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STATE DEPARTMENT REFORM: REVIEWING THE REPORT OF THE INDEPENDENT TASK FORCE COSPONSORED BY THE COUNCIL ON FOREIGN RELATIONS AND THE CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

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WEDNESDAY, FEBRUARY 28, 2001

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 11:05 a.m. in room SD–419, Dirksen Senate Office Building, Hon. George Allen, presiding.

Present: Senators Helms, Frist, Chafee, Allen, Brownback, Biden, Sarbanes, Dodd, and Bill Nelson.

Senator ALLEN. The committee will please come to order. I want to welcome everyone this morning and say good morning to my colleagues on the committee, and it is good to see Secretary Frank Carlucci here and Hon. Thomas Donilon. We thank you for being here this morning.

This hearing is on the overall issue of the State Department reform, in particular the report from the independent task force studying this matter. It is hard to imagine a task force with better-credentialed, qualified and experienced individuals than the two that are before us today, as we well know.

Frank Carlucci has an extensive background as Secretary of Defense and National Security Advisor, and is the chair of the Independent Task Force. Mr. Donilon is a member of the Independent Task Force on State Department Reform, and also Executive Vice President of Law and Policy with Fannie Mae, former Assistant Secretary of State for Public Affairs, and the State Department Chief of Staff and, most importantly, is a proud graduate of the University of Virginia for his law degree.

We are all happy about that, Mr. Chairman, with the University of Virginia's victory over a team to the south that still is ranked higher than the Wahoos. Nevertheless, I am honored to be designated as chair for this hearing, and also chair of the Foreign Relations subcommittee which deals with International Operations and Terrorism.

As we all know, the subject matter and the jurisdiction of that Subcommittee on International Operations and Terrorism very much cares about the operations of the State Department, and I

look forward to working with members of the full committee and the subcommittee, and then certainly will listen very carefully and read carefully the recommendations.

This committee I think will work very closely also with Secretary Powell in reviewing the necessary reforms for the Department of State and Foreign Service to make it an agency that can advance our national interest in an efficient manner and, as we approach the reauthorization season for the Department of State, I will certainly bear in mind the views, and I am sure the committee will as well, of this distinguished panel today about improving the national security tools of which, of course, the State Department is an important part.

Chairman Helms and I see today's hearing as an effort to meet a challenge described by then Secretary-designate Colin Powell during his confirmation hearing, namely that of carrying out the international leadership role which our own success has brought us. At that very hearing, General Powell pointed out that our State Department and its professionals are on the front lines of the American engagement, and it is an American engagement in a rapidly, quickly changing world, with more demanding and more complex problems that might have been faced in previous years.

He raised concerns about adequate funding for the State Department and their personnel, and their facilities, and their infrastructure. The Independent Task Force actually in many regards echoes Secretary Powell's concerns and proposed a strategy called Resources for Reform, including the implementation of management techniques which are borrowed from the private sector, which I think is great. In fact, that is what all government ought to do.

From my experience as Governor of Virginia, such management policies that rely on quantifiable and disciplined decisionmaking processes, as well as trying to have clear measurements of whether somebody is following through on those, and performance-based measurements are a good idea. It is good for management of the taxpayers' money, and it makes the operation the most up-to-date and efficient as possible. Whether that is the Department of State or any other agency, and I look forward to working with this committee and the Secretary in implementing such performance-based management approaches.

One area where I would like to pay particular attention is the development of a rational and efficient information technology and knowledge management program within the Department of State. I understand that the Department is still suffering under a woefully antiquated and disjointed information technology architecture, with systems that cannot even communicate within the same agency, much less communicate with Washington and a post in some foreign embassy.

Now, this is pitiful, and we must find a way to bring the entirety of our foreign policy apparatus into an architecture which will allow a seamless, near instant, and complete communications system which is so critical in this information and, obviously, for proper operations.

For our part, the timing of today's hearing is certainly appropriate, and timely, in light of the unfolding budget process and authorizations planning which are now underway in the State De-

partment, and although we have just at this point been given the administration's budget blueprint, this committee is pleased to open a door to the task force's concerns. We want your insights, your ideas, and your suggestions.

We welcome you, and look forward to your testimony, and after Senator Biden's opening statement we will hear first from Secretary Carlucci, and then Mr. Donilon.

Senator BIDEN. Thank you very much, Mr. Chairman. Mr. Secretary, good to see you. It has been a while. I will tell you, sitting there looking at you, I realize how long I have been here, and you have had a lot of tough assignment in this Government over the years, and this may be one of the tougher ones. Talking about the Gordian Knot in the State Department, but I want to thank you and my friend—I want to have full disclosure here, Mr. Chairman. I consider Tom Donilon one of my closest friends, so if I say nice things about him, it is because I have to, but Tom, thanks for being here.

The Carlucci report underscores the need to make changes in the Department both in the institutional and on the financial front. I do not have any doubt the Department is in need of institutional reform and improved management, but many of the State Department's problems, in my view, just hanging around this place for 28 years, derive from the fact that it is starved for resources. Compared with other agencies in the national security world, the Defense and Intelligence Agency, the Department is clearly the poor cousin. Funding for the 150 function, the international affairs account, is just $20 billion a year, or 1 percent of the Federal budget. We cannot afford to continue that, and we cannot afford to not do more.

Moreover, in the past, we have afforded more. Spending on foreign affairs in fiscal 2001 was $23 billion, which is well below the historic levels. It is 7.6 percent below the average of the last 20 years, and 37 percent below the peak in the mid-eighties, so we need to provide more, because the resources are so badly needed.

In late 1999, the Overseas Presence Advisory Panel reviewed the state of our national diplomatic infrastructure and found it badly wanting. I just want to read one paragraph from it. It says, "Insecure and decrepit facilities, obsolete information technologies," as pointed out by the acting chairman, "outdated human resource practices, outmoