanistan Security: -0-**. Realignment of \$11,000,000 from D&CP Ongoing Operations to D&CP Worldwide Security Upgrades for increased security measures in Afghanistan funded initially by the FY 2004 Supplemental.
- **Supplemental: Border Security Program: -\$34,500,000**. The FY 2004 current estimate includes \$109,500,000 in D&CP Ongoing Operations for consular services Border Security Program requirements funded by the FY 2004 Supplemental. The FY 2005 request includes \$75,000,000 in D&CP Ongoing Operations for the Border Security Program.
- **Supplemental: Iraq Diplomatic Mission: -\$35,800,000**. The FY 2004 current estimate includes \$35,800,000 in one-time funding provided by the FY 2004 Supplemental for the estimated costs associated with the re-establishment of a diplomatic mission in Iraq.
- **Worldwide IT Infrastructure: -0-**. Realignment of \$39,579,000 from the D&CP Worldwide IT Infrastructure FY 2004 current estimate to the Capital Investment Fund in order to provide a consolidated request for the funding required to continue the Department's centrally managed Global IT Modernization (GITM) project in FY 2005.
- **Transfer Short Term Lease Maintenance Funding to the ESCM Account: -\$1,047,000**. Responsibility for maintenance at short-term leased facilities is being transferred to the ESCM appropriation to centralize all maintenance and repair requirements under the Bureau of Overseas Buildings Operations as the single overseas real property manager for the Department.
- **Transfer: Audiovisual Support for Overseas Presidential Diplomatic Missions: \$534,000**. Transfer of funds from the Executive Office of the President to D&CP Ongoing Operations in line with Department of State responsibilities to support the President's foreign travel.
- **Transfer: Terrorist Screening Center and Terrorist Threat Integration Center Funding: -\$4,156,000**. FY 2005 funding levels are adjusted to reflect transfers to the FBI and the Intelligence Community Management Agency for FY 2005 operations of the TSC and TTIC including the TIPOFF program.

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- **2004 Summit of the Industrialized Nations: -\$3,000,000.** Reduction in one-time funding included in the FY 2004 Conference report for the costs for the United States to host the summit in 2004.
- **Athens Olympics: -\$4,486,000.** Reduction in one-time funding to support the FY 2004 Summer Olympics in Athens included within the D&CP Ongoing Operations and WSU FY 2004 current estimates.
- **Certification and Accreditation: -\$24,800,000.** This reduction of \$24,800,000 out of \$28,300,000 budgeted for this activity reflects the completion of the initial certification of all information systems by the end of FY 2004. The funding remaining will provide for the ongoing re-certification requirement.
- **Domestic Security Upgrades: -\$2,685,000.** This reduction represents funding of one-time costs for domestic security upgrades.
- **Other Security One-time Costs: -\$6,293,000.** This amount funds the establishment of the residential compound for security personnel in Kabul, Afghanistan.
- **One-time Hiring Plan Costs: -\$15,844,000** including -\$13,422,000 for D&CP and -\$2,422,000 for Worldwide Security Upgrades. This amount represents funding for one-time hiring plan costs for 378 new hires under the Diplomatic Readiness Initiative, and the one-time cost requirements for 85 new hires under the Worldwide Security Upgrades program.

Explanation Of 2005 Built-In Changes - Increases

The total increases for FY 2005 built-in changes are \$157,894,000. This amount provides for the base adjustments detailed below including a 1.013 percent increase for domestic inflation and an overall average 3.6 percent increase for overseas non-wage inflation. The FY 2005 request reflects the proposed 1.5 percent American pay increase and overall FSN wage increases of 2.9 percent consistent with anticipated rates of overseas consumer price inflation. The breakdown of the total increase is as follows:

- **Annualization of 2004 Requirements: \$63,244,000** reflects the full-year cost of the following:
- Annualization of FY 2004 Hiring Increases: \$25,051,000 (\$22,572,000 for Diplomatic and Consular Programs (D&CP) and \$2,479,000 for Worldwide Security Upgrades (WSU)). This amount represents the additional cost in FY 2005 from FY 2004 hiring increases.
- Annualization of Overseas Operations: \$22,095,000 (\$10,000,000 for D&CP and \$12,095,000 for WSU). The D&CP funding represents minimum costs for basic Iraq mission operations. WSU funding includes \$3,000,000 to annualize the increased worldwide security costs incurred during and after Operation Iraqi Freedom; \$7,175,000 to annualize estimated Iraq security costs; and \$1,920,000 to annualize Frankfurt, Germany security costs.
- 2004 American Cost-of-Living Adjustment: \$16,098,000 (\$15,234,000 for D&CP and \$864,000 for WSU). Additional funding is required to annualize the FY 2005 cost of the 2004 American pay raise and increases in benefits costs.
- **Anticipated 2005 Wage Requirements: \$43,687,000** is required for the following anticipated wage increases during FY 2005:

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- American Cost-of-Living Adjustment: \$20,263,000 (\$19,178,000 for D&CP and \$1,085,000 for WSU). This amount reflects an anticipated 1.5 percent general American cost-of-living increase in 2005.
- FSN Wage: \$23,424,000. This increase includes FSN salary adjustments consistent with local prevailing wage rates needed to keep the Department competitive with other foreign countries' embassies and private firms in order to retain competent staff and to comply with local law.
- **Anticipated 2005 Price Requirements: \$50,963,000** is required for the following anticipated price increases during FY 2005:
 - Overseas Price: \$21,928,000 (\$19,946,000 for D&CP and \$2,442,000 for WSU). This amount will fund an estimated average 3.6 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than experienced in the United States. Our overseas posts purchase a relatively large proportion of items and services on the local economies which trend toward greater price increases for items such as utilities, communications, security, and information services and equipment.
 - Domestic Price: \$9,965,000 (\$7,510,000 for D&CP and \$2,455,000 for WSU). This amount will fund an estimated 1.013 percent increase in domestic inflation for such items as:
 - GPO and other printing services;
 - MPSA Mail increase;
 - Travel and per diem costs;
 - Transportation of equipment and other items;
 - Rents, communications, and utilities;
 - Leasing, service, and maintenance costs primarily in the Department's information management programs;
 - Medical inflation;
 - Payments for transit subsidy;
 - Supplies and materials; and
 - Equipment purchases.
- GSA Rental Payment: \$5,341,000. This increase results from estimated increases in rental rates for buildings occupied by the Department.
- Local Guard Program and Other Global Inflation: \$12,823,000 (\$5,173,000 for D&CP and \$7,650,000 for WSU). This amount represents the overseas wage and price increases including those required to maintain the Department's numerous contracts for local guard services at overseas posts.
- Workers Compensation: \$906,000. Funding is required to support the increase in the Department's bill from the Department of Labor for Worker's Compensation payments.

STATE PROGRAMS

Explanation of FY 2005 Program Changes

The FY 2005 request includes \$115,381,000 for high priority initiatives and investments that are critical to maintaining and improving diplomatic readiness and supporting the U.S. diplomatic platform overseas. These increases include the following: \$44,180,000 for People; \$34,838,000 for War on Terrorism/Security/Border Security; and \$36,363,000 for Technology.

People: \$44,180,000

New Staffing Requirements: 183 Positions and \$ 44,180,000

With the support of the Administration and Congress, the Secretary's three-year Diplomatic Readiness Initiative (DRI) has rebuilt staff and positioned the Department to meet the diverse needs of American diplomacy in the 21st century. Since the development of DRI, however, new global realities have imposed additional requirements beyond those originally envisioned. To address critical new demands and prevent the hollowing out of the initiative, the FY 2005 budget request includes 183 new positions.

The Diplomatic Readiness Initiative called for a push to redress the severe imbalance that formed in the 1990s between an expanding workload and a diminishing labor force. The goals have been to:

- Send more employees to training while having the staff to continue to address ongoing requirements;
- Respond to crises without neglecting the task of maintaining diplomatic relations; and
- Fill understaffed critical overseas and domestic needs.

As a result of funding provided to date, after years of critical shortages, the Department is now hiring junior officers above attrition and filling vacancies overseas. State has successfully met hiring targets for FY 2002 and FY 2003, and is poised to implement the additional hiring for FY 2004. Most hiring deficits at the entry level, including the consular, public diplomacy, and management fields have been eliminated through improved recruiting and hiring processes. The Department has seen record levels of interest in the Department, including among minorities.

The positive impact increased people resources have on the Department's mission is being demonstrated. The ability to provide people to the Coalition Provisional Authority in Iraq was directly a result of the added strength given by DRI. Having new resources above immediate requirements have allowed the launching of a mandatory leadership and management training initiative for all employees, increased language training, and increased and improved consular and public diplomacy training.

The DRI was developed prior to the events of September 11. Since then, the world has changed dramatically, resulting in a markedly different diplomatic environment. Countries have emerged as vital allies in the War on Terrorism. Afghanistan and Iraq are in the process of establishing free, representative governments; an embassy has been established in Kabul and an embassy is being planned for Baghdad. Border security requirements and workloads are growing dramatically.

Priorities in FY 2005 will include:

- Embassy Kabul. The Department continues to support the Afghan government and the reconstruction efforts in an environment with ongoing security issues.

STATE PROGRAMS

- Baghdad. The Department has been supporting the Coalition Provisional Authority in Iraq. Now the task will be to staff an embassy that not only conducts U.S. foreign policy but also one with the diplomatic presence and infrastructure to support the Iraq reconstruction efforts.
- Other new requirements. While the timing of these is not known, there are potential post expansions and openings on the horizon that would require dedicated staff.

The original DRI projections did not envision these changes. Dedicating staff to these priority areas cannot come from crisis management anymore; these are new, permanent, baseline requirements, just like requirements for other embassies and programs. Without sufficient people to carry out the full expanded range of responsibilities of the Department, the transforming aspect of the DRI will be undermined as those resources are diverted to immediate needs.

The State Department needs the additional resources in FY 2005 to provide the complete complement of professionals required to implement the nation's foreign policy. The foreign policy challenges before the United States remain immense and call for a Department of State that is adequately staffed with the best talent America has to offer.

To hire 183 new employees above attrition in FY 2005, the Department seeks an increase of \$44,180,000 to fund salaries and benefits and initial support costs to prepare new hires for their assignments including initial assignment travel to posts.

War on Terrorism, Security, Border Security: \$34,838,000

Worldwide Security Upgrades: 71 Positions and \$17,698,000

A separate justification for increases totaling \$17,698,000 to support this initiative is included in the Worldwide Security Upgrades section.

Consular Associates Replacements: 63 Positions and \$17,140,000

The Department of State is committed to an aggressive effort to rationalize its overseas staffing responsible for visa adjudication. A key element of this strategy has been to shift responsibility for visa adjudication currently held by Consular Associates to Foreign Service Officers. Consistent with this strategy, the Department of State plans to establish 68 new Consular Officer positions in FY 2004 and an additional 63 positions in FY 2005. These positions will be funded as part of the Diplomatic and Consular Programs appropriation. These steps will help ensure that all prospective visitors or immigrants to the U.S. are carefully screened by well-trained and language qualified Foreign Service personnel as part of the visa adjudication process. Establishing these 63 new positions is another step in the Department of State's ongoing effort to rationalize its overseas consular staffing, consistent with the overriding mission to strengthen U.S. homeland security.

Technology: \$36,363,000

A separate justification for \$36,363,000 is included in the IT Central Fund section.

WORLDWIDE SECURITY UPGRADES

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Worldwide Security Upgrades	559,405	639,896	658,701

Explanation of Request

Terrorist threats directed at U.S. diplomatic facilities and the U.S. citizens and foreign nationals serving in them remain at a historically high level.

Physical and technological attacks continue to be directed at these facilities and at U.S. personnel and citizens worldwide. We need to defend against terrorists using highly sophisticated methods to obtain sensitive information and exploit the vulnerability of critical infrastructures. In a world that has become increasingly complex and dangerous, the State Department is more determined than ever to protect American personnel and property. This commitment is evidenced by the continuation of an extensive, well-funded program to sustain recent protective improvements and support the expansion of critical security initiatives around the world. The extension of large-scale terrorist attacks to government and civilian targets within the United States emphasizes the importance of continuing and expanding the programs operated with Worldwide Security Upgrades funds.

The FY 2004 appropriation includes funds to finance the continuation of the comprehensive perimeter security enhancement program, increase the Department's cadre of security professionals by 85 positions, improve training and security certification processes, strengthen programs to keep security vulnerabilities low, and maintain defensive countermeasures to thwart or mitigate overseas and domestic attacks.

The FY 2005 request of \$658,701,000 (which includes an increase of 71 positions) is an increase of \$18,805,000 over the \$639,896,000 provided for Worldwide Security Upgrades in the FY 2004 appropriation. This budget seeks funding that will strengthen the security programs of the Department and allow them to keep pace with the evolving capabilities of those who seek to damage U.S. interests by inflicting injury or death on our employees and citizens and by destroying U.S. property. It also increases the effectiveness of critical security experts overseas by providing them with administrative staff support so that they can fully apply their expertise to the wide range of security issues at their posts.

The FY 2005 request is summarized in the following table:

WORLDWIDE SECURITY UPGRADES

WORLDWIDE SECURITY UPGRADES

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Ongoing Security Activities (1)	485,886	491,368	597,603	106,235
Guards - Worldwide Protection	169,682	179,736	239,125	59,389
Physical Security Equipment	18,789	19,031	20,194	1,163
Technical Support/Infrastructure	68,484	60,597	72,653	12,056
Information/Systems Security	51,488	51,238	58,373	7,135
Armored Vehicles	11,975	10,602	23,214	12,612
Personnel/Training	142,942	148,498	158,996	10,498
Chemical/Biological Program	15,161	14,181	17,422	3,241
Radio Program	7,365	7,485	7,626	141
Perimeter Security Enhancements	73,519	42,944	43,400	456
Security Initiatives	0	105,584	17,698	(87,886)
Post-911 Staffing Requirements (2)	0	7,868	0	(7,868)
Physical Security - Armored Vehicle Lifecycle (2)	0	12,269	0	(12,269)
National Information Assurance Certification & Accreditation Process (NIACAP) (2)	0	28,005	0	(28,005)
Protection of Domestic Facilities	0	2,656	0	(2,656)
Investigations infrastructure (2)	0	7,840	0	(7,840)
Overseas Facility Protection (Kabul & Dushanbe) (2)	0	36,297	0	(36,297)
Athens Olympics Security	0	2,734	0	(2,734)
Center for Antiterrorism and Security Training (2)	0	4,947	0	(4,947)
TOPOFF (2)	0	2,968	0	(2,968)
Staffing to Strengthen Overseas and Homeland Security	0	0	14,698	14,698
Security Management System Initiative	0	0	3,000	3,000
Total, Worldwide Security Upgrades	559,405	639,896	658,701	18,805

(1) The FY 2003 total includes \$10 million appropriated for Worldwide Security Upgrades in the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).

(2) The ongoing requirements for the designated FY 2004 security initiatives (\$67.7 million) have been spread into the appropriate program activities categories for FY 2005.

WORLDWIDE SECURITY UPGRADES

Worldwide Security Upgrades Request

Maintaining Ongoing Security Activities: \$597,603,000.

The FY 2005 base for ongoing worldwide security upgrades is \$597,603,000. This includes funding for ongoing activities including the following FY 2004 security initiatives: Post-9/11 staffing, \$5,530,000; armored vehicle lifecycle replacement, \$12,400,000; National Information Assurance Certification and Accreditation Process (NIACAP), \$3,500,000; investigations infrastructure, \$7,923,000; overseas facility protection for Kabul and Dushanbe, \$30,387,000; the Center for Antiterrorism and Security Training (CAST), \$5,000,000; and top officials domestic counterterrorism (TOPOFF) exercises, \$3,000,000. It also reflects increases to fund FY 2004 annualized and FY 2005 anticipated wage and price increases, including annualized costs associated with providing security in Baghdad and Afghanistan and addressing increased worldwide threat levels.

Perimeter Security: \$43,400,000.

The Department requests \$43,400,000 to continue the second phase of the program to address critical vulnerabilities in perimeter security at facilities worldwide. This is the second year of a 7-year effort to strengthen technical security capabilities at buildings outside of primary embassy or consulate compounds as well as to sustain the life-cycle replacement program for the installations completed under the initial program over the last 4 years. The last of the initial 243 posts/chancery buildings identified in the multi-year program of perimeter security enhancement initiated under the 1999 Emergency Supplemental Appropriation are scheduled for completion during FY 2004 with funding provided through FY 2003.

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

The FY 2005 request will fund technical security upgrades at 30 additional annexes and other high priority buildings not included in the original program. This second year funding will continue the program to provide upgrades of 210 non-chancery buildings over the next 7 years. In addition, \$11 million of the FY 2005 request will provide for the further life-cycle replacement of explosive detectors, perimeter x-ray screening machines, walk-through metal detectors, backup power systems, and closed-circuit television control and recording upgrades for the 243 original installations.

WORLDWIDE SECURITY UPGRADES

Staffing to Strengthen Overseas and Homeland Security (71 positions): \$14,698,000.

The Department is seeking \$14,698,000 to increase its ability to address crucial overseas and domestic security needs. The single most important factor in the deterrence of and response to terrorist acts continues to be people. Diplomatic Security Special Agents and other security professionals are on the front lines in the fight against terrorism and the protection of American life and property overseas and domestically. The Department expects to receive resources in FY 2004 to augment the security cadre with 85 additional positions.

However, further security support is still needed as the deep and pervasive threat of global terrorism and the need for homeland security continue to grow. The addition of 71 professionals will allow the Department to further strengthen the following activities:

- Joint Terrorism Task Force participation;
- Overseas support for overextended security officers in the Middle East and elsewhere;
- Key infrastructure support to bolster a range of critical domestic programs;
- Courier support for the Department's expanding global security construction efforts

Special Agents - \$4,043,000: Sixteen additional Special Agents are needed to bolster State Department support for Homeland Security through participation in FBI-sponsored Joint Terrorism Task Forces around the country and to strengthen our security posture at 8 posts in Near East Asia and South Asia where security-related workloads are greater than current RSOs can manage.

Office Management Specialists - \$7,770,000: The Department request includes 25 additional Office Management Specialists (OMS) to provide administrative support to hard-pressed Regional Security Officers at selected posts worldwide.

Civil Servants - \$1,310,000: The Department request includes 19 additional civil servants dedicated to providing or supporting security services within the Department. The rapid expansion of programs and personnel under the 1999 Emergency Supplemental Appropriation and subsequent Worldwide Security Upgrades requires additional support positions. Three desk officers and 2 regional program staff are needed for domestic direct operational support of burgeoning overseas programs. In addition, 4 technical staff are needed for courier support, intrusion detection monitoring, modular treated conference room supervision, and protective intelligence investigations. Three policy and planning analysts are required to meet the DS Assistant Secretary's need to strengthen policy formulation and the strategic planning process, develop performance measurements, and improve policy and program coordination. Seven administrative staff (1 vehicle fleet manager, 2 procurement analysts, and 4 personnel technicians) are required to support ongoing missions and operations.

Diplomatic Couriers - \$1,575,000: The Department request includes 11 additional Diplomatic Couriers to support the worldwide security construction program.

Security Management System Initiative (SMSI): \$3,000,000.

The Department is requesting \$3,000,000 to fully implement a program to install and maintain a worldwide, automated, physical-security monitoring system that can be monitored from a domestic location. This will provide real-time notification of any breach of Department facilities overseas that are covered by the system. Priority will be given to installation at lock-and-leave posts. SMSI will comprise PC-based, software-driven control systems that will consolidate all technical security subsystems at each overseas post. The SMSI initiative will be facilitated through an encrypted Virtual Private Network (VPN) using the Department's OpenNet for remote monitoring of all overseas posts. The concept has been pilot tested and found to be highly effective. Approximately 10

WORLDWIDE SECURITY UPGRADES

posts will be brought on line in FY 2004. These funds would be used to increase the number of installations to about 35 posts in FY 2005. An additional 35 posts would be brought on line each subsequent year until all designated posts are covered by this system.

PART / Program Evaluation

During the FY 2005 budget cycle, the Office of Management and Budget evaluated the Department's Worldwide Security Upgrades (WSU) program for the first time using the Program Assessment Rating Tool (PART). In this initial review, the WSU program scored well in most areas. The diverse program, with fifty different projects, was found to have a clear purpose and to address a specific need. Created in response to the 1998 embassy bombings in Africa, the program has sought to enhance and sustain worldwide security operations and support homeland security and counterterrorism efforts. The program has well-defined long-term goals and has made progress toward achieving them. For example, in FY 2003, the program tripled the monthly number of background investigation updates and attained a rate that would meet the long-term goal of assuring that every employee receives a background investigation update every five years. However, the program lacks clear annual budget and performance targets, making it difficult to document results. Moreover, due to the urgency of providing assistance to posts, cost evaluations are not always completed prior to acquisition of a good or the provision of a service.

Through the PART process, the Bureau of Diplomatic Security (DS) worked with OMB and the Department's Office of Strategic and Performance Planning to establish annual targets for provision of chemical/biological countermeasures equipment and training and for implementation of access control systems. DS will continue to work with OMB to develop other effective annual goals and targets. In addition, DS will work to develop cost metrics for ongoing WSU program requirements to support the annual performance goals. Finally, DS is undergoing a significant reorganization to improve operational efficiency and to ensure more direct oversight by senior management.

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

In the face of continuing terrorist threats to U.S. diplomatic facilities around the world, and in the light of the evaluations by PART and the OIG, the FY 2005 request seeks increased funding for Worldwide Security Upgrades.

Key indicators: Installation of Technical Security Upgrade Equipment, Deployment of CW/BW Countermeasure Masks to Posts Abroad, Replacement of Armored Vehicles, Installation of DoS Access Control Systems, Remediation of Identified Critical Infrastructure Protection Vulnerabilities, Presence of Intrusion Detection Systems for ClassNet and OpenNet Domestically and Abroad, Number of Staff/Time Needed to Complete Background Investigation Cases, and Number of Technical Security Projects Completed Each Fiscal Year in Accordance with the Schedule.

IT CENTRAL FUND

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Capital Investment Fund	182,119	79,158	155,100
IT Investment/Expedited Passport Fees	99,500	122,641	114,000
Worldwide IT Infrastructure	0	39,579	0
Total, IT Central Fund	281,619	241,378	269,100

Explanation of Request

Secretary of State Powell has said, “the success of U.S. diplomacy in this new century depends in no small measure on whether we exploit the promise of the technology revolution . . . because people who can’t communicate rapidly and effectively in today’s globalizing world can’t carry out our foreign policy. “ The IT Central Fund, which comprises the Capital Investment Fund and Expedited Passport Fees, provides a portion of the IT tools and programs needed to implement the Secretary’s vision. Central Fund resources are invested to build effective, secure, and integrated IT systems supporting U.S. diplomats and State’s managers worldwide, and to provide for the safeguarding of the global IT infrastructure that is the foundation for the Department’s operations. The Central Fund enables e-Diplomacy, the Department’s implementation of e-Government.

As a result of recent accomplishments, the Department has in place an effective global IT infrastructure. The successful completion of the OpenNet Plus initiative (May 2003) provided secure Internet access to all Department desktops worldwide. Through the Classified Connectivity Program (CCP), all eligible overseas posts have received modern classified systems. Completion of OpenNet Plus and CCP marked the full deployment of the modern IT infrastructure spelled out in Goal One of the Department’s IT strategic plan. Now, the Department has shifted its focus toward fully securing, fully exploiting, and fully assuring that this infrastructure remains state-of-the-art.

Accordingly, the Department’s highest priorities for FY 2005 are:

- IT Security – State’s focus in FY 2005 will be the launch of a second 3-year authorization cycle as part of its on-going, iterative information assurance authorization program. The Department will complete its initial cycle, involving certification, risk mitigation, and accreditation, for all major IT systems by the end of FY 2004. Additional IT security efforts planned for FY 2005 include overseas deployment of Public Key Infrastructure (PKI) and data labeling.
- SMART for Modernized Messaging -- This program, the Secretary’s top IT priority, will replace the outmoded cable system and institute an integrated solution for information exchange. The goal of the new system is to capitalize on modern, web-based technology to give users a powerful tool for creating and sharing information to support the international affairs mission of the Department. SMART will support interagency collaboration as well as the records management requirements of NARA. SMART will provide significantly enhanced communications and knowledge management tools to the Department’s diplomats and managers, thereby improving their ability to successfully carry out U.S. foreign affairs in the information age. FY 2004 and 2005 will be pivotal years for the SMART

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program. Following the FY 2004 pilot, involving users in domestic and overseas locations, the system will begin worldwide deployment in FY 2005.

- Worldwide IT Infrastructure – A key element of the Department’s IT Strategic Plan is the establishment and funding of a centralized technology modernization program. In FY 2005, the Global IT Modernization (GIT-M) Program will continue to ensure that the IT infrastructure put in place at substantial expense is kept current and fully available to support Department needs. The Department will also continue and expand its efforts to centralize operations and management of IT resources, such as servers, through an expanded Enterprise Server Operations Center (ESOC) initiative. The goal of this initiative is to achieve economies of scale and ensure high levels of service and reliability for all supported systems.

This budget request reflects the considered recommendations of Senior Management and the involvement of diplomats and other users in the planning and requirements-setting processes. This ensures that IT solutions are aligned with the Department’s mission and business priorities and requirements. The e-Gov Program Board, whose members represent the broad interests of the Department, is one important mechanism through which this has been pursued. The SMART Program is overseen by a similarly representative senior-level Steering Committee reporting to the Under Secretary for Management. The Department has established a new DCIO for knowledge management and e-Diplomacy to ensure that the Department’s IT investments are focused on supporting the business practices of modern diplomacy and the work of State employees.

The programs described herein were formulated in the Department’s five-year IT Strategic Plan in FY 2001. These IT programs empower State’s diplomatic contributions to winning the war against global terrorism, and support the Department’s continued work to promote international security, democracy and prosperity. The Central Fund investments planned during FY 2005 will contribute directly to the achievement of the Department’s five strategic goals, set forth in its current IT Strategic Plan:

- A Secure Global Network and Infrastructure
- Ready Access to International Affairs Applications and Information
- Integrated Messaging – A Modern Worldwide Approach
- Leveraging IT to Streamline Operations
- Sustaining a Trained Productive Workforce

The following table summarizes the FY 2005 funding needed by the Department to achieve its strategic IT goals and objectives:

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IT CENTRAL FUND

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
A Secure Global Network and Infrastructure	167,257	152,741	161,434	8,693
Modernization World-wide IT Infrastructure	137,122	124,445	142,951	18,506
OpenNet Plus	32,522	0	0	0
Global IT Modernization	0	55,772	77,671	21,899
Classified Connectivity Program	76,974	0	0	0
Centrally Managed Infrastructure	27,626	28,673	25,280	(3,393)
Bandwidth	0	40,000	40,000	0
Infrastructure Initiatives	30,135	28,296	18,483	(9,813)
Secure Voice Program	4,540	1,046	600	(446)
Post High Frequency Communications	3,762	712	0	(712)
Public Key Infrastructure	7,297	6,065	7,563	1,498
Other IT Infrastructure	14,536	20,473	10,320	(10,153)
Integrated Messaging - A Modern Worldwide Approach	17,635	38,251	32,500	(5,751)
State Messaging and Archive Retrieval Toolset (SMART)	16,100	38,251	32,500	(5,751)
Foreign Affairs Systems Integration (FASI)	1,535	0	0	0
Leveraging IT	67,461	69,664	68,453	(1,211)
Ready Access to International Affairs and Information				
Joint Financial Integration State/USAID	285	4,984	8,200	3,216
Consolidated American Payroll System and ePayroll Conversion	785	842	4,200	3,358
Integrated Logistics Management System (ILMS)	21,794	23,299	18,040	(5,259)
Global Financial Management System (GFMS)	8,246	8,112	4,466	(3,646)
Integrated Personnel Management System (IPMS)	11,391	11,775	11,759	(16)
Other Applications	24,960	20,652	21,788	1,136
Sustaining a Trained Productive Workforce - Investment Planning Architecture and Training	4,183	5,805	6,713	908
Subtotal, IT Central Fund	256,536	266,461	269,100	2,639
Carryforward	25,083	(25,083)	0	25,083
Total, IT Central Fund	281,619	241,378	269,100	27,722

This section discusses requests for the Capital Investment Fund and Expedited Passport Fees, together called the IT Central Fund. The IT Central Fund is only one component of agency IT spending. IT investments funded in other accounts are discussed in the appropriate sections.

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Global IT Modernization: \$77,671,000

In FY 2005, the Department must keep its modern worldwide computer and communications infrastructure up-to-date. Through the Global IT Modernization (GITM) program, the Department is centrally managing an initiative to periodically replace and modernize classified and unclassified desktop computers, servers, network equipment and circuits at both the Department's domestic facilities and at all overseas posts. As equipment is replaced, infrastructure is re-engineered, as appropriate, taking into account newer technology, security and best practices. Management of the domestic portion of the Department's classified and unclassified assets historically was done on an ad hoc basis by the bureaus throughout the Department. The completion of the OpenNet Plus (ONP) and Classified Connectivity Programs (CCP) afford the Department the opportunity to centrally manage both domestic and overseas assets to maintain consistency. In addition, new requirements for enhancing the security of State's IT systems make ad hoc bureau or post management and maintenance of this infrastructure problematic, especially with the rise of web-based applications, requiring consistent, dependable performance. The Department launched the Global IT Modernization program in FY 2004 as the logical follow-on to the ONP and CCP programs to maintain a state-of-the-art State Department.

Centrally Managed IT Infrastructure: \$25,280,000

This request will support the Department's on-going management and improvement of its networks and data processing centers – a critical step toward increasing the security and integrity of the Department's networks. Important improvements have been made in the last few years in supplying secure central facilities for shared equipment and providing the licensing required for consistent systems. This is a significant task when the systems are deployed in environments that range from technologically mature to third world countries with inconsistent infrastructure. Central management of the infrastructure enables the Department to develop and maintain standards of equipment and authorized activities by system managers every place the network extends, as well as to respond promptly to circuit outages. Significant progress was made as part of this program during FY 2003. For example, the Department has consolidated 225 servers from multiple domestic bureaus into the Enterprise Server Operations Center (ESOC), thereby avoiding the costs associated with these servers being supported at computer facilities throughout the Department. The ESOC provides around-the-clock systems monitoring, backup and recovery, and can accommodate over 750 additional servers. The FY 2005 resources will enable the Department to move forward with its plans to expand the ESOC and other cost-effective centrally managed IT infrastructure programs.

Bandwidth: \$40,000,000

This request funds the Department's FY 2005 requirements for bandwidth, which enables the exchange of information between the Department's headquarters and American diplomatic and consular posts around the world. In FY 2002 and FY 2003, the bandwidth was funded as part of the OpenNet Plus and CCP programs. As the demand grows to transmit a wide-variety of electronic information, including large sound and graphics files in support of our nation's foreign policy objectives, funding for expanded bandwidth circuits of sufficient volume and speed must be provided.

Public Key Infrastructure: \$7,563,000

The Department has a requirement to communicate securely with the public, private industry, and other federal agencies via the Internet, intranet, and secure extranets. Public Key Infrastructure (PKI) supports user authentication to control access to State Department information resources on ClassNet and OpenNet Plus; improves IT security against external and internal threats; and supports digital signature requirements enumerated in the Electronic Signatures in National and Global Commerce Act (E-SIGN). PKI will also help satisfy provisions set forth by the Government Paperwork Elimination Act (GPEA) by using digital certificates in electronic transactions, thereby reducing the amount of paper produced for physical signature. Other needs for secure communication include contractor information between overseas secure Embassy construction sites and the Department; investigative reports by Diplomatic Security; and protection of sensitive and personal medical records that must be transmitted electronically to serve members of the

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Foreign Service and others stationed overseas. This project fully supports and furthers the OMB and General Services Administration sponsored cross-agency “e-Authentication” e-government initiative. Through FY 2003, the Department has successfully issued 11,455 PKI certificates, and downloaded these certificates onto the new Department “smartcard” identification badges issued to domestic employees. PKI hardware and software also has been added to computers on 3,039 employee desktops. These installations enable employees to electronically sign and verify electronic messages they send and receive, as well as authenticate and provide access for these employees to PKI-protected applications.

Other IT Infrastructure: \$10,320,000

Other IT infrastructure programs are essential to providing an effective and secure IT platform. These include such critical items as anti-virus systems, overseas remote dial-in equipment, telephone system replacements, technical security of digital copiers for posts, video collaboration tools, and communications security auditing.

State Messaging and Archive Retrieval Toolset (SMART): \$32,500,000

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

The Department currently depends heavily on a fragmented collection of outmoded manual and automated systems to support foreign policy activities on a worldwide basis. The cable system, which is the main communication vehicle for substantive information exchange, dates back to World War II and suffers numerous limitations. Compounding the problems is the use of email and memoranda for official and unofficial business, resulting in non-integrated, inaccessible information on topics of great importance to the Department's mission. These fragmented systems cannot meet the Department's requirements for high-speed information exchange and collaborative processing. SMART is intended to address these deficiencies and meet three critical business needs of users: modern messaging, dynamic archiving, and information sharing at the desktop. This initiative will replace State's telegram and e-mail systems with a modern system allowing web-based transmission, receipt, and retrieval of messages. Users will access a centralized, global repository of e-Documents via standard web browsers or personal digital assistants from anywhere in the world. SMART will have many of the characteristics of systems people use at home: portals, remote access, powerful search and retrieval, etc.

SMART has made impressive progress to date. In FY 2004, the laboratory system will be developed and evaluated, and a pilot is scheduled to be deployed to selected domestic and overseas locations. The pilot deployment will be evaluated carefully in FY2005 to assure that SMART meets all functional requirements. After such assurance is secured, deployment will be extended to additional domestic and overseas users.

Applications and Software Development: \$68,453,000

Two of the Department's IT strategic goals are directed toward the development of software systems that: 1) directly support the Department's foreign affairs activities, and 2) support diplomatic readiness and management functions in a more streamlined, consolidated, and cost-effective manner than they do today. During FY 2005 the Department will continue to focus its efforts on three critical management systems in the areas of logistics, human resources, and financial services. Also, further steps will be taken to expand the direct support for access to critical foreign affairs information by enhancing connectivity among the U.S. foreign affairs and national security communities. In addition to these major management and foreign policy systems efforts, other systems initiatives include those supporting medical information and Public Diplomacy. The Department is also fully supporting several OMB sponsored cross-agency e-Government

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applications, including GovBenefits and E-Travel. This request will also enable the Department to web-enable applications, create more useful reports and improve the Department's ability to share data.

- **Joint Financial Integration State/USAID: \$8,200,000.** During FY 2003, the Department established a Joint State /USAID Financial System Collaboration Steering Committee, co-chaired by State's CFO and USAID's Assistant Administrator for Management. This group also sponsored a study on the integration of State and USAID financial systems, which outlined steps necessary to more closely integrate the currently separate State and USAID financial management systems. FY 2005 resources will be used for the Department's costs to implement these steps and further integrate these systems, thereby increasing management oversight over both State and USAID foreign affairs budgets, while avoiding costs associated with maintaining fully autonomous financial systems.
- **ePayroll Conversion: \$4,200,000.** State seeks to support the efforts of OMB to streamline information technology by utilizing e-Government initiatives. This request will allow State to do the requirements analysis and design of the changes necessary to move the Department of State from the current 20 year old CAPPs system to one of the four OPM/OMB approved ePayroll platforms. A smooth transition to ePayroll is critical for timely, continuous payroll production for the State Department and serviced agencies domestically and overseas.
- **Integrated Logistics Management System (ILMS): \$18,040,000.** ILMS is a major reengineering and development effort to create a modern, user-oriented system for all logistics functions, including purchasing, supply, transportation, warehousing and inventory management. ILMS will emphasize operations streamlining and self-service. During FY 2003 significant progress was made, with the domestic acquisition model coming on-line and providing the Department with a fully electronic domestic acquisitions system with real-time integration to the Department's financial system. The requested resources are needed to expand this system's functionality and to make these services available globally.
- **Global Financial Management System (GFMS): \$4,466,000.** The Department of State's overseas and domestic financial management will be integrated into one worldwide system. The goal is to obtain a single integrated view of financial data through data standardization, common business processes, and the seamless exchange of information through the Department's financial management and administrative environments. The GFMS project also serves as the foundation for the new Joint Financial Management System (JFMS) that will be used by the Department of State and the U.S Agency for International Development (USAID) starting in FY06. The JFMS will be the result of an interagency collaboration effort to create a common financial platform for State and USAID to manage all domestic and overseas financial management activities. This request permits the joint effort to remain on schedule.
- **Integrated Personnel Management System (IPMS): \$11,759,000.** This system supports the Department's overall strategic human resources goals. It is instrumental in ensuring State has the "right people, with the right training, in the right place, at the right time." The long-term mission of IPMS is to plan, implement and deploy world-class support systems and technology, providing the Department with superior human capital management in support of its diplomatic mission. Priority activities for FY 2005 include recruitment processing and post personnel systems integration.

Investment Planning, Architecture and Training: \$6,713,000

The Department must continue to invest and build upon recent improvements in these vital areas. During FY 2003, State used effective investment planning processes to improve oversight and management of IT projects. The Department's newly created E-Government Program Board is successfully monitoring project costs, schedule and performance throughout the lifecycle of an IT investment. Further, project managers are being trained on effective business case development, performance measures, alternatives analysis, lifecycle cost analysis, cost/benefit analysis, and return-on-investment methodologies. For State's Enterprise Architecture, the Department has completed the collection of technical, application and

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infrastructure data for the joint State / USAID enterprise architecture. In addition, initial “as-is,” “to-be,” and transition plan drafts for both the business/information layer and the technical layer were completed.

BORDER SECURITY PROGRAM

Program Activities Summary

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Machine Readable Visa (MRV) Fees	523,601	630,891	661,480
Diplomatic and Consular Programs	46,000	109,500	75,000
Enhanced Border Security Program Fees	0	0	100,000
Total, Border Security Program Expenses	569,601	740,391	836,480

FY 2003 Actual includes \$46.00 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11), including \$14.00 million transfer from the Emergencies in Diplomatic and Consular Services Appropriation; FY 2004 Estimate includes \$109.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

Explanation of Request

The Department of State's Border Security Program is a key element in the Department's goal to protect American citizens and facilitate travel while protecting the nation's borders. The Bureau of Consular Affairs (CA) has primary responsibility for deploying consular systems and developing and implementing policies, procedures and processes linked to other agencies and departments across the federal government. The objectives of the Border Security Program are:

Information: Provide accurate and timely information available to all personnel responsible for processing passports, adjudicating visas and issuing travel documents. Key elements include data sharing with other agencies and on-going improvements in the effectiveness and efficiency of name check systems.

Infrastructure : Provide staff in the field equipped with essential equipment and software. Key elements are an effective equipment replacement program and continued development of modernized consular software. This objective also involves providing American citizens residing or traveling overseas with emergency and routine services in adequate facilities.

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

Human Resources: Assure that all key positions involving border security are staffed with highly qualified personnel. This requires that the Department have sufficient staff to meet workload demands and that all personnel are trained in consular systems, processes and anti-fraud techniques.

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

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

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(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Consular Project Initiatives	224,546	348,422	426,649	78,227
Consular Systems Install and Operations	31,000	55,900	49,200	(6,700)
Consular Systems Modernization and Support	60,100	65,600	71,898	6,298
Automated Namecheck Systems: CLASS	13,500	14,250	16,000	1,750
MRV Administrative Support	34,875	66,725	119,599	52,874
Public Information Support	5,000	10,060	10,565	505
Document Integrity/Fraud Programs	600	1,675	1,750	75
Consular Training (FSI)	3,271	4,480	4,480	0
Passport Operations	30,290	44,586	81,923	37,337
Passport Facilities	3,950	4,117	1,985	(2,132)
Passport Systems	23,700	44,500	29,920	(14,580)
Visa Processing	10,800	26,900	30,230	3,330
American Citizen Services	2,000	2,560	2,600	40
Intelligence Support Unit (INR)	3,760	3,984	1,673	(2,311)
Facilities Management (A)	1,700	3,085	4,826	1,741
Diplomatic Security	9,040	10,616	10,745	129
Investigative Support/Guards	9,040	10,616	10,745	129
Technology Backbone - IRM	19,840	19,900	20,900	1,000
IRM Computer Systems and Operations /Diplomatic Telecommunications Support	19,840	19,900	20,900	1,000
Border Security Staff (American Salaries)	180,196	197,838	212,034	14,196
Consular Affairs	82,613	89,600	94,001	4,401
Bureau of Administration	54	86	89	3
Information Resource Management	2,775	2,929	3,039	110
Diplomatic Security	13,176	13,910	14,434	524
Overseas Staff	81,578	91,313	100,471	9,158
Border Security Support	135,979	163,615	166,152	2,537
Consular Affairs	63,904	70,575	73,392	2,817
Diplomatic Security	870	870	870	0
Information Resource Management	4,090	4,090	4,090	0
Western Hemisphere Affairs (BCC)	2,000	2,000	2,000	0
Overseas Support	65,115	86,080	85,800	(280)
Total, Border Security Program	569,601	740,391	836,480	96,089
<i>DHS Reimbursement</i>	<i>16,000</i>	<i>18,000</i>	<i>18,000</i>	<i>0</i>

BORDER SECURITY PROGRAM

FY 2005 Border Security Program Requirements

FY 2005 Initiatives

The Department of State is in the midst of a multi-year initiative to increase border security by strengthening the security of the passport adjudication process, the physical passport, the immigrant visa adjudication process, and the physical immigrant visa document itself. The most critical element of this security initiative will be the implementation of the visa and passport biometrics programs as an integral component of the Border Security Program. All of these changes impose a variety of developmental and operating costs on the Department's Border Security Program.

With respect to passport services, improvements involving use of other agency and commercial databases are underway to prevent identity theft and provide a more robust namecheck system for passport adjudicators. Changes to the passport book itself began most recently with the introduction of photodigitization. Changes currently underway include the redesign of the passport book to incorporate the most recent advances in document security as well as the introduction of a contactless chip to store biometric information about the authorized bearer of the passport.

The effort to enhance immigrant visa services includes migration of the immigrant visa to a machine-readable format using a secure visa foil and, as required by the Enhanced Border Security Act, implementation of a biometrics program that collects digital photos and electronic fingerprints of visa applicants. CA is also working closely with the Department of Homeland Security (DHS) in an ongoing effort to more fully integrate the immigrant visa process into plans for enhanced electronic case processing and tracking throughout State and DHS activities.

In prior years, the Border Security Program was funded exclusively from revenues generated by the Machine Readable Visa fee. However, the decline in non-immigrant visa demand since September 11, 2001 and the increasing cost of these required security enhancements have placed tremendous pressure on this revenue base. In FY 2005, the Department requests that this program be funded from a combination of MRV funds (\$661,480,000), Enhanced Border Security Program fees (\$100,000,000), from a pending legislative proposal related to security and biometric requirements, and Diplomatic & Consular Program funds (\$75,000,000).

Overseas Consular Systems Install and Operations: **\$49,200,000**

This funding is used to support worldwide consular operations with new hardware, software and training. CA will continue to replace IT equipment for 220 plus posts as well as Consular Affairs domestic operations on a 3 to 4 year cycle, and provide updated, on site training to all posts at least once every 12 to 18 months. This "refresh" cycle is essential given the rapidly changing pace of IT development. CA provides a 24-hour, five-day a week support desk, and technical teams capable of addressing any IT problem the posts may have. CA continually upgrades its systems as new software releases are available.

The funding increases for FY 2004 and 2005 above FY 2003 are a result of the Enhanced Border Security Act, and the mandate to incorporate biometrics into the visa process. FY 2004 funding will be used to implement two fingerprint capture capability at all visa processing posts. FY 2005 funding will allow an increased level of support to ensure continued smooth biometric collection operations. Expenses related to the purchase of fingerprint scanners and associated software and servers are included in this request.

Overseas Consular Systems Modernization and Support: **\$71,898,000**

The global nature of consular operations and the requirement for interagency data-sharing put a premium on maintaining efficient and state of the art systems and leveraging technology to the extent feasible. In addition, the Enhanced Border Security Act and associated legislation require significant upgrades to the Department's systems. This funding provides for the research, development and system implementation

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capability to meet those demands. The primary use of funding will be software refinements of biometrics (i.e. fingerprint) collection capability for visa processing and increased data sharing. Visa system software now allows for the capture of 2 fingerprints. However, as the database grows, additional work will be required to modify the software to capture an additional number of prints while still maintaining interoperability with the Department of Homeland Security (DHS). Because the consular systems are an integral part of the DHS US VISIT program, the Department will need to ensure that our systems remain compatible with emerging US VISIT program requirements. The Department will continue to work with DHS on issues such as fingerprint matching, storage, interoperability and the handling and processing of data.

Other priority projects include several e-Gov initiatives to take advantage of the Internet, continued re-engineering of our American Citizens Services Systems, the rollout of the International Adoptions database (Adopting Tracking System or ATS), and the support and enhancement of our domestic visa processing software. Funds will also be used to support technical infrastructure items such as systems and data engineering groups, information system security, and Independent Validation and Verification (IV&V) activities. IV&V activities test and validate new software releases and communication interfaces to other systems within and outside the Department.

Automated NameCheck Systems CLASS E-/DNS: \$16,000,000

The consular name check systems are central to the border security program. Equipment must be systematically maintained while software is continuously enhanced. The Bureau of Consular Affairs supports two data centers, one in the Washington DC area and a second load-sharing site in the Kentucky Consular Center. In addition, significant increases in the CLASS database will continue, as legislation now requires the Department to maintain CLASS records indefinitely. This requirement is projected to increase the CLASS database by 3,000,000 new records annually. The larger data base size will require increased computer resources needed to maintain the integrity of the data.

Development activities on additional algorithms continue with work on Hispanic and Asian names. In addition, funds allow for maintaining the Overseas Support Desk, which is especially critical to support the many small, remote posts that do not have the systems personnel and other support available at our larger operations.

MRV Support Costs: \$119,599,000

The MRV or Machine Readable Visa fee, collected from each applicant for a nonimmigrant visa, has provided the fundamental financial support for all Consular and visa programs. MRV support costs include collecting the MRV fee in the most efficient way through locally or regionally contracted banks. Other costs include support to overseas posts in the form of visits by Consular Management Assistance Teams, employment of seasonal and temporary staff, and the purchase of a small amount of furniture and equipment. As in prior years, CA will continue to fund the salaries and benefits of consular associates and Fascell Fellows performing consular-related duties. CA will also continue to support the consular agent program by funding their salaries and benefits as well as the basic equipment needed to perform their duties.

The major funding increase in this budget stems from the biometric collection program. Additional appointment systems, renovation/expansion of consular space, and public outreach programs will be needed in FY 2004 and FY 2005. Finally, the Department will need to hire local personnel to assist with the increased biometric-related workload.

Public Information Support: \$10,565,000

As part of the continuing effort to provide the public with the best information available in the most cost-effective manner, the Department will continue to expand the use of Call Centers. These centers provide routine visa and passport information and non-Privacy Act information regarding the safety and welfare of

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American citizens abroad. (The more sensitive and difficult questions received at call centers are forwarded to consular and visa specialists at the Department). Currently, the Department operates two call centers: one for passport inquiries and the other for American citizen services inquiries. During FY 2004, the Department will introduce a visa Call Center.

Document Integrity, Training and Anti-fraud Programs: \$1,750,000

The fraud prevention function is vital in enhancing U.S. border security. This is accomplished through training, information sharing, coordination with other offices and agencies, and operational support for the domestic Passport agencies and consular sections abroad. Efforts to procure or misuse U.S. documents have become increasingly more sophisticated and more effective. Funds will be used to provide up-to-date training, information, and equipment to ensure that overseas consular and domestic passport staff have the skills, knowledge and tools needed to help uncover fraud. During FY 2004 and FY 2005, CA will be involved in designing new and better security features in U.S. passports and visas, providing assistance to other USG agencies on a wide range of fraud issues, and developing publications and training materials to keep consular officers, passport specialists and other interested parties apprised of pertinent fraud issues.

In an effort to promote and maintain high standards of honesty and integrity in the consular field and to learn from past cases of consular malfeasance, the Department has established the Vulnerability Assessment Unit (VAU) located within the Bureau of Consular Affairs, Office of Fraud Prevention. This is a joint initiative between the Bureau of Consular Affairs and the Bureau of Diplomatic Security. The mission of the VAU is to analyze consular data and processes to identify vulnerabilities to malfeasance and to make recommendations to address them.

FSI - Consular Training: \$4,480,000

These funds provide for both initial and on-going consular training, which includes classes, conferences and workshops for consular officers and staff. Training focuses on consular laws, procedures, policies and techniques. The 20 different course offerings are designed to increase the efficiency and effectiveness of our consular officers in protecting U.S. borders while facilitating legitimate travel. Courses emphasize the protection of U.S. citizens traveling or residing abroad and the policies and procedures for adjudicating visas. The classes focus on basic interviewing skills, as well as leadership and management principles and strategies.

Passport Operations: \$81,923,000

The passport remains the fundamental internationally accepted document that identifies the nationality of Americans as they travel overseas and enter and exit the United States. The integrity of the passport is essential. Timely delivery of services to Americans is also important. In FY 2004, CA anticipates workloads of 7.7 million passports in FY 2004, 8.0 million in FY 2005, and 8.4 million in FY 2006. Operating expenses in FY 2005 are estimated to be \$32.2 million and include costs associated with material and supplies needed to manufacture secure passports, administration of the overseas issuance programs and a new Internet-based project linking public and other databases for the passport's anti-fraud effort. Expenses also include the cost of contractor staff hired to process passports.

In addition, funds requested in this program activity will provide for the development and support of a new type of "electronic" passport that incorporates a contactless chip to record biometrics. This enhancement will greatly reduce its vulnerability to being misused by criminals, terrorists or illegal immigrants. During this program's roll-out in FY 2005, the Department expects to produce 4 million electronic passports at an additional cost to the Department of \$40.0 million.

During FY 2005, the Department plans to establish "Gateway City Agencies" in cities near major international airports. These counter services will provide limited passport services, such as emergency and other urgent passport issuance services to American citizens so that a passport is obtained in time to meet

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their travel needs. The Department estimates the start-up costs for these Agencies to be \$2.7 million in FY 2005.

Passport Services depend heavily on the lockbox services of the Department of Treasury. These services include traditional lockbox services and “ancillary” services, such as entering data from passport applications. This budget includes \$7.0 million to reimburse the Treasury Department for such services.

Passport Facilities:

\$1,985,000

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

Passport Systems:

\$29,920,000

During FY 2004 and FY 2005, the Department will continue operational support, equipment replacement plans and the Help Desk for 16 passport agencies and centers. CA will enhance its computer systems and provide for expected upgrades to accommodate the production of passports with electronic devices to write passport and digital facial data securely on a contactless chip that will be integrated into the passport. Critical to this effort will be the development of the revised passport production systems, including the development of a centralized security sub-system and infrastructure designed to support the integration of biometrics in the passport.

Records management will continue to be a high priority. There are currently over 60 million passport records stored on-line at one central repository located in Beltsville, Maryland. To protect this data and provide redundant systems to support other agencies that require access to these vital records, new storage and server systems will be procured in FY 2004 and FY 2005. The new redundant systems will be located in Charleston, South Carolina. In addition, existing redundant passports systems will be moved from Beltsville, Maryland to Charleston.

Visa Processing:

\$30,230,000

Funding is required to implement new programs designed to enhance border security. The most significant new development is the use of biometrics. Per a statutory mandate, all travel documents issued by the Department of State, for non-immigrants and immigrants including children adopted by US citizens, must contain biometric identifiers. Funds will be used to implement a facial recognition initiative, which involves using facial recognition technology to compare photographs of visa applicants against a global lookout database and to verify the identity of the traveler.

During FY 2004 and FY 2005, CA plans to redesign the interagency national security screening process known as the Security Advisory Opinion (SAO) process in order to leverage new developments in data share.

Much of the requested funding will be directed to the National Visa Center (NVC) and the Kentucky Consular Center (KCC). NVC must modernize its operations as part of the biometric collection requirement for immigrant visa applicants. KCC will take on the screening of large numbers of visa applicants against facial recognition technology. Cases that result in a “hit” require human judgment and processing. Doing so at a domestic center rather than overseas provides significant cost savings. KCC will establish an anti-fraud unit to look at fraud indicators in nonimmigrant petition-based visas. KCC will also scan into the Consular Consolidated Database all the archival material now in overseas posts on Category 1 visa refusals. These include all the permanent ineligibilities for entry into the US based on national security concerns, criminal activity, and the threat of spreading contagious disease. Once in an electronic format, the archival material will be safeguarded and will be in a format that can be shared through automated systems with DHS and other federal agencies.

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Other projects designed to bring visa operations into the digital information age include the implementation of the electronic Diversity Visa lottery registration (eDV), allowing millions of DV program participants to register on-line.

American Citizen Services:

\$2,600,000

Approximately 3.2 million Americans reside overseas and more than 60 million trips are made by Americans each year doing business, touring and studying abroad. One of CA's highest priorities continues to be to provide for their safety and welfare, especially in times of crises. These funds allow CA to continue to meet these responsibilities by: maintaining ongoing operations, working in bi-lateral or multi-lateral fora to share information and ideas, implementing Hague Convention rules, and improving the execution of central authority requests. CA will continue to improve communications with the public through the establishment of the Overseas Citizens Services (OCS) Call Center and outreach programs. We will also continue our Victims of Crime Program and the Voter Assistance Program. The development of internet based registration systems will bring the Department closer to e-government objectives and allow for more convenient and rapid collection of information that can prove essential in times of political instability, terror alerts or natural calamities.

INR - Intelligence Support Unit:

\$1,673,000

Funding is provided to the Bureau of Intelligence and Research (INR) to operate programs that seek to identify individuals who are potential threats and prevent their entry into the United States. This includes the Russian Organized Crime Watch program that collects, evaluates, stores and shares information on members of international organized crime in order to prevent them from receiving U.S. visas. It also includes the CA Watch that provides 24 hour support and guidance on visa issues.

In previous years, INR also maintained an extensive database of suspected foreign terrorists as part of the TIPOFF program. Pursuant to Homeland Security Presidential Directive-6 of September 16, 2003, the TIPOFF terrorist database and functions have been transferred to two interagency entities, the Terrorist Threat Integration Center (TTIC) and the Terrorist Screening Center (TSC). Although Department staff has been assigned to the TTIC and TSC in support of this function, funding will still be required within the Border Security program to provide staff to coordinate with TTIC and TSC.

Bureau of Administration -- Facilities Management:

\$4,826,000

Funds provide for utilities, facilities maintenance and custodial services at the National Visa Center in New Hampshire, the Kentucky Consular Center, where aspects of the immigrant and diversity visas are processed, and at the Charleston facility in South Carolina where passports are processed. These funds also include GSA rent for some CA office space in Washington, DC.

Diplomatic Security:

\$10,745,000

Diplomatic Security is an essential partner in many of CA's border security initiatives. Funds provide for the Bureau of Diplomatic Security to hire and assign uniformed guards to protect passport agencies nationwide. Funding also supports efforts to combat organized criminal activities, investigate visa and passport fraud, and upgrade systems and databases used in fraud investigations.

Technology Backbone (IRM):

\$20,900,000

Funds are used to provide mainframe support for the CLASS name check system. This includes around-the-clock systems operations and maintenance; secure connectivity; redundancy; contingency operations; and technology to handle CLASS enhancement requirements. Funds will also be used to pay for bandwidth under the DTS-PO program.

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Border Security Staff: American Salaries **\$212,034,000**

In FY 2003, the Border Security Program funded the salaries and benefits of 2,432 full-time consular, Diplomatic Security and Information Resource Management employees. In FY 2004, the Department has requested 93 new consular positions: 13 to be assigned domestically and 80 assigned overseas. This increase will bring total Border Security Program staff to 2,525 positions. In FY 2005, the Department requests 60 additional positions: 15 domestic and 45 overseas. The increases will result in a total position base of 2,585 positions by the end of FY 2005.

Position increases in FY 2004 and FY 2005 are needed to handle the increased workload associated with changes in visa processing, including more extensive and intensive interviewing of visa applicants as well as implementation of biometric collection. In FY 2005, the additional increase in the domestic staff will be used to staff the gateway passport agencies.

Border Security Support **\$166,152,000**

This program activity funds a number of the basic expenses of the Border Security Program. These expenses include labor contracts for the National Passport Center and the Border Crossing Card (BCC) program for Mexico. They also include the purchase of consumables and supplies for the visa, passport and BCC programs, including passport books, visa foils, and BCC card stocks. In addition, funds in this program activity are also required to pay the start-up and recurring expenses associated with new domestic and overseas consular positions. Equally importantly, this program activity provides funding to the Regional Bureaus to pay the salary and benefits of locally engaged consular employees as well as the post specific benefits (i.e. cost of living allowances, educational allowances and danger pay) of American consular staff.

BCC Reimbursement to DHS **\$18,000,000**

The Department will continue to reimburse the DHS for expenses related to the Border Crossing Card program. This reimbursement is based on a Memorandum of Understanding between the two agencies and is consistent with the requirements of Section 104 of the Illegal Immigration and Immigrant Responsibility Act of 1996. The reimbursement is considered a direct transfer of revenue to the Bureau of Citizenship and Immigration (within DHS) and is not included in relevant charts and tables that summarize the Border Security Program. In FY 2004 and FY 2005, the Department plans to reimburse the DHS \$18,000,000 annually.

PART / Program Evaluation

For preparation of the FY 2005 budget, the Office of Management and Budget reevaluated the Department's Visa and Consular Programs / Border Security Program using the Program Assessment Rating Tool (PART). In this second PART review, the program again received a solid score and was rated moderately effective. The purpose of the program was found to be clear: to protect American citizens here and abroad and to safeguard U.S. borders through improvements in consular systems and programs. The program uniquely addresses diverse interests, issues, and problems, including national security, visa and passport services, and American citizen services. Although there was no change in the score from last year, the managers and the program itself have made great progress in the two years since 9/11. Against key performance indicators for expansion of data sharing internationally and collection of biometrics, the program registered significant achievements. However, the PART review found that the program is not effectively tracking its own progress due to overly broad performance goals and measures.

The Bureau of Consular Affairs (CA) is working with OMB and the Department's Office of Strategic and Performance Planning to develop more precise long-term and annual performance goals and targets for FY 2006. Two recent laws – the USA PATRIOT Act and the Enhanced Border Security and Visa Entry

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Reform Act – have added significant new requirements. In accordance with that legislation, CA has revised its planning to facilitate integration with homeland security and counterterrorism programs of other federal agencies.

The Border Security Program continues to be heavily scrutinized. During Fiscal Years 2002 and 2003, consular activities were the subject of more than ten reviews by the General Accounting Office and other outside organizations, as well as by the Office of the Inspector General and other Department bureaus. The overall conclusion of these reviews, as well as of the second PART review, has been that this critical program is currently achieving its intended results. The FY 2005 resource request for the Border Security Program is based not only on new requirements such as biometric identifiers for visas and passports, but also on the program's solid performance as rated by PART and other evaluations.

Key indicators: Development of a Biometrics Collection Program for U.S. Visas, Percentage of Weeks in which Passport Services' Work in Progress was less than Three Times the Number of Weekly Passport Applications, Percentage of Consular Information Sheets Revised on an Annual Basis, Access to Online Registration System, and Development of a Biometrics Collection Program for U.S. Passports.

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Worldwide Security	750,093	852,336	912,320	59,984
Security Construction	604,594	753,388	785,320	31,932
Compound Security	145,499	84,106	100,000	15,894
Soft Targets	0	14,842	27,000	12,158
Operations	498,736	517,992	619,880	101,888
Planning and Development	8,499	8,410	9,000	590
Real Estate and Property Management	5,961	5,620	6,150	530
Project Execution	88,070	80,412	87,500	7,088
Operations and Maintenance	347,527	376,057	468,230	92,173
Information Management and Support	25,828	25,725	26,000	275
Domestic Renovations	22,851	21,768	23,000	1,232
Headquarters	6,458	6,431	6,800	369
Supplemental Appropriations	149,500	43,900	0	(43,900)
Appropriation Total	1,404,787	1,420,659	1,539,000	118,341

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7), and also includes \$149.5 million provided through the Wartime Supplemental Appropriations Act, 2003 (PL 108-11).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673), and also includes \$43.9 million provided through the Supplemental for Defense and for the Reconstruction of Iraq and Afghanistan (PL 108-106).

Purpose of Program

The mission of the Bureau of Overseas Buildings Operations (OBO), funded through the Embassy Security, Construction, and Maintenance appropriation, is to manage the Department of State's (DOS) real property assets that provide U.S. diplomatic and consular missions with secure, safe, and functional facilities to serve as a platform from which to pursue U.S. foreign policy objectives. This request seeks sufficient resources to continue this mission and maintain the progress OBO has made over the last two years in replacing non-secure facilities. In the past year, OBO completed eight new facilities, and has another 25 under construction. In addition, OBO will use the funds requested for FY 2005 to award contracts for 13 new facilities.

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The value of the Department's real estate portfolio exceeds \$12 billion and includes over 15,000 properties. However, many of the Department's overseas facilities have simply been neglected for too long and need extensive work to restore their serviceability. OBO continues to identify and correct existing facilities that lack adequate security and safety, and are overcrowded due to the expanded international role many government agencies find necessary to advance vital American interests. When this is not feasible, these buildings must be replaced as expeditiously as possible.

The Capital Security Cost Sharing Program

OBO continues to work with partners throughout the Federal Government and private sector to plan and implement a comprehensive program to tackle the security, safety, and operational issues that confront our overseas facilities. The Department is incorporating rightsizing efforts with a construction program that uses industry best practices to achieve efficient, effective results for U.S. taxpayers. The Capital Security Construction Program was initiated to replace the 187 most vulnerable posts. Funding for the program will be phased in over the next five years to reach \$1.4 billion annually, a level necessary to accelerate the effort to replace these facilities. Further, the program includes agency involvement in the priorities and in other aspects of NEC development.

The FY 2005 request includes funds for the first year of the Capital Security Cost Sharing Program. This program, together with the Capital Security Construction Program, will provide \$869.0 million for the construction of new embassy compounds (NEC) in FY 2005. Under the cost sharing program, all agencies having an overseas presence will pay their fair share of urgent, security-driven capital projects undertaken to replace embassies at the most vulnerable posts. In addition to providing funding for the acceleration of the construction of new secure and safe facilities for all overseas staff, this program will also provide a strong incentive for all government agencies to rightsize their overseas presence.

Functional Programs

The Department has received tremendous budgetary support over the past few years for its Capital Security Construction Program. It is also important to assure that sufficient support continue for ongoing operations, maintenance, and support of our aging buildings, most of which will not be candidates for replacement in the near term. This request reflects a balanced approach to meeting the critical needs of the Department's overseas facilities. It provides for a vigorous Capital Security Construction Program to replace the most vulnerable facilities at high risk posts, while enabling the Department to maintain proper stewardship of existing facilities.

Explanation of 2005 Request

The FY 2005 budget request of \$1,539,000,000 and 818 positions for Embassy Security, Construction, and Maintenance (ESCM) is an increase of \$118,341,000 and 18 positions over the anticipated FY 2004 appropriation. Of this increase, \$25,981,000 is to maintain operations at a current services level. An additional \$92,360,000 supports capital security construction and compound security projects, as well as other high priority program increases.

Worldwide Security Upgrades - \$912,320,000

This request includes \$785.3 million for the Capital Security Construction Program that, when added to the funds contributed by other agencies through the Capital Security Cost Sharing Program, are anticipated to provide a total of \$869.0 million for the construction of NECs. Total funds available will be determined after final discussions with other agencies in June 2004 to confirm staff totals. The FY 2005 plan includes:

- Construction of NEC facilities in Beirut, Lebanon; Belgrade, Serbia-Montenegro; Khartoum, Sudan; Mumbai, India; Quito, Ecuador; Skopje, Macedonia; and Suva, Fiji.
- Construction of Annex facilities in Bogota, Colombia and Moscow, Russia.

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- Construction of facilities associated with USAID in Bamako, Mali; Kathmandu, Nepal; Kingston, Jamaica; and Yerevan, Armenia. Funding for these projects is supported by USAID contributions through the Capital Security Cost Sharing Program.
- Acquisition of sites for future NEC projects and planning activities.

In addition, \$127 million is requested to continue the Department's program of compound security upgrades. As described in the Long Range Overseas Buildings Plan, the FY 2005 request will fund compound security upgrades, installation of forced entry/ballistic resistant doors and windows, maintenance of shatter resistant window film, minor security upgrades, and environmental security protection. This program also includes \$27 million for physical security enhancements to address potential threats against residential compounds, overseas schools, and other soft targets.

Operations – \$619,880,000

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

Planning and Development - \$9,000,000

Proper planning is the key component of OBO's philosophy of "getting it right". The Planning and Development Office provides the central focus for overseas facility planning efforts and is the linchpin in OBO's efforts to change from a "budget drives planning" mindset to one of "planning drives the budget." This office is responsible for producing the Long-Range Overseas Buildings Plan (LROBP), conducts business case analyses, and provides the detailed Long Range Facility planning, space requirements planning, project development, and cost management support necessary to design and construct new facilities or renovate existing ones. The \$0.59 million increase maintains current services and provides for the salaries and support costs of 80 positions.

Real Estate and Property Management - \$6,150,000

Site selection and acquisition are critical steps in the success of any new construction project, but they can be the most difficult to negotiate and complete. This program supports all aspects of real property acquisition, management, and disposal, including the salary and support costs for 36 positions. The FY 2005 request provides an increase of \$0.53 million for wage and price increases.

Project Execution - \$87,500,000

The Project Execution (PE) Office is the single point of responsibility and accountability for the execution of construction, rehabilitation, compound security, and special maintenance and improvement projects. The request comprises several different programs responsible for different aspects of execution.

- Construction and Commissioning - \$27,000,000. This program funds expenses for the 124 domestic and on-site construction management staff that oversees the work of the general contractors building and renovating the Department's overseas facilities. Beginning in FY 2005, OBO will discontinue the practice of budgeting for project supervision costs for non-capital projects in the Construction and Commissioning (C&C) account. These costs are now included as part of the individual project budgets, as they have been for capital projects. As a result, the C&C request is limited to a net increase of \$2.4 million to offset wage and price increases.

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- Design and Engineering - \$22,500,000. The Design and Engineering program provides assistance in soliciting and negotiating architectural and engineering services contracts and reviewing project drawings, specifications, and associated documents. The staff resolves design problems and changes during the construction process, and assists with procurement of U.S. Government-furnished equipment. In addition to participating in the project planning and programming phases (including project definition and engineering support), staff members assist the Facility Management Division in determining criteria and standards governing operations, maintenance, and repair requirements.

This request includes an increase of \$2.1 million to provide salaries for all authorized positions and program support.

- Security Management - \$26,000,000. This program provides security measures that safeguard overseas construction sites and materials from potentially hostile intelligence efforts and includes the salary and support costs for 52 positions. Beginning in FY 2005, OBO will discontinue the practice of budgeting for security management costs for non-capital projects in the Security Management account. These costs are now included as part of the individual project budgets, as they have been for capital projects. The FY 2005 request reflects a net increase of \$2.0 million to cover mandatory wage and price increases.
- Interiors and Furnishings - \$12,000,000. This program provides interior planning and design for new office and support buildings, existing office facilities under rehabilitation, and new lease fit-outs, and includes the salary and support costs for 30 positions in the Interior and Furnishings Division. In addition, it formulates policy, standards, and procedural guidance for interiors of office facilities and provides for the maintenance and replacement of furniture, furnishings, and equipment in representational spaces. This request includes a \$0.6 million net increase for wage and price increases.

Operations and Maintenance - \$468,230,000

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

- Leaseholds - \$261,850,000. Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease, lease-purchase, and build-lease agreements. The decision to lease or purchase a property is based on economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, including market assessments, legal expenses, and fee recording. It also provides living quarters allowance payments to Department employees at selected posts where U.S. Government provided housing is not available.

The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) residential and non-residential properties overseas supporting all foreign affairs agencies under the supervision of the Chief of Mission on a non-reimbursable basis. The Department also funds short-term leased residential and non-residential space for its own personnel. In cases where the Department leases shared office facilities on a short-term basis, the costs for such leases are distributed among all tenant agencies through the International Cooperative Administrative Support Services (ICASS) system. Under a Memorandum of Agreement with

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the Department of Defense, the Department is reimbursed for the cost of housing Marine Security Guards that are deployed overseas.

The FY 2005 request of \$261.9 million, although significant, is necessary to ensure that the Department can meet current lease commitments, overseas inflationary increases, planned lease projects and anticipated position support costs. The request includes increases of \$8.4 million to cover current services and \$9.4 million to provide housing for 325 new positions needed to enhance our diplomatic presence. Another \$12.7 million is needed to support new residential and non-residential leases and \$20.2 million for build-to-lease projects in Addis Ababa and Pretoria. Finally, in addition to the Department request, OBO anticipates \$55 million in reimbursable expenses from other federal agencies.

- Maintenance and Repair of Buildings - \$68,500,000. The core business of this program is to provide for the upkeep of the Department's existing inventory of U.S. Government-owned and long-term leased overseas properties. Proper stewardship of this inventory requires a continuing investment in maintenance and repair to retain asset value, retard deterioration, and ensure facilities are appropriate for conducting diplomacy.

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

The request also includes \$1.5 million for the Art in Embassies program, which administers loans and donations of American works from museums, institutions, corporations, galleries and individual artists and collectors to communicate American values and cultural diversity through the display of these works at overseas posts.

The FY 2005 request provides salaries and support for 33 Area Management and five Art in Embassy positions. It includes an increase of \$1.8 million for mandatory wage and price increases; \$10.8 million for maintenance and repair projects, bringing the M&R program back to the FY 2003 level; and \$0.1 million for outreach efforts to encourage art donations.

- Facilities Rehabilitation and Support System Replacement - \$57,380,000. This program rehabilitates, upgrades, or replaces worn out building systems that can no longer be physically or economically maintained by routine, preventive, and unscheduled maintenance and repair activities. System rehabilitation, replacement, and upgrade is done to extend the life of the building and ensure continued serviceability, provide a secure and safe environment for U.S. Government employees, and capitalize on efficiencies from new technologies.

Beginning in FY 2005, the project supervision and construction security costs associated with rehabilitation projects will be included as part of the individual project budget and no longer budgeted within the Construction and Commissioning and Security Management functional accounts. This realignment will improve accountability by reflecting the total cost of a major rehabilitation project in the budget for each individual project, rather than having the supervision and security costs accounted for elsewhere in the OBO budget.

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The request includes funding to support these project supervision and security costs, as well as ongoing high priority rehabilitation projects and new project starts as included in the Long Range Overseas Buildings Plan.

- Facility Management - \$60,000,000. This program provides technical assistance and support to overseas posts in maintaining major building systems. This includes performing maintenance inspections, developing preventive maintenance programs specific to post requirements, and offering hands-on technical support and materials necessary where such assistance is not otherwise available.

The FY 2005 request is an increase of \$4.6 million. Of this request, \$3.6 million will cover wage and price increases and the remaining \$1.0 million provides for 10 new facility manager positions (5 senior regional positions and others stationed at Dublin, Lisbon, Phnom Penh, Minsk, and London).

- Fire Protection - \$8,700,000. This program provides a variety of services to the Department's overseas posts, including conducting fire inspections, promoting and presenting training programs, installing fire detection alarm systems, and supplying posts with critical fire and life safety equipment. The program also funds the salary and support costs for the 24 positions in the Fire Protection Division. The FY 2005 request includes an increase of \$0.4 million for mandatory wage and price increases.
- Safety, Health, and Environmental Management - \$3,700,000. The Safety, Health, and Environmental Management (SHEM) program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize the environmental impact of Department activities, and provide occupational health and environmental services to Department of State domestic facilities. This is done by providing technical expertise and support to overseas managers to help them avoid accidents, eliminate workplace hazards and environmental contaminants, and comply with Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) requirements. The program includes an increase of \$0.2 million in wage and price increases for 17 positions and another \$0.3 million for the mandatory replacement of expiring carbon monoxide alarms.
- Post Communications - \$8,100,000. The Post Communications program provides funding for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased, non-residential facilities overseas. Currently, 60 overseas posts have old, obsolete telephone systems that are no longer supported by their manufacturers. The goal of this program is to replace obsolete telephone systems with modern, reliable, digital systems capable of delivering a full range of services. This funding will be combined with other Department funds to provide for the replacement of systems at 32 posts in FY 2005.

Information Management and Support – \$26,000,000

The request for Information Management and Support seeks funding for all information technology (IT) and administrative services to the program offices, and includes the salary and support costs for 37 positions.

In OBO's performance based environment, effective use of automation is an important factor in achieving success. A special emphasis has been placed on efficient, effective use of information technology with management participation through the Information Technology Review Board. The board members represent operational areas and review IT investments to ensure consistency with business needs. This

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request will keep IT capacity in line with the dramatic growth of the construction/security programs, maintain investments in information system infrastructure, and sustain management reforms in administrative services.

The FY 2005 request provides an increase of \$0.3 million to support mandatory wage, rent and price increases.

Main State and Domestic Renovations - \$23,000,000

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

The FY 2005 request includes \$19.2 million to continue the renovation of the Harry S Truman Building and \$3.8 million for various maintenance and repair projects at other domestic facilities maintained by the Department.

Headquarters - \$6,800,000

This request provides for the salaries and support costs of the 59 positions providing executive direction, resource management, and developmental training for the entire OBO staff. Of the request, \$6.5 million or 95.6% is for personnel compensation and benefits. The request includes \$0.4 million for inflationary wage and price increases.

Performance in OBO's Results Based Organization

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

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

In support of these four goals, each component of the OBO organization has established performance targets that benchmark critical functions. Management reviews performance against these targets monthly

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to identify issues and ensure effective performance. This request includes a budget and performance summary linking funding, positions, and performance targets for each significant component.

Performance Targets and Results

OBO has demonstrated that changes to its organization, culture, and processes have resulted in better performance. Some of OBO's accomplishments over the past year are listed below:

- Completed construction of eight new facilities – Bogota, Colombia AID/NAS Annex; Dar es Salaam, Tanzania NEC and AID facilities; Istanbul, Turkey NEC; Nairobi, Kenya NEC; Sao Paulo, Brazil; Tunis, Tunisia NEC; and Zagreb, Croatia NEC.
- Awarded contracts for nine new facilities – Astana, Kazakstan; Bamako, Mali; Beijing, China; Bridgetown, Barbados; Frankfurt, Germany; Freetown, Sierra Leone; Kingston, Jamaica; Nairobi, Kenya (USAID Annex); and Tirana, Albania (Annex).
- Awarded design contracts for annex facilities in Moscow, Russia and Athens, Greece.
- Anticipate awarding contracts for eleven new facilities in FY 2004 – Accra, Ghana; Algiers, Algeria; Asuncion, Paraguay; Belmopan, Belize; Harare, Zimbabwe; Kathmandu, Nepal; Lome, Togo; Managua, Nicaragua; Panama City, Panama; Rangoon, Burma; and Surabaya, Indonesia.
- Continue to manage the construction of 25 new facilities.
- Used established measures and pilot award program to create a meaningful link between outstanding performance and compensation.

OBO continues to look for ways to improve cost-effective performance. However, a majority of facilities still need to be repaired, rehabilitated, rebuilt, restored, or replaced. Proper funding is critical to the success of OBO initiatives in order to sustain this progress.

PART / Program Evaluation

For the FY 2005 budget, the Office of Management and Budget reexamined the Capital Security Construction Program using the Program Assessment Rating Tool (PART). This second PART assessment again rated the program as effective – successful at achieving or exceeding annual goals. The overall program was found to be well managed, with strong planning and evaluation processes and tools in place to monitor program progress and address deficiencies in a timely fashion.

As the PART review and measures indicate, the management changes and performance initiatives begun by the Bureau of Overseas Buildings Operations (OBO) in FY 2001 have produced dramatically improved performance and concrete results. For example, against the key performance measure of contract awards for new capital security construction projects in the Long-Range Overseas Buildings Plan, the actual numbers for FY 2002 and FY 2003 significantly better the targets.

In the light of the current evaluation by PART and the demonstrated achievements of OBO management, the FY 2005 request includes increased funding for the Capital Security Construction Program in the Embassy Security, Construction, and Maintenance account.

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Key indicators: Number of New Sites Acquired for Capital Security Construction Projects, Number of Capital Security Construction Projects Awarded in Accordance with LROBP, and Ratio of Construction Management Costs to Total LROBP Construction Project Costs for Projects in Excess of \$25 Million.

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OFFICE OF INSPECTOR GENERAL

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Administration and Staff Activities	6,373	6,132	6,181	49
Inspections, Audits, Investigations	21,207	23,711	22,401	(1,310)
Policy Formulation	1,494	1,526	1,853	327
Appropriation Total	29,074	31,369	30,435	(934)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

This request funds the activities of the Office of Inspector General (OIG), including audits, inspections, investigations, and security and intelligence reviews of the worldwide operations and programs of the Department of State (Department) and the Broadcasting Board of Governors (BBG). OIG will focus its work on the Department and BBG progress in the four strategic areas detailed in its five-year strategic plan: implementation of foreign policy; protection of people, facilities, and information; effectiveness of financial and administrative support systems and controls; and accountability and integrity in programs and operations. The requested funding will support oversight of Department efforts to protect people, information, and facilities under their control in the United States and abroad, to coordinate intelligence and law enforcement activities at overseas missions, and to strengthen Department's visa, passport, and other programs affecting border security, as well as oversight of BBG implementation of major new broadcasting initiatives in the Middle East and Afghanistan. As resources permit, OIG will evaluate Department and BBG progress in achieving government-wide initiatives of the President's Management Agenda and in rightsizing U.S. overseas presence.

Purpose of Program

The Office of Inspector General conducts and supervises an integrated program of audits, inspections, investigations, and security oversight reviews that provide oversight and evaluation of Department and BBG programs and operations. OIG activities are intended to provide leadership and coordination and recommend policies to promote economy, efficiency, and effectiveness in the administration of programs and operations of the Department and the BBG; to prevent and detect fraud and abuse in such programs and operations; and to keep the Secretary of State, the Chairman of the BBG, and Congress fully and currently informed about problems and deficiencies relating to the administration of Department and BBG programs and operations and the necessity for and progress of corrective action.

OFFICE OF INSPECTOR GENERAL

Program Description

As mandated by the Inspector General Act of 1978, as amended, and other governing legislation, OIG operations and activities are directed toward improving the economy, efficiency, and effectiveness of Department and BBG operations; detecting and preventing fraud, waste, abuse, and mismanagement, and investigating activities that may violate law and regulation; assessing the implementation of U.S. foreign policy, primarily through inspection of overseas posts and domestic offices, to assure that their activities are consistent with the goals established by the Secretary of State; and independently evaluating the formulation, applicability, and implementation of security standards at all U.S. diplomatic and consular posts and BBG overseas operations that fall under chief of mission authority. OIG's work identifies problems and vulnerabilities and makes recommendations to correct them, investigates allegations of misconduct and violations of law and regulation, and reviews grants, contracts, financial operations, and other resource-intensive programs to identify cost savings and efficiencies, including resources that can be put to better use.

Benefits

OIG activities identify and address vulnerabilities and problems in Department and BBG programs and operations and ensure that Department and BBG resources are used according to law and regulation for the intended purposes. The results of OIG reviews and investigations, and agency implementation of OIG recommendations, provide the Department, BBG, OMB, Congress, and the American taxpayer with assurance that Department and BBG programs and operations are managed effectively, efficiently, economically, and with integrity, and that government managers, employees, and contractors are held accountable for their performance and conduct. OIG oversight of management improvement initiatives also provides information and assurance to OMB and Congress on Department and BBG progress in addressing the improvements mandated by the President's Management Agenda such as integrating planning, performance, and budget; and demonstrating the effectiveness of Department's programs evaluated through OMB's Performance Assessment Rating Tool (PART).

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Academic Exchanges	146,220	195,582	192,100	(3,482)
Professional and Cultural Exchanges	78,874	100,863	114,246	13,383
Exchanges Support	30,416	38,599	39,000	401
Total Direct Obligations	255,510	335,044	345,346	10,302
Balances/Recoveries Applied From Prior Years	(30,209)	(18,411)	-	18,411
Balances Carried Forward	18,411	-	-	-
Appropriation Total	243,712	316,633	345,346	28,713

The FY 2003 total direct obligations include \$10,000,000 for the FY 2002 Supplemental Appropriation for Further Recovery From and Response to Terrorist Attacks on the United States (as enacted in P.L. 107-206).

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

In addition to the direct appropriated amounts shown above, the U.S. Agency for International Development (USAID) provided funds for Support for East European Democracy Act (SEED), Freedom Support Act (FSA), and Economic Support Fund (ESF) activities. In FY 2003, a total of \$214,840,926 was available for obligations (including FY 2002 balances of \$49,222,928, FY 2003 transfers of \$165,042,475 and FY 2002 recoveries of \$575,523). A total of \$156,152,927 was obligated; \$233,493 lapsed and \$58,454,506 in balances will be available in FY 2004. Additional transfers from USAID for ESF are anticipated in FY 2004 and FY 2005.

The increase of \$28,713,000 for the FY 2005 total appropriation takes into account \$3,367,000 for the anticipated rescission under the FY 2004 Omnibus.

Explanation of Request

The FY 2005 request supports exchange program requirements totaling \$345,346,000. This reflects a net increase of \$28,713,000 over FY 2004 and will support program initiatives that expand outreach to the Muslim world for programs including youth exchanges, international visitors, citizen exchanges, English learning, teacher development, and Study of the United States. The increase includes \$3,367,000 to restore the rescission anticipated in the FY 2004 Omnibus.

Partnerships for Learning, \$25,346,000: Increased funding will allow the Department to move forward with "Partnerships for Learning" with an emphasis on the Muslim world.

Partnerships for Learning (P4L) is the dominant theme of the Department's 2003-2005 exchanges strategy. P4L will counter anti-Americanism and build larger communities overseas that share our common values through exposure to and communication about the American way of life and our commitment to democracy, human rights and economic opportunity. P4L is a vehicle for positive dialogue and constructive action, particularly in the Islamic world, between the U.S. and other countries, especially where

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

divergent views on specific policies (Arab-Israeli conflict, Iraq, corruption, human rights, rule of law, debt relief, terrorism, proliferation issues) often undermine overall good relations.

P4L meets the critical mutual objective of the U.S. and foreign partners to provide opportunity for young people through international educational, cultural and professional learning today so that the rising expectations of youth are met tomorrow with hope, not with frustration and resentment. Through the application of the Department's exchange programs infrastructure -- e.g., International Visitor Program for foreign leaders to travel to the U.S., English learning and teaching, teacher programming, Citizen and youth exchanges, Study of the United States Institutes -- P4L will:

- Affirm the values of our respective cultures and connect them to universal values;
- Educate future leaders in key sectors to make positive contributions to communities and improve the capacity of their teachers to achieve this end;
- Provide English communication skills to share values and provide tools to participate in expanding economic, political and social opportunity;
- Deepen young people's international perspective and understanding of U.S. government and society; and
- Enhance the role that women play, particularly in education, government and non-profit organizations, in building social cohesion and in fostering positive social change.

One of P4L's initiatives on youth is the Department's first-ever high school youth exchange scholarship program with the Arab and Muslim world. This initiative was started with resources from the FY 2002 emergency supplemental Economic Support Fund. Students will spend up to 11 months in the U.S. living with a U.S. host family, attending high school and learning about American society. The Department requests \$10 million to continue the YES (Youth Exchange and Study) Secondary School Program.

P4L exchanges will emphasize improving economic, social, political, and cultural environments appropriate to American long-term interests through changing lives and mindsets. P4L will help the Department raise awareness internationally on issues ranging from youth to helping societies achieve democracy, health, education and development goals and improve people's quality of life. By taking a leading role in efforts to improve education, P4L makes it a demonstrable U.S. priority to help bridge the "hope gap" that separates individuals around the world between those who have a future and those who do not. In sum, Partnerships for Learning illustrates American concern for improving opportunity for a brighter future for all.

Purpose of Program

The Educational and Cultural Exchange Programs Appropriation supports the exchange of persons and ideas fundamental to the foreign, economic and security policy of the United States as authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended.

Exchanges establish the trust, confidence and international cooperation with other countries that sustain and advance the full range of American national interests. Exchanges provide foreign audiences a context for understanding American policies that might otherwise be misunderstood. The United States engages the leaders of tomorrow through these exchange programs of today.

These programs affect attitudes over lifetimes and from one generation to the next. Their much-discussed potential to address long-term problems of anti-American sentiment is central to the Administration's campaign against terrorism.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

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

Program Description

Exchanges are strategic activities that build the corps of internationally informed leaders in the national political, economic and social infrastructures of their respective countries and in the United States. The primary function of exchanges is to establish the trust, confidence and international cooperation that sustain and advance the full range of U.S. national interests.

This appropriation provides funding for programs authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended. These include:

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

Professional and Cultural Exchanges – Professional and Cultural exchanges include the International Visitor Program which supports travel in the United States by current and emerging foreign leaders to obtain first-hand knowledge about the United States, its people, politics, and culture; the Citizen Exchange Program which awards grants to U.S. non-profit organizations for professional, cultural, non-governmental organizational development and grassroots community exchanges with foreign counterparts; and activities of special Congressional interest such as the Congress-Bundestag Youth Exchange and the Mike Mansfield Fellowship programs.

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

Benefits

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

ECA's unique contribution to foreign policy is its ability to engage key individuals and institutions through exchanges that change perceptions and attitudes. These experiences provide all elements of societies

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

firsthand knowledge of American culture, politics, and values and increase U.S. knowledge of the world. To build support for U.S. policy abroad, the United States must go beyond governments to inform people and organizations that influence policy and frame public discussion.

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

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

PART / Program Evaluation

Using its Program Assessment Rating Tool (PART), the Office of Management and Budget reevaluated the Department's exchange programs in the Near East and South Asia regions for the FY 2005 budget. This second PART assessment rated the programs as effective, finding them successful at achieving or exceeding annual goals. For example, the program is on course to meet or better FY 2003 percentages of participants who increased their understanding of the United States following their program experience and of participants who effected change in their organization or community based on knowledge gained from their exchange. The overall program was clearly mandated in legislation. Moreover, it addressed a specific long-term interest: the need to increase mutual understanding between Americans and citizens of other countries. Finally, the program was found to be well managed, with strong planning and evaluation processes and tools in place.

Since January of 2003, the Bureau of Educational and Cultural Affairs (ECA) worked diligently to address each of the concerns and recommendations raised in the initial PART review. ECA significantly modified its planning and tracking systems, including developing more efficient performance measurement tools and measures to assess programs on a regional basis, as well as to track outcomes more effectively. ECA also revised its strategic planning process to plan better for results and coordinate even more effectively with regional and policy bureaus. ECA retains the highest PART score for the Department.

The FY 2005 resource request for exchanges takes into account ECA's management achievements and the success of the programs clearly registered by PART.

Key indicators: Number of Foreign Youth Participants Reached by Exchange Programs, Number of Foreign Adult Participants in Exchange Programs from NEA and SA, Percentage of Participants Who Increased their Understanding of their Host Country Immediately After their Program, Percentage of Participants Who Remain in Contact with Host Country People Met on their Program One Year or Longer After their Program, Percentage of Participants Who Initiate or Implement Positive Change in their Organization of Community Within Five Years of their Program Experience, and Cost Per Participant for NEA and SA.

REPRESENTATION ALLOWANCES

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	6,443	8,905	8,640	(265)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

Representational events provide a critical path for diplomatic staff to personally engage government, business, academic and cultural leaders in host countries. A broader base of contacts is one method to improve understanding between the United States and the people of the world. By providing resources for representational events at the more than 260 embassies, missions, and consulates worldwide, the FY 2005 request will continue to support U.S. national interests, economic activities, and other diplomatic functions. With the FY 2005 request the Department will be able to stage appropriate representation events and apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests.

Purpose of Program

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

Program Description

The activities funded by this appropriation typically include:

- promotion of the U.S. national interests through formal and informal interactions with knowledgeable foreign officials and long-term residents, usually at receptions, small working luncheons, and informal dinners;
- protection of U.S. citizens' interests by developing and maintaining personal relationships with foreign officials, which facilitates providing assistance and solving problems of Americans abroad;
- promotion of economic activities by establishing and maintaining relationships with foreign and American officials, business persons, labor leaders, and others who may be helpful in performing duties connected with promoting and protecting American trade;
- fulfillment of commemorative and ceremonial requirements such as Fourth of July celebrations or the laying of a wreath at the tomb of a local national hero;
- interaction with influential individuals and organizations, including the local media, key political elites, academics and members of non-governmental organizations to assess the overseas public affairs climate and convey and reinforce acceptance of U.S. policies and values; and
- promotion of peaceful relations between the U.S. and other countries by fostering mutual understanding through academic, professional, and cultural activities.

REPRESENTATION ALLOWANCES

Benefits

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

BUYING POWER MAINTENANCE FUND

Program Activities Summary

Summary Statement

(\$ in thousands)

Fiscal Year	Opening Balance	Appropriation	Transfers In/Out(-)	Net Cum. Balance
2003	16,386	0	(14,722)	1,664
2004	1,664	0	0	1,664
2005	1,664	0	0	1,664

Explanation of Request

The Department is not seeking additional FY 2005 appropriations for this fund. The State Department's Buying Power Maintenance (BPM) account was capitalized at a level of over \$20 million in the mid-1980s. Balances were depleted in subsequent years due to the decline in the value of the dollar against the currencies of virtually every major industrialized country. From FY 1997 through FY 2002, the Department was able to build the fund back to \$16.7 million through exchange rate gains and the transfer of balances from the former USIA Buying Power Maintenance Account. Because of significant worldwide losses in the value of the Dollar in FY 2003, \$14.7 million was withdrawn from the BPM account to cover net exchange rate losses in the D&CP account. The current balance of the BPM account is \$1.7 million. This level will be insufficient to cover significant exchange rate losses in FY 2004.

Purpose of Program

The Buying Power Maintenance Fund provides standby budget authority to sustain approved levels of activities under rapidly changing economic conditions abroad. Situations that can have a direct, adverse impact on the Department of State's overseas budget include inflation on goods and services, local employee wage increases, and exchange rate fluctuations. To the extent that adverse exchange rate fluctuations are experienced, the Department's buying power deteriorates, causing potentially large operating deficits. The Fund is currently limited, by practice, to the following countries where available economic data are most accurate and the impact on our appropriation is likely to be the greatest: Austria, Belgium, Canada, Denmark, Finland, France, Federal Republic of Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

Benefits

When this account has an adequate balance, the Department is able to buffer overseas operations from the adverse impact of exchange rate losses.

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PROTECTION OF FOREIGN MISSIONS & OFFICIALS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Extraordinary Protection of Foreign Missions/Officials New York	8,644	7,916	7,680	(236)
Extraordinary Protection of Foreign Missions/Officials Rest of U.S.	2,285	1,979	1,920	(59)
Appropriation Total	10,929	9,895	9,600	(295)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request of \$9,600,000 (to remain available for two fiscal years) funds requirements for the extraordinary protection of international organizations and foreign missions and officials in the United States. This level allows the Department to meet protection requirements across the country.

Program Description

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

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

PROTECTION OF FOREIGN MISSIONS & OFFICIALS

State, or upon a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other Federal agencies (including the U.S. Secret Service and the U.S. Park Police), contract for the services of private security firms, or reimburse state or local authorities for extraordinary protective services.

Benefits

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

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

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

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	42,208	116,489	7,000	(109,489)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7), and also includes \$50.00 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11), as well as transfers of \$14.00 million to the Diplomatic and Consular Programs Appropriation, and \$.25 million to the Repatriation Loan Program Account Appropriation.

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673), and also includes \$115.50 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

Explanation of 2005 Request

The Emergencies in the Diplomatic and Consular Service (K-Fund) is a contingency account that has received substantial funding since 2001. The FY 2005 request of \$7,000,000 will be used for evacuations and other emergencies and for rewards. These resources will allow the Department to meet emergency requirements, and other needs in the conduct of foreign affairs, including:

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

Purpose of Program

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

EMERGENCIES IN THE DIPLOMATIC & CONSULAR SERVICE

Program Description

The appropriation is available to:

- meet emergency situations in the conduct of foreign affairs, such as the evacuation of USG employees and their families from areas of political unrest or natural disaster;
- assist host governments with quick transportation of specialized equipment to locations where American citizens and U.S. interests are in jeopardy due to terrorist incidents overseas. This fund will expedite payments for airlifting of specialized equipment to locate hostages.
- pay rewards for information concerning acts of international terrorism, international narco-terrorism, drug trafficking, and war crimes. There are standing offers which cover numerous terrorist incidents such as the Sept. 11, 2001, World Trade Center/Pentagon terrorist attacks; the Bwindi murder in Uganda; the United Texas Petroleum murders in Karachi; the U.S. Consulate murders in Karachi; the Daniel Pearl case; the bombing of the World Trade Center (1993) and the embassies in Nairobi and Dar Es Salaam; the truck bombing of the U.S. Marine Barracks in Beirut; the bombing of the U.S.S. Cole; the Embassy Islamabad killings; and the Revolutionary Armed Forces of Colombia kidnappings of the downed American pilots. There are also standing reward offers for members of the former regime of Saddam Hussein; major international drug lords operating internationally; and for the arrest of war criminals in the Former Republic of Yugoslavia, Rwanda, Sierra Leone, and Congo.
- support certain representational activities, such as those incurred during visits of official foreign dignitaries, peace talks, and at international summits.
- support reimbursements for hostage rescue contingencies.

Benefits

In FY 2003, funds were used for evacuation and related support of USG employees and their families from 40 posts, and for reward payments.

- Evacuations due to the war in Iraq occurred in: Adana, Ankara, Istanbul and Izmir, Turkey; Manama, Bahrain; Tel Aviv and Jerusalem; Amman, Jordan; Sanaa, Yemen; Kuwait City, Kuwait; Beirut, Lebanon; Islamabad, Peshawar, Lahore and Karachi, Pakistan; Muscat, Oman; Doha, Qatar; Riyadh, Dhahran and Jeddah, Saudi Arabia; Damascus, Syria; and Abu Dhabi and Dubai, United Arab Emirates.
- Evacuations due to a threat of terrorism occurred in Nairobi, Kenya; and Jakarta and Surabaya, Indonesia.
- Evacuations due to the SARS epidemic occurred in: AIT Tapei, Taiwan; Hong Kong; Beijing, Guangzhou, Chengdu, Shanghai and Shenyang, China; and Hanoi and Ho Chi Minh City, Vietnam.
- Evacuations due to civil unrest occurred in Caracas, Venezuela; Bangui, Central African Republic; Monrovia, Liberia; and Bujumbura, Burundi. Nassau, Bahamas was evacuated due to a hurricane.
- Reward payments totaling \$44 million as well as efforts to: publicize the rewards program overseas for information leading to the apprehension, effective prosecution, and punishment of individuals responsible for terrorist activities, as well as the prevention of acts of international terrorism outside the territorial jurisdiction of the United States against U.S. citizens or property; and to initiate a publicity campaign targeting war criminals in the Former Republic of Yugoslavia, Bosnia, Croatia and Rwanda.

REPATRIATION LOANS PROGRAM ACCOUNT

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	1,461	1,206	1,219	13

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7), and also includes \$.25 million transferred from the Emergencies in the Diplomatic and Consular Service Appropriation.

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request will allow the Department of State to subsidize and administer the Repatriation Loans program consistent with the Credit Reform Act of 1990 and at a funding level consistent with historical requirements. This activity is funded as a direct loan program in accordance with the Credit Reform Act. The Department of State receives a limited level of financing for direct loans from the Department of the Treasury in a separate financing account, disburses these funds to U.S. citizens as needed abroad, and repays the Treasury as the repatriation loans are collected from the public.

FY 2005 subsidy request of \$612,000 (69.73%) will provide a loan level of \$877,600. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2005, the Department is requesting continuation of authority within the Emergencies in the Diplomatic and Consular Service account to allow the transfer of up to \$1 million into this account if loan requirements exceed the requested level.

The FY 2005 administration request of \$607,000 will provide for operation and management of the loan program consistent with the Credit Reform Act. The Department is requesting continuation of authority to transfer the administration portion of this request to the Diplomatic and Consular Programs account. This transfer makes administration of the program more efficient by simplifying financial planning and accounting procedures.

Purpose of Program

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

REPATRIATION LOANS PROGRAM ACCOUNT

Program Description

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

Benefits

The Repatriation Loan Program directly benefits American citizens by providing them with the means to return to the United States if destitute or otherwise in need of such assistance. The program also serves U.S. foreign policy interests where exigent circumstances require an individual's return to the U.S. to respect host country laws or preserve public safety. During FY 2003, 844 repatriation loan cases were processed abroad in the following regions: Africa, 195 cases; the Americas 219 cases; Asia (including Near East, South Asia and Pacific), 215 cases; and Europe 215 cases.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Agriculture Services	470	483	507	24
Commercial Services	1,665	1,401	1,471	70
Consular Services	2,500	2,639	2,771	132
Economic Services	1,000	1,379	1,448	69
Other Services	8,450	8,701	9,136	435
Public Affairs Services	2,625	2,397	2,517	120
Washington Headquarters	1,620	1,584	1,632	48
Appropriation Total	18,330	18,584	19,482	898

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request funds a contractual agreement between the American Institute in Taiwan (AIT) and the Department of State in accordance with the Taiwan Relations Act, Public Law 96-8. The increase of \$898,000 includes \$425,000 to fund American and FSN cost of living adjustments and pay raises, domestic and overseas inflation, and other mandatory cost increases. In addition, the request includes \$473,000 for additional residential lease costs identified within AIT/Taipei's short and long range housing plans. This increase results from local market conditions.

Funding From Other Sources

The American Institute in Taiwan, a nonprofit corporation, has historically received reimbursement for services performed. In FY 2005, AIT anticipates collecting a total of \$25 million. This includes approximately \$17 million in visa processing fees and \$8 million in reimbursements from other agency contracts as well as compensation associated with supporting the Foreign Service Institute's Chinese Language School. Of the estimated \$17 million in visa processing fees, approximately \$12 million will be needed to cover direct and indirect operating expenses in addition to the appropriation provided. The remaining \$5 million will be set aside for the capital projects account and consular service upgrades. Visa fee applications have steadily declined since 2000. Events of September 11, 2001, resulted in further reductions in the volume of Taiwan applications for visitor travel to the United States. Visa application numbers for 2003 reflect a continuing downward trend and are expected to continue to decline through FY 2005.

Purpose of Program

Since its inception in 1979 under the Taiwan Relations Act (Public Law 96-8), the American Institute in Taiwan has been committed to strengthening relations between the people of the United States and the

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

people of Taiwan. Under the Taiwan Relations Act, the USG conducts unofficial relations with the people of Taiwan through AIT. AIT was established to carry out the Act by providing economic and commercial services, cultural and information programs, and travel services for Americans and the people on Taiwan. To support American interests in Taiwan, AIT promotes U.S. exports; participates in cultural, scientific, and information exchange programs; analyzes and reports on political and economic events of importance to the U.S. and Taiwan; provides consular services (non-immigrant, immigrant, and American Citizen); and performs liaison functions on behalf of the Department of State and various USG agencies with its Taiwan counterpart organization.

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

Program Description

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

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

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

- The Washington Office carries out the executive, negotiation, and liaison functions between various U.S. Government agencies and the Taipei Economic and Cultural Representative Office (TECRO). The office also provides executive and administrative direction for AIT and public affairs programming for business and other interest groups in the United States. In accordance with the AIT-TECRO Agreement on Privileges and Immunities, the office also issues identity cards and tax-exemption cards to TECRO employees and their dependents, and assists in handling matters in cooperation with the U.S. Department of State and the Department of Homeland Security, Directorate of Border and Transportation Security regarding visas and adjustments of status.

Benefits

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

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

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	138,200	134,979	132,600	(2,379)

Explanation of 2005 Request

The request for this account represents the cost of sustaining adequate funding of the Foreign Service Retirement and Disability Fund (FSRDF). The FY 2005 request reflects the funding needs based on the annual evaluation of the FSRDF performed by the Hay Group, a contract firm of the Department of Treasury, using current statistical data including the Federal pay raise information.

Purpose of Program

The purpose of this appropriation is to maintain the Foreign Service Retirement and Disability Fund (FSRDF). This appropriation is the complementary funding required, as determined by the Treasury Actuary, in addition to the other sources of funding mentioned below. The FSRDF was established to provide pensions to retired and disabled members of the Foreign Service. The Fund includes the operations of two separate retirement systems, the Foreign Service Retirement and Disability System and the Foreign Service Pension System. The appropriation is one of several sources of income to the FSRDF. Funding is maintained through:

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

Program Description

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

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

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PART TWO
INTERNATIONAL ORGANIZATIONS
AND CONFERENCES

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Contributions to International Organizations (1)	893,837	999,830	1,194,210	194,380
Contributions for Int'l. Peacekeeping Activities (2)(3)	635,865	695,056	650,000	(45,056)
Total, International Organizations and Conferences	1,529,702	1,694,886	1,844,210	149,324

All FY 2003 Actuals reflect general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

All FY 2004 Estimates reflect the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

(1) FY 2003 Actual includes \$33.466 million transfer from Contributions for International Peacekeeping Activities.

(2) FY 2003 Actual includes \$33.466 million transfer to Contributions to International Organizations.

(3) FY 2004 Estimate includes \$245.00 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

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CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	893,837	999,830	1,194,210	194,380
FY 2002/2003 Supplemental	0	7,000	0	(7,000)
FY 2002 UN Buydown	46,739	0	0	0
FY 2003 UN Buydown	(17,209)	17,209	0	(17,209)
FY 2004 Exchange Rate Changes	0	79,006	(79,006)	(158,012)
Total Requirements	923,367	1,103,045	1,115,204	12,159

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7), and also includes \$33,466,000 transferred from Contributions for International Peacekeeping Activities.

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request of \$1,194,210,000 represents full funding; consistent with statutory restrictions, of U.S. assessed contributions to the 44 international organizations funded through this appropriation. The request also funds the estimated shortfall in FY 2004 appropriations that the account will realize due to changes in the value of the U.S. dollar. The request recognizes the United States' international obligations to the United Nations (UN) and other international organizations. In addition, the FY 2005 request includes \$6,000,000 for the subsidy costs of a U.S. direct loan to the United Nations to finance the UN Capital Master Plan project.

Purpose of Program

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

Program Description

The various activities under this appropriation include assessed contributions to:

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

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

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

Benefits

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

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

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
United Nations & Affiliated Agencies	623,788	778,724	819,006	40,282
Food and Agriculture Organization	72,457	72,457	83,315	10,858
International Atomic Energy Agency	57,984	62,720	69,595	6,875
International Civil Aviation Organization	12,464	12,608	12,650	42
International Labor Organization	56,661	62,735	64,857	2,122
International Maritime Organization	1,202	1,344	1,304	(40)
International Telecommunication Union	6,983	7,385	7,079	(306)
United Nations Regular Budget	279,377	340,816	362,193	21,377
United Nations - War Crimes Tribunals	25,811	30,027	30,855	828
United Nations - Capital Master Plan	5,550	0	6,000	6,000
United Nations Education, Science and Cultural Organization	0	81,999	71,909	(10,090)
Universal Postal Union	1,563	1,624	1,559	(65)
World Health Organization	93,615	93,615	96,191	2,576
World Intellectual Property Organization	898	1,053	1,016	(37)
World Meteorological Organization	9,223	10,341	10,483	142
Inter-American Organizations	126,946	129,412	129,554	142
Inter-American Institute for Cooperation on Agriculture	16,560	16,560	16,560	0
Organization of American States	54,195	55,295	55,661	366
Pan American Health Organization	55,867	57,233	57,009	(224)
Pan American Institute of Geography and History	324	324	324	0
Regional Organizations	127,128	140,515	113,769	(26,746)
Asia-Pacific Economic Cooperation	601	601	637	36
Colombo Plan Council for Technical Cooperation	15	15	15	0
NATO Parliamentary Assembly	757	839	798	(41)
North Atlantic Treaty Organization	54,864	55,583	44,498	(11,085)
Organization for Economic Cooperation and Development	69,545	82,197	66,541	(15,656)
The Pacific Community	1,346	1,280	1,280	0

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Other International Organizations	45,505	54,394	52,875	(1,519)
Customs Cooperation Council	3,307	3,638	3,303	(335)
Hague Conference on Private International Law	135	155	141	(14)
International Agency for Research on Cancer	1,692	1,692	1,692	0
International Bureau of the Permanent Court of Arbitration	28	79	71	(8)
International Bureau for the Publication of Customs Tariffs	108	122	110	(12)
International Bureau of Weights and Measures	1,010	1,067	967	(100)
International Center for the Study of the Preservation and Restoration of Cultural Property	692	692	692	0
International Copper Study Group	72	77	73	(4)
International Cotton Advisory Committee	256	287	322	35
International Grains Council	494	531	491	(40)
International Hydrographic Organization	93	111	103	(8)
International Institute for the Unification of Private Law	123	133	121	(12)
International Lead and Zinc Study Group	68	65	60	(5)
International Office of Epizootics	118	128	118	(10)
International Organization for Legal Metrology	121	125	120	(5)
International Rubber Study Group	137	138	132	(6)
International Seed Testing Association	8	9	9	0
International Tropical Timber Organization	205	205	205	0
International Union for the Conservation of Nature and Natural Resources	305	335	331	(4)
Organization for the Prohibition of Chemical Weapons	20,895	25,659	24,828	(831)
International Union for the Protection of New Varieties of Plants	194	227	240	13
World Trade Organization	15,444	18,919	18,746	(173)
Total, Contributions to International Organizations	923,367	1,103,045	1,115,204	12,159
FY 2002/2003 Supplemental	0	(7,000)	0	7,000
FY 2003 UN Buydown	17,209	(17,209)	0	17,209
FY 2002 UN Buydown	(46,739)	0	0	0
FY 2004 Exchange Rate Changes	0	(79,006)	79,006	158,012
Total, Contributions to International Organizations Request	893,837	999,830	1,194,210	194,380

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	635,865	695,056	650,000	(45,056)
FY 2002 Carryforward Funds	46,101	0	0	0
FY 2003 Carryforward Funds	(100,400)	100,400	0	(100,400)
FY 2003 Recoveries	3,195	0	0	0
Total Requirements	584,761	795,456	650,000	(145,456)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7), and also includes \$33.466 million transferred to Contributions to International Organizations.

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673), and also includes \$245.00 million provided through the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

Explanation of 2005 Request

The FY 2005 request provides funds for the United States' share of the expenses of United Nations peacekeeping operations. The FY 2005 request is \$650,000,000 for funding of projected FY 2005 operations. The FY 2005 budget request reflects budgeting for offsetting credits from the UN, increased efficiency in missions in Kosovo, Ethiopia/Eritrea, and the Democratic Republic of the Congo and completion of operations in Timor Leste and Sierra Leone. The FY 2004 budget estimate also includes funding for a new peacekeeping mission. The Department requests that 15% of FY 2005 funds be appropriated as "two-year funds" due to the demonstrated unpredictability of the requirements in this account from year to year and the nature of multi-year operations that have mandates overlapping the United States' fiscal year.

Purpose of Program

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

Program Description

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

- **UN Disengagement Observer Force** (UNDOF, initial UN mandate in May 1974) – acts as a buffer between Syria and Israeli troops in the strategic Golan Heights area.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

- **UN Interim Force in Lebanon** (UNIFIL, initial UN mandate in March 1978) – (1) restores international peace and security in southern Lebanon; and (2) restores Lebanese sovereignty in the south of Lebanon.
- **UN Mission in Western Sahara** (MINURSO, initial UN mandate in April 1991) – monitors the cease-fire and assists in conducting a referendum on the future status of the Western Sahara. The focus of this operation will depend upon the continuing efforts of the Secretary General's special envoy, former Secretary of State James A. Baker, III, to resolve this long-standing dispute.
- **UN Mission in Kosovo** (UNMIK, initial UN mandate in June 1999) – provides an interim administration for Kosovo while establishing and overseeing the development of provisional, democratic and self-governing institutions in the province. UNMIK also facilitates a safe environment for all people in Kosovo.
- **UN Force in Cyprus** (UNFICYP, initial UN mandate in March 1964) – halts violence between the Turkish Cypriot and Greek Cypriot communities. UNFICYP helps maintain order on the island. Together, the Greek and Cypriot governments fund approximately half of the costs of this force.
- **UN Observer Mission in Georgia** (UNOMIG, initial UN mandate in August 1993) – monitors compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on May 14, 1994.
- **War Crimes Tribunals in Yugoslavia and Rwanda** (established for Yugoslavia in February 1993 and for Rwanda in November 1994) – examines war crimes in these areas. Half of each of these tribunals is funded by a special assessment using the UN regular budget scale of assessments (which is paid out of the Contributions to International Organizations account), and the other half is funded using the UN peacekeeping scale (which is paid out of this account).
- **UN Mission to Sierra Leone** (UNAMSIL, initial UN mandate in October 1999) – assists the Government of Sierra Leone to re-establish its authority and restore law and order through this country.
- **UN Operations in the Democratic Republic of Congo** (MONUC, initial UN mandate in August 1999) – covers expenses of UN activities in the Democratic Republic of Congo (DROC) in support of the Lusaka accords goals of withdrawal of foreign forces and the disarmament and demobilization of armed rebel groups.
- **UN Mission in Ethiopia/Eritrea** (UNMEE, initial UN mandate in July 2000) – In support of the cessation of hostilities and the peace agreements signed by Ethiopia and Eritrea in 2000, and following the Boundary Commission determination on the delimitation of the border areas, UNMEE will observe and provide technical support for the demarcation of the disputed areas.
- **UN Mission to Liberia** (UNMIL, established September 19, 2003) - to support the implementation of the ceasefire agreement and assist the transitional government of Liberia in monitoring and restructuring the government in conjunction with the ECOWAS and other international partners to reestablish national authority throughout the country, support humanitarian and human rights assistance, support security reform and to assist the transitional government in preparing for national elections scheduled for no later than the end of 2005.

Completed Missions

- **UN Mission of Support in East Timor** (UNMISET) is projected to terminate in May 2005. In May 2002, East Timor became an independent country, marking the end of a three-year process towards independence under the guidance of the United Nations. UNMISET was established to provide assistance to core administrative structures critical to the viability and political stability of East Timor; to provide interim law enforcement and public security and to assist in developing the East Timor

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Police Service (ETPS); and contribute to the maintenance of the new country's external and internal security throughout the post-independence period to ensure the security and stability of the nascent State.

Benefits

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

Peacekeeping:

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

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

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	10,403	11,289	10,837	(452)
U.N. Interim Force in Lebanon (UNIFIL)	22,133	25,395	24,379	(1,016)
U.N. Iraq / Kuwait Observer Mission (UNIKOM)	3,475	0	0	0
U.N. Mission for the Referendum in Western Sahara (MINURSO)	5,385	11,718	11,249	(469)
U.N. Mission in Kosovo (UNMIK)	70,927	89,029	73,901	(15,128)
U.N. Peacekeeping Force in Cyprus (UNFICYP)	5,866	6,670	6,403	(267)
U.N. Observer Mission in Georgia (UNOMIG)	7,999	8,665	8,318	(347)
War Crimes Tribunal - Yugoslavia	17,111	19,431	18,653	(778)
War Crimes Tribunal - Rwanda	14,122	17,420	16,723	(697)
U.N. Mission in Sierra Leone (UNAMSIL)	144,897	68,773	33,011	(35,762)
U.N. Transitional Administration in East Timor (UNTAET)	49,501	12,064	0	(12,064)
U.N. Operations in the Democratic Republic of the Congo (MONUC)	158,758	213,040	187,075	(25,965)
U.N. Mission in Ethiopia and Eritrea (UNMEE)	48,941	53,460	44,320	(9,140)
U.N. Strategic Deployment Stocks (SDS)	25,243	0	0	0
U.N. Mission in Liberia (UNMIL)	0	208,502	215,131	6,629
Reserve for New Peacekeeping Operation	0	50,000	0	(50,000)
Total	584,761	795,456	650,000	(145,456)
FY 2002 Carryforward Funds	(46,101)	0	0	0
FY 2003 Carryforward Funds	100,400	(100,400)	0	100,400
FY 2003 Recoveries	(3,195)	0	0	0
Total, Contributions to International Peacekeeping Activities	635,865	695,056	650,000	(45,056)

PART THREE
INTERNATIONAL COMMISSIONS

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
International Boundary and Water Commission	30,731	29,240	38,845	9,605
Salaries & Expenses	25,316	25,726	30,300	4,574
Construction, Operations & Maintenance	5,415	3,514	8,545	5,031
International Fisheries Commissions (1)	17,589	19,097	20,800	1,703
American Sections	9,410	8,850	10,756	1,906
Border Environment Cooperation Commission	2,069	2,111	2,048	(63)
International Joint Commission	6,205	5,491	7,498	2,007
International Boundary Commissions	1,136	1,248	1,210	(38)
Total, International Commissions	57,730	57,187	70,401	13,214

All FY 2003 Actuals reflect general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

All FY 2004 Estimates reflect the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

(1) FY 2003 Actual includes \$.60 million transfer from the Diplomatic and Consular Programs Appropriation.

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

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Administration	5,528	5,667	6,050	383
Engineering	2,722	2,893	5,761	2,868
Operations and Maintenance	17,066	17,166	18,489	1,323
Appropriation Total	25,316	25,726	30,300	4,574

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request provides \$30,300,000 for Administration, Engineering, and Operations & Maintenance (O&M) activities for the International Boundary and Water Commission, an increase of \$4,574,000 over the FY 2004 estimate. This request includes wage increases of \$658,000 in the Administration, Engineering and O&M Departments and \$416,000 for inflation costs to maintain agency operations at current level. Increased requirements in Engineering include \$2,000,000 for South Bay International Wastewater Treatment Plant to investigate causes of toxicity in the effluent as required by the National Pollutant Discharge Elimination System permit; \$250,000 for the Nogales International Wastewater Treatment Plant (NIWTP) for a reduction toxicity evaluation project; and \$250,000 for U.S. environmental regulatory compliance and safety activities. Other requirements in Operations and Maintenance include \$500,000 for increased utility costs at the South Bay International Wastewater Treatment Plant, due to deregulation; and \$500,000 for Lower Rio Grande Flood Control Environmental Commitments.

Purpose of Program

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

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

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

Program Description

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

In addition, the Commission will:

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

Benefits

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

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

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Boundary-Wide Program	2,484	1,124	2,250	1,126
Facilities Renovation	728	514	1,000	486
Heavy Equipment Replacement	502	110	1,000	890
Land Mobile Radio System Replacement	752	500	250	(250)
Hydrologic Data Collection System Rehab	502	0	0	0
Water Quantity Program	2,931	1,450	3,800	2,350
Rio Grande Canalization	795	400	1,750	1,350
Rio Grande Flood Control System Rehabilitation	1,142	450	750	300
Safety of Dams Rehabilitation	994	500	1,000	500
Colorado River Boundary and Capacity Preservation	0	100	300	200
Water Quality Program	0	940	2,495	1,555
Secondary Treatment of Tijuana Sewage	0	0	2,000	2,000
Surfriders Consent Decree Compliance	0	940	495	(445)
Appropriation Total	5,415	3,514	8,545	5,031

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 budget request of \$8,545,000 will increase the IBWC - Construction appropriation by \$5,031,000 above the FY 2004 budget estimate of \$3,514,000. This increase will provide funding for current on-going projects in the Boundary-wide Program (\$1,126,000), the Water Quantity Program (\$2,350,000), and the Water Quality Program (\$1,555,000). The Boundary-wide and Water Quantity Programs increase of \$3,476,000 funds costs for seven projects begun before FY2004. The Water Quality Program will provide funding for the Secondary Treatment of Tijuana Sewage project, a new project for FY 2005.

Explanation of Projects

The FY 2005 request will fund the following programs and activities:

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Boundary-wide Program – (\$2,250,000)

Facilities Renovation - \$1,000,000: Originally funded in FY 1992, this will continue with a multi-year program to renovate and modernize deteriorated IBWC facilities along the U.S.-Mexico border region to current industry standards. These facilities, most of which were constructed between 1930 and 1950, require major rehabilitation work to meet OSHA safety standards, current environmental laws, and to provide a more efficient and effective working environment. The project consists of structural, electrical and mechanical improvements; as well as renovations necessary for compliance with environmental, occupational safety and health, handicap, and other regulatory requirements. FY 2005 funds will be used to upgrade the backup power system, and construct an equipment washrack/oil-water separator and a new personnel building at Mercedes. In addition, funds will be used to construct a covered equipment storage facility at Anzalduas, and perimeter fencing at American Dam in El Paso.

Heavy Equipment Replacement - \$1,000,000: Originally funded in FY 2001, this program will continue to replace deteriorating and obsolete heavy construction equipment. Funding will improve the agency's operational efficiency and productivity by significantly reducing the time spent repairing old equipment. Heavy construction equipment is essential for daily operations such as levee maintenance, floodway mowing, erosion control, arroyo clearing, roadway maintenance, riprap replacement, sludge, and silt removal. However, it is critical during flood events and other emergencies. The proper equipment greatly improves the agency's ability to fight floods and protect approximately 3 million residents and 1.5 million acres of property. FY 2005 funds will be used to purchase an excavator, three mower tractors, a backhoe, a dump truck, a flatbed truck, a flatbed trailer, and a service boat.

Land Mobile Radio Systems Replacement - \$250,000: Originally funded in 2001, this project will complete the necessary upgrades to the land-mobile radio system at IBWC field offices, promulgated by the Department of Commerce, National Telecommunications and Information Administration (NTIA). NTIA requires agencies to migrate from VHF and UHF to narrowband technology by January 1, 2005, and January 1, 2008, respectively (Title IV of the Omnibus Budget Reconciliation Act of 1993). The new land mobile radio system is an essential tool that provides reliable radio communications during routine operations, flood emergencies, and sanitation crises. FY 2005 funds will be used to complete the radio equipment installation at the three field offices located along the western land boundary.

Water Quantity Program (\$3,800,000)

Rio Grande Canalization - \$1,750,000: Initially funded in FY 1993, this project will stabilize the Rio Grande channel between Caballo Dam in New Mexico and American Dam at El Paso, Texas. This project, authorized by the Act of August 29, 1935 (49 Stat. 961), facilitates water deliveries to Mexico under the 1906 Convention and protects against Rio Grande floods. Channel scouring has exposed foundations of bridges, siphons, flumes and diversion dams in portions of the Rio Grande channel. In addition, engineering studies indicate that the existing protective levee system is inadequate to provide flood protection for the design flood of the system, placing the adjacent communities and farmland in jeopardy. Thus, the USIBWC will construct the necessary erosion protection works in the Rio Grande, rehabilitate deficient areas of the flood control system, and construct required environmental mitigation efforts along the channel project. The FY 2005 request will fund design and construction of mitigation sites along the channel project, and comprehensive geotechnical investigations at high-risk levee segments.

Rio Grande Flood Control System Rehabilitation - \$750,000: This project, which started in FY 2001, will continue a multi-year effort to evaluate and rehabilitate the Rio Grande Flood Control System along the international segment of the river, downstream of the Rio Grande Canalization Project. The project work includes engineering evaluation of 380 miles of the levee system, rehabilitation of the inadequate levees, replacement of the failed Riverside diversion dam, preservation of the river channel and flood plain, and boundary mapping and demarcation efforts along the Rio Grande. The FY 2005 request will fund boundary-mapping initiatives and comprehensive geotechnical investigations of the lower Rio Grande

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

Valley flood control levees to characterize the potential weak segments identified during the reconnaissance work.

Safety of Dams Rehabilitation - \$1,000,000: Originally funded in FY 2001, this project will continue a multiyear effort for the rehabilitation and proper operation of all IBWC dams, as recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. The U.S. Section of the IBWC is solely responsible for operation and maintenance of two diversion dams on the Rio Grande (American and International), and jointly responsible for four international dams (Amistad, Falcon, Anzalduas, and Retamal). These dams provide for distribution of the Rio Grande waters between the U.S. and Mexico as well as for the conservation, flood control, water storage, power generation, and regulation of the flow of the river. FY 2005 funds will be used to rehabilitate the gates at American Dam, acquire rock riprap for Falcon International Dam, and acquire a stockpile of emergency rock riprap for Amistad International Dam.

Colorado River Boundary and Capacity Preservation - \$300,000: Originally funded in FY 1998, this project will restore the carrying capacity of the international segment of the Colorado River as required by Minute 291 to ensure compliance with the 1944 Water Treaty. The river, due to flood events in 1983 and 1993, has filled with approximately 20 million cubic yards of sediment that threatens the U.S. ability to deliver a guaranteed volume of Mexico's annual allocation of Colorado River waters as required under the 1944 Water Treaty. The project will include surveying, mapping, vegetation management, channel alignment excavation and protection, revision of the international flow standards, and international boundary restoration and preservation efforts. The FY 2005 request will fund project management efforts to complete the Environmental Impact Statement, which is being conducted by the U.S. Army Corps of Engineers.

Water Quality Program (\$2,495,000)

Secondary Treatment of Tijuana Sewage (Public Law 106-457) - \$2,000,000: The proposed project will allow for new facilities in both the United States and Mexico in order to provide for the secondary treatment of Tijuana sewage. PL 106-457 requests the Secretary of State to initiate negotiations with Mexico to provide for the construction of a sewage treatment facility in Mexico, a pump station at the existing South Bat international waste treatment site and a pipeline between the two facilities. Negotiations are at an advanced stage and the FY 2005 request will fund the necessary efforts to begin implementation of the project.

Surfrider Consent Decree Compliance - \$495,000: These funds will support the second year of a two-year project beginning in FY 2004 and required by a Federal Court Consent Decree to design and conduct a monitoring program to assess the impacts of the SBIWTP's discharge on the neighboring coastal marine environment. The project will help identify the potential source of bacterial pollution and develop solutions to the contamination problems. This is a critical project that needs to be completed by September 2005 in order to meet the requirements set forth in the Consent Decree. FY 2005 funds, along with funds from the U.S. Environmental Protection Agency, will be used to conclude the supplemental monitoring studies on the coastal marine environment to help identify the cause of bacterial exceedances.

Purpose of Program

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

INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

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

Benefits

Benefits of this appropriation include:

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

INTERNATIONAL FISHERIES COMMISSIONS

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Great Lakes Fishery Commission	11,949	12,119	12,119	0
Inter-American Tropical Tuna Commission	2,002	1,990	2,100	110
International Pacific Halibut Commission (IPHC)	1,686	1,399	1,800	401
Other Marine Conservation Organizations	714	1,217	1,511	294
Pacific Salmon Commission	1,238	2,372	2,770	398
Western and Central Pacific Fisheries Commission	0	0	500	500
Appropriation Total	17,589	19,097	20,800	1,703

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7), and also includes \$.60 million transferred from the Diplomatic and Consular Program Appropriation.

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request provides \$20,800,000 for U.S. support for the International Fisheries Commissions (IFC), a \$1,703,000 increase from the FY 2004 estimate. This increase allows the IFC to:

- Pay the increased annual assessments of certain Commissions.
- Fund the partial year payment to the Western and Central Pacific Fisheries Commission that is anticipated to be ratified for FY 2005 (\$500,000).
- Pay the prior year arrears, in full or in part, of:
 - Smaller Commissions under the heading of "Other Marine Conservation Organizations" (\$300,000),
 - The Pacific Salmon Commission (\$237,000), and
 - The Inter-American Tropical Tuna Commission (\$99,000).

Purpose of Program

The purpose of these international fisheries organizations is to secure and maintain access to the U.S. share of fisheries resources for commercial fisherperson constituents, while strengthening regional economic stability, and securing a sustainable global environment by:

- recommending conservation and management measures to member governments based on study results; and

INTERNATIONAL FISHERIES COMMISSIONS

- using science-based approach to protect the marine resources for which they are responsible.

Program Description

The International Fisheries Commissions appropriation provides for:

- the U.S. share of operating expenses of ten international fisheries commissions and organizations, including a tenth commission -- Western and Central Pacific Fisheries Commission -- anticipated to be ratified for FY 2005, one sea turtle convention, the International Whaling Commission, two international marine science organizations, and the Antarctic Treaty;
- travel expenses of U.S. Commissioners and their advisors; and
- compensation payments to non-government employees of the Pacific Salmon Commission for days actually worked as U.S. Commissioners, panel members, advisors, and/or alternates.

Benefits

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

- management and conservation of commercial and recreational fisheries, which contribute a net economic benefit of over \$7 billion to the U.S. economy;
- continuation of efforts to eradicate sea lampreys in the Great Lakes and their tributaries;
- assurance that U.S. fishermen have the opportunity to harvest an equitable share of fish in international fisheries;
- protection against the depletion of fishery resources;
- assurance of the protection of whale stocks pursued through the International Whaling Commission;
- peaceful uses of the Antarctic region, including protected marine areas;
- a means by which the United States can achieve important conservation goals through international cooperation (e.g., dolphin protection pursued through the Inter-American Tropical Tuna Commission); and
- fora for discussion of problems of mutual interest between the United States and other fishing nations.

INTERNATIONAL FISHERIES COMMISSIONS

Other Marine Conservation Organizations

Request by Commission

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Antarctic Treaty	0	30	50	20
Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)	68	76	74	(2)
Expenses of the US Commissioners	75	91	100	9
Inter-American Sea Turtle Convention Commission (IASTC)	150	120	150	30
International Commission for the Conservation of Atlantic Tunas (ICCAT)	127	127	165	38
International Council for the Exploration of the Sea (ICES)	49	169	275	106
International Whaling Commission (IWC)	49	138	213	75
North Atlantic Salmon Conservation Organization (NASCO)	31	33	33	0
North Pacific Anadromous Fish Commission (NPAFC)	43	104	158	54
North Pacific Marine Science Organization (PICES)	61	177	72	(105)
Northwest Atlantic Fisheries Organization (NAFO)	61	152	221	69
Other Marine Conservation Organizations Total	714	1,217	1,511	294

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BORDER ENVIRONMENT COOPERATION COMMISSION

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	2,069	2,111	2,048	(63)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The Border Environment Cooperation Commission (BECC) is a bi-national institution, jointly funded by the United States and Mexico. The \$2,048,000 request for FY 2005 is the U.S. contribution to the BECC, a decrease of \$63,000 from the FY 2004 estimate. The FY 2005 contribution will enable the BECC to continue assisting border communities in coordinating, developing, and designing border environmental infrastructure projects that will be considered for financing by the North American Development Bank (NADB) or by other lending or grant-making institutions. It will also enable the BECC to continue its community participation program. Border communities have a great need not only for infrastructure but also for resources to develop that infrastructure properly. Through an effective partnership, the EPA has provided \$38,700,000 in funds to the BECC that are used to provide technical assistance to communities to develop and design water and wastewater projects. Funding for development and design of solid waste projects comes from the NADB, and funding for development and design of new sector projects come from BECC operating funds and the NADB. New sector projects include hazardous waste, air quality, public transportation, clean and efficient energy, municipal planning and development, water conservation, waste and wastewater hookups, and waste reduction and recycling.

Purpose of Program

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

Program Description

The BECC assists states, localities, and private investors that propose environmental infrastructure projects by providing technical support--such as engineering analysis, project development and design, environmental assessment and sustainable development, and public participation--to border communities seeking to develop environmental infrastructure projects. The BECC reviews, develops, and certifies environmental infrastructure projects, focusing primarily on the areas of wastewater treatment, water

BORDER ENVIRONMENT COOPERATION COMMISSION

pollution, municipal solid waste, and new sector projects. Under the BECC's public participation program, the BECC notifies the public about specific projects and receives comments from affected communities to ensure extensive public involvement and support in the policies and decisions of the Commission.

By the end of FY 2004, the BECC is projecting an estimated 120 environmental infrastructure projects will have been certified with an estimated investment of \$2.4 billion. The process of identifying potential new projects and developing these projects has matured into a comprehensive system well integrated with the NADB and federal agencies in both countries. In CY 2005 the BECC projects it will receive 40 applications that satisfy the BECC basic criteria as follows: (a) location within the 100 kilometer boundary zone, (b) solving an environmental or human health issue, and (c) constituting a water, wastewater, solid waste, or mandate expansion initiative. BECC's mission continues to be the improvement of quality of life for the more than 12 million residents residing within the 100 kilometer boundary zone.

Members of the BECC Board of Directors are appointed by the President of the United States and the Secretariat of Environmental and Natural Resources for Mexico. The Administrator of the Environmental Protection Agency and the U.S. Commissioner of the International Boundary and Water Commission are ex-officio members of the Board, as are their Mexican counterparts. The other six members are representatives of border states, communities, and the public at large.

Benefits

The benefits of the BECC include:

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

INTERNATIONAL JOINT COMMISSION

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Special & Technical Investigations by U.S. Geological Survey	534	547	560	13
U.S. Section	5,671	4,944	6,938	1,994
Appropriation Total	6,205	5,491	7,498	2,007

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request of \$7,498,000 reflects an increase of \$2,007,000 over the FY 2004 estimate. The requested increase supports full funding of ongoing and planned IJC studies, increased programmatic support (\$13,000) for the special studies by the U.S. Geological Survey, and the continued support of international watershed boards in the U.S.-Canada border region (\$594,000). The requested increase also provides \$1,400,000 for the U.S. share of the costs to initiate an Upper Great Lakes Study examining the regulation of Lake Superior outflows and their influence on Lakes Superior, Huron, Michigan and Erie as well as providing \$1,019,000 for the fifth year costs of the five-year bi-national study by the IJC, federal agencies and experts of the regulation of Lake Ontario-St. Lawrence River levels and flows.

In FY 2005, the IJC proposes to complete the research phase of the study to determine changes required in the Orders of Approval for operation of control structures on the St Lawrence River (New York, Ontario and Quebec), and initiate a similar study of the Orders of Approval that influence water levels and flows on the upper Great Lakes (Ohio, Illinois, Pennsylvania, Indiana, Michigan, Wisconsin, Minnesota, New York, and Ontario). The orders governing the St. Lawrence are nearly a half-century old and the orders for the Upper Lakes are nearly a quarter-century old. Neither order takes into consideration the protection of the environment, the needs of other interests that have grown in the region over time, and the potential changes in timing and volume of water supplies. Significant variations in water levels have and will continue to create social and economic impacts. Development of updated orders for these control structures is a fiscal and environmental imperative for the Great Lakes Basin.

Major projects in the Lake Ontario - St. Lawrence Study will include the development and evaluation of a range of candidate regulations plans which will address the needs of the principal interests in the system, including habitat and other conservation issues, shoreline communities, recreational boating uses, municipal and industrial water uses, navigation requirements and hydropower. The testing and evaluation of the options will involve the use of a shared vision model. Workshops, meetings and other opportunities for public comment and involvement will be carried out to assist in the development of final options for the Commission to use in considering possible amendments to the Orders of Approval.

Major efforts in the Upper Lakes Study include development of common data through initiation of topographic and bathymetric surveys, development of evaluation models, and establishment of a public

INTERNATIONAL JOINT COMMISSION

involvement program and initiation of environmental studies. Work on the Upper Lakes study will draw heavily on the knowledge, methods, and models developed in the Lake Ontario – St. Lawrence Study.

Purpose of Program

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

Program Description

During FY 2005, the IJC will continue to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. The unpredictable increase in both drought and flooding events in border watersheds has placed greater demands on the resource, especially in the west, and intensified the need for careful and well analyzed control of the outflows from regulated structures during high and low water periods.

The IJC will continue work on references (requests for IJC studies) issued by the two governments over the previous fiscal years and those expected to be issued during FY 2005 and will carry out its responsibilities pursuant to its Orders of Approval and under the Great Lakes Water Quality Agreement and Boundary Waters Treaty. These activities include:

- Continuing support of international watershed boards in the U.S.-Canada border region for the purpose of improving cross-border communication, protecting shared resources, and facilitating local and regional problem solving;
- Initiating a multi-year review of orders for regulation of the controlling structure on the Okanogan River (British Columbia and Washington);
- Undertaking a review of the apportionment of the waters of the St. Mary's and Milk Rivers (Montana, Alberta, and Saskatchewan);
- Continuing the analysis of common groundwater and surface water uses in boundary areas outside the Great Lakes Basin as requested from governments of the U.S. and Canada;
- Assessing progress in remediating the clean-up of areas of concern designated under the GLWQA;
- Subject to the receipt of referrals from the governments, continuing a program to harmonize and coordinate binational measures to prevent the introduction of aquatic alien invasive species into the Great Lakes and facilitating progress by the governments in this effort, performing a follow-up to an assessment of potential transboundary effects of a proposed emergency outlet from Devil's Lake in North Dakota, considering a request for permission to construct an expanded Peace Bridge over the Niagara River (New York and Ontario), and assessing the impact of a bridge and causeway across Missisquoi Bay, a part of Lake Champlain in Vermont, that affects waters in Quebec; and

INTERNATIONAL JOINT COMMISSION

- Supporting the U.S. Government's program to monitor water levels and flows in several boundary and transboundary rivers and to meet apportionment requirements. This work is accomplished through an interagency agreement with the United States Geological Survey (USGS).

Benefits

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

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INTERNATIONAL BOUNDARY COMMISSION

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	1,136	1,248	1,210	(38)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 budget request of \$1,210,000 for the International Boundary Commission (IBC) will support the Treaty requirements to maintain the U.S - Canadian Boundary. To maintain the required effective boundary line between the U.S. and Canada, the IBC will conduct four field projects: (1) reclearing 32 miles of boundary vista and monument maintenance along the Southwest section of the Highlands on the Maine/Quebec boundary; (2) reclearing 46.6 miles of boundary vista and monument maintenance along the 49th Parallel in the Pembina Hills and Turtle Mountains located along the Minnesota-North Dakota/Manitoba boundary; (3) Range Mark maintaining and reclearing Range Mark between ranges in Passamaquoddy Bay Maine/New Brunswick; and (4) replacing a range tower in Boundary Bay Washington/British Columbia.

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

Purpose of Program

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

INTERNATIONAL BOUNDARY COMMISSION

Program Description

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

The IBC has begun to convert all North American Data (NAD) map coordinates that currently define the boundary between NAD 27 and 83 positions. Under the current funding profile, the field surveys required to make this conversion will take approximately 10 years to complete.

The FY 2004 budget of \$1,248,000 will fund the IBC operations and 4 boundary maintenance projects: (1) completion of the reference monument maintenance, surveys and boundary line demarcation along the St. Francis River segment of the Maine-Quebec boundary; (2) Global Position Satellite markers and monument maintenance along a 50 mile segment of the Washington/British Columbia boundary 49th Parallel; (3) monument maintenance winter project Minnesota/Manitoba boundary 49th Parallel; and (4) a Global Position Satellite survey of the northwestern most section of the Lake of the Woods (Minnesota and Manitoba).

Benefits

A well-marked and maintained boundary allows federal, state and local law enforcement agencies to accomplish their duties more effectively, especially with the tightening of our borders in the aftermath of the September 11 terrorist attacks. An ambiguous boundary line would needlessly complicate and disrupt the business of government and private industry as well as the lives of the people living and working along it.

PART FOUR
RELATED APPROPRIATIONS

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
The Asia Foundation	10,376	12,863	8,880	(3,983)
National Endowment for Democracy	41,727	39,579	80,000	40,421
International Center for Middle Eastern- Western Dialogue (1)	0	6,926	0	(6,926)
East-West Center	17,883	17,692	13,709	(3,983)
Eisenhower Exchange Fellowship Program	497	500	500	0
Israeli Arab Scholarship Program	373	375	375	0
Total, Related Appropriations	70,856	77,935	103,464	25,529

All FY 2003 Actuals reflect general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

All FY 2004 Estimates, except the Eisenhower Exchange Fellowship Program (EEFP) and Israeli-Arab Scholarship Program (IASP), reflect the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673). No rescissions were applied to EEFP and IASP.

(1) Unrequested appropriation shows in the FY 2004 Omnibus.

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THE ASIA FOUNDATION

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Operating Activity Expenses	1,452	1,799	1,243	(556)
Program Grants and Services	8,924	11,064	7,637	(3,427)
Appropriation Total	10,376	12,863	8,880	(3,983)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request will provide funding for The Asia Foundation (TAF) at \$8,880,000. The Foundation designs and implements critical programs directly supporting priority U.S. interests to expand political and economic development, reduce the threat of extremism and promote stability in key countries in Asia, and strengthen U.S.-Asian relations. In the post-9/11 period, within the complex, rapidly changing societies of Asia, TAF programs and grants help build and strengthen institutions of governance; assist policy reform efforts; support civil discourse and conflict resolution; expand economic opportunities, including for women; deepen initiatives to promote moderate Islam; and build relations between the U.S. and the countries of Asia. The urgency of the political and security challenges in Asia have increased the need for experienced and credible American actors in the region. The Asia Foundation is one of the few American organizations with a distinctive 50 year history of on-the-ground presence in Asia, especially in the front line states in the war on terrorism such as Afghanistan, Pakistan, Indonesia, and the Philippines. TAF operates where the U.S. Government has limited or no operations, but where U.S. policy interests are of the highest priority, including China, Korea and Taiwan.

The FY 2005 request will be used to support programs aimed at conflict resolution and countering extremism; improved governance practices, the rule of law, and strengthened democratic institutions, including protection of human rights; increased citizen participation in public policy; expansion of women's rights; increased economic opportunity through small business development; and the development of stronger, more effective open market economies. The FY 2005 request will expand TAF's initiatives to promote democratic principles, political moderation and tolerance within Muslim minority and majority countries in Asia, building on TAF's longstanding engagement and credibility with Muslim organizations. In unstable countries such as Afghanistan and Pakistan, and less stable countries such as Nepal and Cambodia, TAF is working to promote free and fair elections, constitutional development, and local government reform. The request for operating activity expenses reflects the current indirect cost rate negotiated between the Department of State and TAF which is 14% of direct costs.

TAF will continue to increase its private fund-raising efforts and expects to raise \$4.5 million in private funds during FY 2005. Appropriated funds are critical to TAF's ability to leverage private foundation and corporate funding in the U.S. and from other donors such as the Asian Development Bank. TAF will

THE ASIA FOUNDATION

continue to receive in-kind contributions, notably donated books and software from American publishers which are distributed through its Books for Asia program and reach 5,000 institutions in the region.

Purpose of Program

As a non-governmental grant-making organization, TAF programs complement official efforts to advance U.S. interests in Asia. As a distinctive American presence in Asia, few other nongovernmental organizations can claim the TAF's capacity to deliver effective programs that advance American interests on the ground.

TAF delivers concrete programs at both the grass roots and policy levels to build the capacity of democratic and legal institutions and open market systems, and supports local groups and individuals committed to reform. TAF has consistently played a role in strengthening U.S.-Asian relations. TAF programming draws on an essential combination of strengths, including a depth of understanding and sensitivity to local and regional political and economic developments; commitment to results; widespread governmental and non-governmental contacts; the ability to react quickly to identify and develop timely program responses to key foreign policy issues and opportunities; and proven capacity as a program manager with grant-making flexibility. The discovery of terrorist networks in Afghanistan, Pakistan, Indonesia, the Philippines and the campaign in Iraq, are changing the nature of U.S.-Asian relations, particularly with countries with large Muslim populations. At the same time, the region's economic future, in large part, is directly tied to stability, governance and legal reform, and requires flexible and creative solutions. TAF capitalizes on its longstanding presence and programs in Asia to build the capacity of reformers, including moderate religious leaders, and maintains links with those who are working to develop and strengthen democracy, rule of law, tolerance, education and economic opportunity.

Achievements of the TAF include: introduction of civic education curriculum to promote democratic principles, moderate Islam, and tolerance within Indonesia's 46 State Islamic Institutes and 142 private Islamic colleges, reaching 10% of all tertiary students in the country; the establishment of the only center for progressive Muslims in Southeast Asia; provision of the only international observers and logistical support for the Emergency Loya Jirga in Afghanistan which successfully established the interim government; training in China on WTO principles and compliance for legal officials in all 44 provinces; the largest supporter of human rights groups in Cambodia; support for 125,000 domestic election monitors and voter education programs during the 1999 Indonesian election, mobilizing Muslim, Catholic and other nongovernmental organizations, and reaching over 110 million voters; access to justice through the Community Mediation Boards in Sri Lanka, handling over 100,000 cases per year; serving as a model for mediation of conflict at the village level in Nepal; support for monitors of the peace process in Mindanao between the government and the Moro Islamic Liberation Front (MILF).

TAF plays an important role in helping the U.S. Government attain its goals in Asia. TAF has earned a reputation as a trusted, nonpartisan, unbiased, nongovernmental actor on both sides of the Pacific. This enables TAF to undertake programs difficult for the U.S. Government to address directly (including issues related to religion and ethnicity), to take risks to promote reform, and respond rapidly in troubled areas. TAF also operates in countries of high priority to the U.S., but where the U.S. has limited or no development assistance presence. TAF's programs are directly linked to U.S. Government goals and objectives, including the number one priority of combating terrorism and dealing with its root causes. The U.S. Government receives a high return on its investment in TAF with respect to TAF's results-oriented role in advancing national foreign policy interests, its efficient use of resources, and ability to leverage additional funds to broaden the impact of U.S. government contributions.

THE ASIA FOUNDATION

Program Description

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

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

Benefits

The Asia Foundation is uniquely positioned to address immediate needs in Asia through programs that advance priority U.S. interests. TAF programs strengthen democracy, human rights, and mechanisms for conflict prevention and management; increase links with moderate, tolerant, and progressive Muslim groups and leaders; expand regional economic opportunities; and encourage regional cooperation. TAF's longstanding field presence, depth of experience, rapid response, and grant making capacity provide an important, reliable resource to develop creative approaches, and manage results-oriented programs in Asia. With rising security threats and anti-Americanism, TAF's resident presence, professional local staff, and ongoing partnerships and programs with Asian organizations continue. TAF's presence in Asia and its nongovernmental status help provide a buffer against controversy. As an American asset, TAF's effectiveness and track record is unique among American NGOs, and contributes to political and economic objectives. TAF programs also contribute to American public diplomacy through books, exchanges and the generation of good will from on-the-ground projects that improve the lives of people in Asia. The Asia Foundation strives to be a model for public-private partnership in addressing the challenges facing the Asia-Pacific region.

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NATIONAL ENDOWMENT FOR DEMOCRACY

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	41,727	39,579	80,000	40,421

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request of \$80,000,000 funds the National Endowment for Democracy (NED). This level of funding will support programs in the Middle East, Africa, Asia, the Independent States of the former Soviet Union, Central/Eastern Europe, and Latin America, as well as multi-regional programs. This funding level also supports \$40 million for a Greater Middle East Democracy Initiative. This initiative will increase NED's efforts to strengthen democracy and tolerance in the region through its work with civil society organizations. NED's programs have the following objectives:

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

NATIONAL ENDOWMENT FOR DEMOCRACY

Purpose of Program

National Endowment for Democracy is a private, non-profit organization created in 1983 to strengthen democratic institutions around the world through non-governmental efforts. An independent, bi-partisan board of directors governs the Endowment. With its annual appropriation, NED makes hundreds of grants each year to support pro-democracy groups in Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and the countries of the former Soviet Union. The mission of the Endowment is to support peaceful and stable transitions to more open political and economic systems characterized by effective governance and legal systems, an engaged and responsible civil society, and open markets.

Program Description

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

Benefits

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

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	17,883	17,692	13,709	(3,983)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .465% to Commerce, Justice and State Appropriated accounts and the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

The FY 2005 request of \$13,709,000 funds the Center for Cultural and Technical Interchange Between East and West (the East-West Center).

Funding supports research and education programs designed to:

- build an Asia-Pacific community in which the United States is a natural, valued and leading partner;
- advance collaborative research on issues of contemporary significance;
- construct a peaceful, prosperous, and just Asia-Pacific community; and
- prepare Americans for an era in which the Asia-Pacific region is increasingly important to the United States.

Purpose of Program

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

Program Description

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

- Research – The Research Program covers four broad areas of study: politics, governance and security; economics; environmental change, vulnerability and governance; and population and health. Collaborative research at the Center contributes to: (1) the strengthening of regional, sub-regional and

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

national institutions of governance; (2) the promotion of mutually beneficial growth that is equitable and sustainable; and (3) the management and resolution of critical regional problems as well as significant issues of common concern at the national level.

- Education, Training and Seminars – The EWC offers a wide range of educational opportunities for students and professionals specializing in Asia and the Pacific. These include support for undergraduate and graduate study, visiting fellowships, and special programs for Pacific Islanders and East Timorese, among others. The Asian Studies Development Program (ASDP) has developed relationships with approximately 375 colleges and universities in 48 states in reaching American college students to expand their knowledge about Asia and the Pacific. Through its Seminar Program, the Center seeks to become a major venue for productive policy and results-oriented seminars on issues relating to Asia-Pacific community building. Seminars for political, corporate and academic leaders in several areas of thematic emphasis are offered throughout the year.

Benefits

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

The East-West Center has an established methodology for cooperative, group-oriented public diplomacy programs that is quite distinctive from the more typical exchanges that are focused on individual exchanges. The group activities also generate highly motivated alumni. The Center uses its 35 alumni chapters for programming and enhancing its mission.

Private agencies, individuals, corporations, and foreign governments provide additional support. In augmentation of the base appropriation, the Center expects to generate additional support of \$16.6 million in FY 2004 and \$17 million in FY 2005.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	497	500	500	0

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

Explanation of 2005 Request

The FY 2005 request seeks appropriation authority to spend \$500,000 in estimated interest earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

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

Purpose of Program

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

Program Description

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

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

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

- **The Multi-Nation Program (MNP)**– Provides two-month U.S. fellowships for an Eisenhower Fellow from each of 24 to 27 countries;

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

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

Benefits

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

ISRAELI ARAB SCHOLARSHIP PROGRAM

Program Activities Summary

Summary Statement

(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Appropriation Total	373	375	375	0

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

Explanation of 2005 Request

The FY 2005 request seeks appropriation authority to spend \$375,000 in estimated interest earnings of the Israeli Arab Scholarship Fund. The funding will be applied to:

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

Purpose of Program

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

Program Description

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

Benefits

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

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***PART FIVE
FOREIGN ASSISTANCE***

Summary Statement

(\$ in thousands)

Appropriations	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Migration & Refugee Assistance	781,884	755,712	729,789	(25,923)
Emergency Refugee/Migration Assistance (1)	105,831	29,823	20,000	(9,823)
Total, Foreign Assistance	887,715	785,535	749,789	(35,746)

All FY 2003 Actuals reflect general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

All FY 2004 Estimates reflect the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

(1) FY 2003 Actual includes \$80 million provided through the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11).

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MIGRATION & REFUGEE ASSISTANCE

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
Overseas Assistance	624,662	552,667	524,539	(28,128)
Africa	228,523	201,387	208,500	7,113
East Asia	19,528	20,404	14,500	(5,904)
Europe	74,915	54,558	50,000	(4,558)
Near East	125,404	100,538	97,000	(3,538)
South Asia	79,321	73,741	58,039	(15,702)
Western Hemisphere	20,366	21,526	26,000	4,474
Migration	16,275	17,303	15,500	(1,803)
Strategic Global Priorities	60,330	63,210	55,000	(8,210)
Refugee Admissions	81,155	132,449	135,750	3,301
Humanitarian Migrants to Israel	59,610	49,705	50,000	295
Administrative Expenses	16,457	20,891	19,500	(1,391)
Appropriation Total	781,884	755,712	729,789	(25,923)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7).

In addition to the \$781.9 million appropriated in FY 2003, \$58.7 million appropriated in FY 2002 was carried forward into FY 2003 as follows: Overseas Assistance Africa (\$38,000), Overseas Assistance Near East (\$500,000), Overseas Assistance South Asia (\$3.7 million, including \$650,000 from the Afghan Supplemental), Overseas Assistance Western Hemisphere (\$900,000), Strategic Global Priorities (\$1.3 million), Refugee Admissions (\$51.5 million), and Administrative Expenses (\$700,000). Of the Admissions carryover funds, \$20 million were reprogrammed to Overseas Assistance South Asia in FY 2003. As these funds were all appropriated in FY 2002, they are not included in the above chart.

Of the \$781.9 million appropriated in FY 2003, approximately \$25.8 million was carried forward into FY 2004, of which \$19.6 million was carried forward in Refugee Admissions and \$6.2 million carried forward in Overseas Assistance. These figures are included in the above chart in FY 2003, the year in which they were appropriated.

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

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

MIGRATION & REFUGEE ASSISTANCE

- **Protection, Assistance, and Durable Solutions** – Promote access to effective protection and first asylum to refugees and conflict victims, and, in certain cases, internally displaced persons. Protection of women and children is a priority given their numbers and vulnerability. This includes helping establish mechanisms to prevent and respond promptly to reports of exploitation. These funds would also be used to provide humanitarian assistance across geographic regions and according to internationally accepted standards, and support voluntary repatriation, including sustainable reintegration of refugees in countries of origin.
- **Resettlement** – Provide permanent resettlement in the U.S. to those overseas refugees who need it, ensure that adequate security, health, and antifraud measures are fully implemented in processing these cases, and support adequate reception arrangements for these refugees so that they can begin the process of becoming self-sufficient, fully integrated members of U.S. society.
- **International Migration** – Support policies and programs for orderly international migration based on protection of human rights and respect for national sovereignty. This goal includes continued funding for a program that facilitates the integration of humanitarian migrants in Israel.

Important specific priorities in FY 2005 include: continuing our support for the large-scale return and reintegration of Afghan refugees and internally displaced persons (IDPs), similar programs for Iraq, Liberia and Sudan (assuming a peace agreement), and ongoing assistance activities in Colombia and the North Caucasus; bolstering efforts to enhance the protection of refugees, including programs that guard against the exploitation of beneficiaries of humanitarian assistance; and pressing other donors to provide their fair share of assistance to international humanitarian organizations.

Overseas Assistance

The FY 2005 request for Overseas Assistance is \$524,539,000, a decrease of \$28,128,000 from our anticipated FY 2004 appropriation.

Requirements by region include:

- **Africa - \$208,500,000.** The FY 2005 request reflects not only the welcome opportunities for refugee solutions that have come from peace agreements in places such as Angola, but also the persistence of civil strife in countries such as the Democratic Republic of Congo (DRC), Somalia, and Burundi. The request includes support in the event of peace in the Sudan and possible subsequent large-scale refugee repatriation as well as support for the return and reintegration of refugees in Liberia. The request also includes USG regular contributions for UNHCR and ICRC, which would help ensure that basic life support needs of vulnerable refugees and conflict victims in Africa are met and that those who can return home are reintegrated into their home communities with dignity. Some funding is also included for other IOs and NGOs who work with UNHCR to fill gaps in basic relief programs.
- **East Asia - \$14,500,000.** The FY 2005 request includes support for UNHCR and ICRC programs throughout the region as well as for NGO assistance to Burmese refugees in Thailand.
- **Europe - \$50,000,000.** The highest priority in the Balkans will be minority returns of internally displaced persons (IDPs) from Serbia-Montenegro and Macedonia to Kosovo, which will be supported through UNHCR and NGOs. In the Independent States (IS) of the former Soviet Union, however, no resolution of the frozen conflicts in Nagorno-Karabakh, South Ossetia, Abkhazia, and Chechnya is expected in FY 2005, and continued MRA support is necessary for 1.3 million IDPs and refugees created by these conflicts. MRA funds will also be used to support ICRC's programs in the region.

MIGRATION & REFUGEE ASSISTANCE

- **Near East - \$97,000,000.** The FY 2005 request incorporates significant continued support for UNRWA's assistance programs, which benefit over four million Palestinian refugees in the region. These funds will go toward meeting the costs of delivering education, health, and social services programs in an increasingly difficult environment and for implementing critical security monitoring. MRA will also support UNHCR and ICRC programs in the Near East. Funds to support the return and reintegration of Iraqi refugees will be drawn from the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).
- **South Asia - \$ 58,039,000.** These funds are primarily aimed at continuing U.S. support for the unprecedented, large-scale return and reintegration programs for Afghan refugees and internally displaced persons. MRA funds will facilitate the return of up to one million refugees to Afghanistan in FY 2005. We will support UNHCR and NGO programs in the areas of health, shelter, education, and livelihood to bolster the sustainability of returns. Also, MRA will continue to support care and maintenance programs for Afghan refugees who remain in first asylum in neighboring countries. Elsewhere in the region, the request includes continued assistance to Tibetan refugees.
- **Western Hemisphere – \$26,000,000.** For the past several years, most of the needs of the more than two million IDPs inside Colombia and thousands of refugees outside Colombia have been addressed through a combination of MRA and appropriations for the USG's Colombia operations. In FY 2005, the Department will mainstream into its MRA request all funds devoted to these requirements. The request also includes support to the regional programs of UNHCR and ICRC. It also includes funds to meet the Department's commitment to support the needs of migrants at the Guantanamo Bay Naval Base who have been found to be in need of protection and await resettlement in third countries.
- **Migration - \$15,500,000.** MRA funds in this line will meet the requirements of our assessed contribution to IOM, as well as continue our support for IOM programs aimed at preventing trafficking of persons and assisting trafficking victims. Through the FY 2005 request, we will also continue our support for important regional migration dialogues in Latin America and Africa.
- **Strategic Global Priorities - \$55,000,000.** Formerly called "Multiregional Activities," this line was renamed to more accurately describe cross-cutting, core priorities such as emergency response, refugee women, refugee children, health, and protection. It includes support for the headquarters budgets of UNHCR and ICRC, reflecting the critical role these organizations play in providing protection and humanitarian assistance to refugees and conflict victims. Funding is also included for UNHCR's Operational Reserve, an important mechanism on which UNHCR's emergency response capacity depends.

Refugee Admissions

The FY 2005 request for Refugee Admissions is \$ 135,750,000. This is a \$3,301,000 increase over the anticipated FY 2004 level, reflecting the new security requirements and consequent increased costs of admitting refugees into the United States. The FY 2005 global and regional admissions ceilings will be set by a Presidential Determination after the Congressional consultations process later this fiscal year.

Humanitarian Migrants to Israel

The FY 2005 request of \$50,000,000 will maintain our support for the migrant programs of the United Israel Appeal (UIA) at the level we expect to receive in FY 2004. The number of Jewish humanitarian migrants traveling to Israel under the program continues at reduced levels compared to prior years.

MIGRATION & REFUGEE ASSISTANCE

Administrative Expenses

The FY 2005 request of \$19,500,000 for administrative expenses provides the Bureau with the resources to manage effectively and responsibly critical humanitarian programs funded through the MRA and ERMA appropriations.

With this limited administrative budget, the Bureau manages resources of over \$800 million and an array of significant humanitarian policy issues. PRM staff addresses program design and implementation, monitors and evaluates operational activities, and supports other parts of the State Department in integrating refugee and humanitarian issues into broader foreign policy concerns. It plays an equally important humanitarian diplomacy role. Costs related to the small staff dedicated to international population activities are included in the Department of State's Diplomatic and Consular Programs account.

Purpose of Program

The United States helps to meet the needs of refugees and conflict victims by supporting programs of overseas assistance implemented by international and nongovernmental organizations and by accepting refugees of special humanitarian concern for resettlement in the United States. Central to these efforts is a recognition that refugee problems are matters of international concern, requiring multilateral solutions. UNHCR estimates that there are just under 19.8 million persons under its mandate worldwide, including refugees, returnees, certain IDP populations, and stateless persons. An additional four million Palestinian refugees are currently registered with UNRWA. ICRC's chief beneficiaries are conflict victims such as civilians caught in conflict zones and prisoners of war. For example, its water and sanitation programs helped meet the needs of over 14 million people in 2003, while it provided food and non-food assistance to some 1.5 million persons.

Accordingly, the focus of U.S. humanitarian foreign policy is:

- providing life-sustaining protection and relief for persons who have fled persecution and conflict;
- obtaining effective and timely responses from the international community to assist refugees and displaced persons;
- seeking solutions to the origins of refugee problems; and
- supporting voluntary repatriation, local integration, and resettlement.

Program Description

Overseas assistance is carried out through voluntary contributions to:

- The United Nations High Commissioner for Refugees (UNHCR);
- The International Committee of the Red Cross (ICRC);
- The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);
- The International Organization for Migration (IOM);

MIGRATION & REFUGEE ASSISTANCE

- Other international organizations (e.g., UNICEF, UNDP); and
- Non-governmental organizations.

Refugee admissions are supported through funding to:

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

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

Benefits

Migration and Refugee Assistance funds continue to:

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

PART / Program Evaluation

Refugee Admissions to the United States

For preparation of the FY 2005 budget, the Administration reassessed the Department's Refugee Admissions to the United States program using the Program Assessment Rating Tool (PART). In this second PART review, the program was rated as moderately effective. According to the assessment, the program has a clear purpose, planning processes are in place, and the program is well managed. OMB noted that program managers have improved strategic planning, particularly the coordination efforts of program managers to ensure involvement of NGOs, international organizations, and other agencies in the planning process. However, the PART review noted that the program must continue its work toward obligating funds for intended purposes instead of reprogramming appropriated funds for other programs. Furthermore, some overlap between the U.S. Refugee Admissions Program and the similar programs of the Office of Refugee Resettlement (ORR) in the Department of Health and Human Services was cited. These assessments, along with the lack of an adequate efficiency measure, impacted the results and accountability

MIGRATION & REFUGEE ASSISTANCE

section of the PART review. Program managers are taking key management actions to address these deficiencies and an efficiency measure is now in place. The Department is reviewing the relationship between this program and ORR's programs to ensure there is no duplication. The PART process provided information that was taken into account in the overall decision-making process for resources allocation.

Key Indicators: (1) Refugees resettled in the U.S., as a percentage of the allocated ceiling, and (2) Standardized essential services are provided by sponsoring agencies during the period of refugees' initial resettlement in the U.S.

Humanitarian Migrants to Israel

For the FY 2005 budget, the Administration also reassessed the Department's Humanitarian Migrants to Israel program using PART. In its second PART review, the program was rated moderately effective. According to the review, the program is well managed and has a clear purpose: to provide assistance for the resettlement in Israel of humanitarian migrants from the former Soviet Union, countries in Eastern Europe, Africa and the Near East, and other countries of distress. OMB noted that program managers have taken management actions based on findings from the review last year and have coordinated closely with the United Israel Appeal (UIA) to further develop the program's performance measures. The grant agreement signed between UIA and the Department this past year noted the specific steps taken to refine performance measures and the relationship with UIA, which contributed to a higher program rating for the Humanitarian Migrants to Israel program this year. The assessment noted that the Department must continue to strengthen its annual and long-term measures, and create an efficiency measure, which the Department has now done. The improvement documented in the PART review was considered in the overall decision-making process for resources allocations.

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

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

This year, for the first time, the Administration evaluated the U.S. Contribution to the United Nations High Commissioner for Refugees (UNHCR), as administered by the Department, using PART. The program was rated as moderately effective. The program has a clear purpose: to help ensure a comprehensive response to the protection and assistance needs of refugees and to help provide refugees with lasting solutions. The PART review notes that program managers work closely with UNHCR to ensure that U.S. goals are understood and included in the organization's planning. The PART review also found that the program has ambitious long-term and annual goals tied to the mission of the program and that close cooperation and consultation has existed for many years between UNHCR and the Department, leading to agreed upon goals that appear in the "Framework for Cooperation." These PART findings were factors in the overall decision-making process for resources allocation. However, OMB notes that the Department did not have an efficiency measure at the time of the review and that UNHCR needs a better integrated financial system to ensure that program funds are being used effectively. The Department now has an efficiency measure in place and is working closely with UNHCR to implement a better financial management system.

Key Indicators: (1) Number of fully-funded permanent, international, professional posts in the "protection" area within UNHCR; (2) Development and adoption/utilization of enhanced financial/supplies tracking system; and (3) UNHCR provides assessment of all refugee needs in African countries with greater than 10,000 refugees, and donors provide full funding for UNHCR's Africa program.

U.S. EMERGENCY REFUGEE & MIGRATION ASSISTANCE

Program Activities Summary

Summary Statement

(\$ in thousands)

Activities	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Increase/ Decrease
ERMA Fund	105,831	29,823	20,000	(9,823)

The FY 2003 Actual Appropriation Total reflects the general rescission of .65% provided through Consolidated Appropriations Act, FY 2003 (P.L. 108-7), and includes \$80.0 million provided through the Wartime Supplemental Appropriations Act, 2003 (P.L. 108-11).

The FY 2004 Estimate Appropriation Total reflects the proposed rescission of .59% provided through the Consolidated Appropriations Act, 2004, (H.R. 2673).

Explanation of 2005 Request

A \$20,000,000 replenishment of the United States Emergency Refugee and Migration Assistance (ERMA) Fund is essential to preserving the President's ability to respond quickly to the many unforeseen and urgent refugee and migration needs that occur worldwide each year.

Purpose of Program

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

Program Description

Pursuant to the Migration and Refugee Assistance Act of 1962, as amended, the President authorizes drawdowns from the ERMA Fund when unexpected refugee and migration needs require immediate financial support. At the beginning of FY 2004, \$77 million remained in the fund. There were no ERMA drawdowns during the first quarter of FY 2004. In FY 2003, a total of \$74 million was drawn down from the ERMA Fund for the following needs:

- Presidential Determination 2003-09: \$11 million**
On January 7, 2003, \$11 million was authorized to address unexpected urgent refugee and migration needs arising from the crises in Côte d'Ivoire (\$1.5 million) and Liberia (\$3.4 million), and from the return of refugees to Sierra Leone (\$.7 million) and Angola (\$5.4 million).
- Presidential Determination 2003-13: \$15 million**
On January 26, 2003, \$15 million was authorized to meet unexpected urgent refugee and migration needs that were anticipated in the event of a future humanitarian emergency in the Middle East, including contingency planning for such needs.

U.S. EMERGENCY REFUGEE & MIGRATION ASSISTANCE

- **Presidential Determination 2003-17: \$22 million**
On March 20, 2003, \$22 million was authorized to meet unexpected urgent refugee and migration needs that were anticipated in the event of a future humanitarian emergency in the Middle East, including contingency planning for such needs.
- **Presidential Determination 2003-29: \$26 million**
On August 4, 2003, \$26 million was authorized for a contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to meet unexpected, urgent refugee needs in the West Bank and Gaza.

Benefits

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

APPENDIX
Department of State
FEE COLLECTIONS
(\$ in thousands)

Revenue Source	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Machine Readable Visas Processing Fees			
Carryforward Allocations	32,811	41,549	-
Prior Year Collections Unallocated	65,740	83,918	36,488
Current Year Collections Projected (Net)	524,778	562,000	627,000
Total Collections Available	623,329	687,467	663,488
Carryforward Allocations Planned	15,810	20,088	-
Current Year Allocation Plan	523,601	630,891	661,480
Total Allocations	539,411	650,979	661,480
Carryforward Allocations Returned	17,001	21,461	-
Unallocated Collections	66,917	15,027	2,008
Ending Unallocated Collections	83,918	36,488	2,008
Enhanced Border Security Program Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	-	-
Current Year Collections Projected (Net)	-	-	100,000
Total Collections Available	-	-	100,000
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	-	-	100,000
Total Allocations	-	-	100,000
Carryforward Allocations Returned	-	-	-
Unallocated Collections	-	-	-
Ending Unallocated Collections	-	-	-
Expedited Passport Fees			
Carryforward Allocations	16,361	38,109	-
Prior Year Collections Unallocated	14,473	30,338	21,849
Current Year Collections Projected (Net)	99,874	114,000	114,000
Total Collections Available	130,708	182,447	135,849
Carryforward Allocations Planned	870	37,957	-
Current Year Allocation Plan	99,500	122,641	114,000
Total Allocations	100,370	160,598	114,000
Carryforward Allocations Returned	15,491	152	-
Unallocated Collections	14,847	21,697	21,849
Ending Unallocated Collections	30,338	21,849	21,849
Commercial Service Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	2	5	5
Current Year Collections Projected (Net)	14	12	16
Total Collections Available	16	17	21
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	11	12	16
Total Allocations	11	12	16
Carryforward Allocations Returned	-	-	-
Unallocated Collections	5	5	5
Ending Unallocated Collections	5	5	5

APPENDIX
Department of State
FEE COLLECTIONS
(\$ in thousands)

Revenue Source	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Visa Fingerprint Fees			
Carryforward Allocations	92	-	-
Prior Year Collections Unallocated	2,371	4,317	5,617
Current Year Collections Projected (Net)	2,704	2,300	2,300
Total Collections Available	5,167	6,617	7,917
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	850	1,000	1,000
Total Allocations	850	1,000	1,000
Carryforward Allocations Returned	92	-	-
Unallocated Collections	4,225	5,617	6,917
Ending Unallocated Collections	4,317	5,617	6,917
Affidavit of Support Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	9,042	18,008	16,008
Current Year Collections Projected (Net)	14,758	12,000	12,000
Total Collections Available	23,800	30,008	28,008
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	5,792	14,000	16,800
Total Allocations	5,792	14,000	16,800
Carryforward Allocations Returned	-	-	-
Unallocated Collections	18,008	16,008	11,208
Ending Unallocated Collections	18,008	16,008	11,208
Diversity Lottery Fees			
Carryforward Allocations	104	-	-
Prior Year Collections Unallocated	1,858	2,942	3,342
Current Year Collections Projected (Net)	5,432	5,500	5,500
Total Collections Available	7,394	8,442	8,842
Carryforward Allocations Planned	104	-	-
Current Year Allocation Plan	4,348	5,100	5,100
Total Allocations	4,452	5,100	5,100
Carryforward Allocations Returned	-	-	-
Unallocated Collections	2,942	3,342	3,742
Ending Unallocated Collections	2,942	3,342	3,742
Defense Trade Control Fees			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	1,495	1,057	1,057
Current Year Collections Projected (Net)	2,424	4,000	4,000
Total Collections Available	3,919	5,057	5,057
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	2,862	4,000	4,000
Total Allocations	2,862	4,000	4,000
Carryforward Allocations Returned	-	-	-
Unallocated Collections	1,057	1,057	1,057
Ending Unallocated Collections	1,057	1,057	1,057

APPENDIX
Department of State
FEE COLLECTIONS
(\$ in thousands)

Revenue Source	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Sec. 810 USI & EE Act Fees			
Carryforward Allocations	294	-	-
Prior Year Collections Unallocated	3,526	3,886	3,886
Current Year Collections Projected (Net)	5,192	6,000	6,000
Total Collections Available	9,012	9,886	9,886
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	5,126	6,000	6,000
Total Allocations	5,126	6,000	6,000
Carryforward Allocations Returned	294	-	-
Unallocated Collections	3,592	3,886	3,886
Ending Unallocated Collections	3,886	3,886	3,886

APPENDIX
Department of State
Language Changes

Explanation of Language Changes

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

The FY 2004 legislative language presented herein is that contained in H.R. 2673, Consolidated Appropriations Bill, 2004 which had not been enacted at the time the budget was prepared.

As always, the Department will seek to eliminate all earmarks from appropriation legislation.

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Language Changes

DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, [~~\$3,420,000,000: Provided, That not to exceed 69 permanent positions and \$7,311,000 shall be expended for the Bureau of Legislative Affairs: Provided further, That, of the amount made available under this heading,~~] \$3,626,343,000, *of which* not to exceed \$4,000,000 may be transferred to, and merged with, funds in the “Emergencies in the Diplomatic and Consular Service” appropriations account, to be available only for emergency evacuations and terrorism rewards: [~~Provided further, That, of the amount made available under this heading, \$301,563,000 shall be available only for public diplomacy international information programs: Provided further, That of the amount made available under this heading, \$3,000,000 shall be available only for the establishment and operations of an Office on Right Sizing the United States Government Overseas Presence:] *Provided* [further] , That funds available under this heading may be available for a United States Government inter-agency task force to examine, coordinate and oversee United States participation in the United Nations headquarters renovation project [~~Provided further, That no funds may be obligated or expended for processing licenses for the export of satellites of United States origin (including commercial satellites and satellite components) to the People’s Republic of China unless, at least 15 days in advance, the Committees on Appropriations of the House of Representatives and the Senate are notified of such proposed action].~~ In addition, not to exceed [~~\$1,371,000]~~ \$1,426,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities.~~

In addition, for the costs of worldwide security upgrades,~~[\$646,701,000]~~ \$658,701,000, to remain available until expended:~~Provided, That, of the amounts made available under this paragraph, \$5,000,000 is for the State Department to establish the Center for Antiterrorism and Security Training]. [In addition, for the costs of worldwide OpenNet and classified connectivity infrastructure, \$40,000,000, to remain available until expended.]~~ (Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

(Including Rescission)

[For necessary expenses for “Diplomatic and Consular Programs”, \$156,300,000, of which \$35,800,000 shall remain available until September 30, 2006.] [~~Of the funds appropriated under this heading in the Emergency Wartime Supplemental Appropriations Act, 2003, \$35,800,000 are rescinded.]~~ (Emergency Supplemental Appropriations for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.)

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Department of State Language Changes

Proposed Changes:

- (1) The first deletion eliminates FTE and funding ceilings that unduly restrict the Secretary's ability to manage the Department and allocate resources within the Diplomatic and Consular Programs appropriation (D&CP).
- (2) The second deletion eliminates two earmarks (relating to public diplomacy and right-sizing) that unduly restrict the Department's flexibility to allocate resources within D&CP. Moreover, in the event Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004, is enacted into law, it will be unnecessary to repeat the direction to establish a new office.
- (3) The third deletion eliminates a proviso that hampers the ability of the Department to review license applications in a timely manner and precludes any processing, even consideration leading to decisions to reject license applications, by making all review subject to notification procedures. It essentially limits options to returning such applications without action.
- (4) The fourth deletion eliminates an earmark that unduly restricts the Department's flexibility to allocate resources within D&CP. Moreover, in the event Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004, is enacted into law, it will be unnecessary to repeat the direction to establish a new center. The fourth deletion also eliminates reference to costs for which FY 2005 funds are being requested in the Capital Investment Fund appropriation.
- (5) The final deletion eliminates reference to the Emergency Supplemental Appropriations for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926 (22 U.S.C. 292–303), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, ~~[\$530,000,000]~~ \$626,680,000, to remain available until expended as authorized, of which not to exceed ~~[\$20,000]~~ \$25,000 may be used for domestic and overseas representation as authorized: *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies.

In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, ~~[\$861,400,000]~~ \$912,320,000, to remain available until expended. (Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

~~[For necessary expenses for “Embassy Security, Construction, and Maintenance”, \$43,900,000, to remain available until expended: *Provided*, That funds provided under this heading do not include facilities requirements specific to the United States Agency for International Development, which are provided under the heading “United States Agency for International Development, Operating Expenses of the United States Agency for International Development”.] (Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.)~~

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Department of State Language Changes

Proposed Change:

The deletion eliminates reference to the Emergency Supplemental Appropriations for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, ~~[\$1,000,000]~~ \$7,000,000, to remain available until expended as authorized, of which not to exceed \$1,000,000 may be transferred to and merged with the Repatriation Loans Program Account, subject to the same terms and conditions. (Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

(INCLUDING TRANSFER OF FUNDS)

~~[For necessary expenses for “Emergencies in the Diplomatic and Consular Service”, \$115,500,000, to remain available until expended, which may be transferred to, and merged with, the appropriations for “Diplomatic and Consular Programs”: Provided, That of the funds made available under this heading, \$65,500,000 may be transferred to, and merged with, the appropriations for “Protection of Foreign Missions and Officials”; of which \$32,000,000 is for the reimbursement of the City of New York for costs associated with the protection of foreign missions and officials during the heightened state of alert following the September 11, 2001, terrorist attacks on the United States; of which \$8,500,000 is for costs associated with the 2003 Free Trade Area of the Americas Ministerial meeting; and of which \$25,000,000 is for costs associated with the 2004 Summit of the Industrialized Nations notwithstanding the limitations of 3 U.S.C. 202(10): Provided further, That of the funds previously appropriated under this heading, \$2,000,000 is for rewards for an indietee of the Special Court for Sierra Leone: Provided further, That any transfer of funds provided under this heading shall be treated as a reprogramming of funds under section 605 of Public Law 108–7.] (Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.)~~

Proposed Change:

The deletion eliminates reference to the Emergency Supplemental Appropriations for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, ~~[\$1,010,463,000: Provided, That the Secretary of State shall transmit to the Committees on Appropriations of the Senate and of the House of Representatives the most recent biennial budget prepared by the United Nations for the operations of the United Nations: Provided further, That the Secretary of State shall notify the Committees on Appropriations at least 15 days in advance (or in an emergency, as far in advance as is practicable) of any United Nations action to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations to exceed the adopted budget for the biennium 2002–2003 of \$2,891,000,000.]~~ \$1,194,210,000, *of which up to \$6,000,000 may be used for the cost of a direct loan to the United Nations for the cost of renovating its headquarters in New York: Provided further, That such*

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costs, including the cost of modifying such loan, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal of up to \$1,200,000,000: Provided further, That any payment of arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: Provided further, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings ~~[: Provided further, That funds appropriated under this paragraph may be obligated and expended to pay the full United States assessment to the civil budget of the North Atlantic Treaty Organization]~~, **except that such restriction shall not apply to loans to the United Nations for renovation of its headquarters.** (Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Proposed Changes:

- (1) The first insertion provides funding for a U.S. loan to finance renovation of the UN headquarters in New York under the UN Capital Master Plan. The second insertion provides that the external borrowing interest cost restriction does not apply to loans for the headquarters renovation.
- (2) The first deletion eliminates a proviso requiring the Department to submit the UN biennial budget and a proviso requiring notification of UN actions to increase funding for UN programs. With respect to the first proviso, submission of the UN biennial budget is burdensome and not useful as the budget adopted by the UN inevitably varies from the budget request document (which is over 1,300 pages and available online). The UN does not prepare a revised version of the budget request document to reflect the changes made during final deliberations of the General Assembly. The second proviso injects an unworkable level of oversight into U.S. diplomatic efforts at the UN. The proviso is exceedingly difficult to implement because program decisions are taken throughout the year while budget decisions generally are taken at year's end. Moreover, the 15-day notice requirement can almost never be met as budget decisions are typically made at the last minute as a result of close negotiating. The better approach would be for the Department to brief the relevant congressional committees on developments at the UN.
- (3) The second deletion eliminates a proviso that is no longer necessary because permanent authorization to pay the assessment to the NATO civil budget was provided in sec. 113(a)(2) of the FY '03 Foreign Relations Authorization Act (P.L. 107-228).

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, ~~[\$550,200,000]~~ \$650,000,000, of which ~~[40]~~ 15 percent shall remain available until September 30, ~~[2005]~~ 2006: *Provided, [That of the amount provided under this heading, \$95,358,000 shall be derived from prior year unobligated balances from funds previously appropriated under this heading: Provided further,]* That none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless, at least 15 days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency as far in advance as is practicable): (1) the Committees on Appropriations of the House of Representatives and the Senate and other appropriate committees of the Congress are notified of the estimated cost and length of the mission, the vital national interest that will be served, and the planned exit strategy; and (2) a reprogramming of funds pursuant to section 605 of this Act is submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: *Provided further, That funds shall be*

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available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers: *Provided further*, That none of the funds made available under this heading are available to pay the United States share of the cost of court monitoring that is part of any United Nations peacekeeping mission. (Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

~~[For necessary expenses for “Contributions for International Peacekeeping Activities”, \$245,000,000, to remain available until expended.] (Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.)~~

Proposed Changes:

- (1) The first deletion eliminates the reference to utilization of \$95,358,000 of prior year (FY 2003) unobligated balances (included in the pending appropriations language) because the Department estimates that there will be no unobligated balances from funds appropriated under this heading available at the end of FY 2004.
- (2) The second deletion eliminates reference to the Emergency Supplemental Appropriations for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, [~~\$760,197,000~~] \$729,789,000, which shall remain available until expended: *Provided*, That not more than [~~\$21,000,000~~] \$19,500,000 may be available for administrative expenses

~~[*Provided further*, That not less than \$50,000,000 of the funds made available under this heading shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel: *Provided further*, That funds appropriated under this heading may be made available for a headquarters contribution to the International Committee of the Red Cross only if the Secretary of State determines (and so reports to the appropriate committees of Congress) that the Magen David Adom Society of Israel is not being denied participation in the activities of the International Red Cross and Red Crescent Movement]. (Division D, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)~~

Proposed Change:

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

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EAST-WEST CENTER

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to the Center for Cultural and Technical Interchange Between East and West in the State of Hawaii, [~~\$17,880,000~~] \$13,709,000: *Provided*, That none of the funds appropriated herein shall be used to pay any salary, or enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376 [~~;-Provided further, That, notwithstanding other provision of law, the funds appropriated to the East West Center appropriation in Public Law 108-7 may be obligated and expended notwithstanding section 15 of the State Department Basic Authorities Act of 1956, as amended~~]. (Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Proposed Change:

The deletion eliminates a proviso that was inserted to address an FY 2003 authorization level ceiling.

GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCY

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

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

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

[~~SEC. 404. For the purposes of registration of birth, certification of nationality, or issuance of a passport of a United States citizen born in the city of Jerusalem, the Secretary of State shall, upon request of the citizen, record the place of birth as Israel.~~]

[~~Sec. 405. Section 2502 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11) is repealed.~~]

[~~SEC. 406. An application for a visa shall be denied without prejudice under section 221(g) of the Immigration and Nationality Act (8 U.S.C. 41201(g)) if the application is delayed for a period of more than 60 days from the date of application due to administrative processing by any agency in making a determination of inadmissibility under section 212(a)(3) of that Act (8 U.S.C. 1182(a)(3)).~~]

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[~~SEC. 407. Funds appropriated by this Act for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 15 of the State Department Basic Authorities Act of 1956, section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).~~]

[~~SEC. 408. (a) The Senior Policy Operating Group on Trafficking in Persons, established under section 406 of division B of Public Law 108-7 to coordinate agency activities regarding policies (including grants and grant policies) involving the international trafficking in persons, shall coordinate all such policies related to the activities of traffickers and victims of severe forms of trafficking. (b) None of the funds provided in this or any other Act shall be expended to perform functions that duplicate coordinating responsibilities of the Operating Group. (c) The Operating Group shall continue to report only to the authorities that appointed them pursuant to section 406 of division B of Public Law 108-7.~~]

[~~SEC. 409. The Secretary of State shall provide to a member of the Committee on Appropriations of the Senate or the Committee on Appropriations of the House of Representatives a copy of each cable sent to or by a Department of State employee that pertains to any topic specified by the requesting member, regardless of the level of classification of the cable, not later than 15 days after the date on which the member makes a written or verbal request for such copies.~~]

[~~Sec. 2101. Funds appropriated under this chapter for the Broadcasting Board of Governors and the Department of State may be obligated and expended notwithstanding section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, and section 15 of the State Department Basic Authorities Act of 1956, as amended.~~] (Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.)

Proposed Changes:

- (1) The first deletion eliminates a section that is unconstitutional. As the President has previously stated, such a provision “. . . if construed as mandatory rather than advisory, impermissibly interfere[s] with the President’s constitutional authority to formulate the position of the United States, speak for the nation in international affairs, and determine the terms on which recognition is given to foreign states. U.S. policy regarding Jerusalem has not changed.”
- (2) The second deletion eliminates a provision repealing section 2502 of P.L. 108-11. If Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004, is enacted into law, the section in question will already have been repealed.
- (3) The third deletion and fifth deletions eliminate provisions that would not need to be repealed if Division B, H.R. 2673, Consolidated Appropriations Bill, FY 2004, is enacted into law.
- (4) The fourth and seventh deletions assume there will be a Foreign Relations Authorization Act. In the event there is not an authorization act, the waivers contained in the provision eliminated by the fourth deletion would be required.
- (5) The sixth deletion is requested because this provision would raise serious constitutional concerns, particularly to the extent it seeks information, the disclosure of which could impair foreign relations, national security, the deliberative processes of the Executive Branch, and the performance of the Executive Branch’s constitutional duties. The provision also raises questions as to compatibility with Privacy Act requirements.

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TITLE VI GENERAL PROVISIONS

Sec. 619. Section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999 (Title VI, Division A of H.R. 3427, enacted by sec. 1000(7) of P.L. 106-113), is amended by adding the following new subsection at the end:

“(e) CAPITAL SECURITY COST SHARING – Notwithstanding any other provision of law, all agencies with personnel overseas subject to Chief of Mission Authority shall participate and provide funding in advance for their share of costs, without offsets, on the basis of the total overseas presence of each agency as determined annually by the Secretary of State in consultation with such agency. Amounts advanced by such agencies to the Department of State shall be credited to the Embassy Security, Construction and Maintenance account, and remain available until expended”.

Proposed Change:

This insertion provides for funding of the Administration’s Capital Security Cost Sharing Program (CSCS). The CSCS is designed to accelerate the replacement of unsafe, unsecure and outdated diplomatic facilities that are used overseas by U.S. Government agencies. Under the Program, each agency with an overseas presence at diplomatic facilities (including the Department of State) will make an annual contribution based on the number of its authorized overseas positions to help fund the costs of constructing new embassy and consular compounds. Such contributions directly benefit agencies by helping to provide safer and more secure overseas working conditions for their personnel and encourage agencies to “right-size” their overseas presence.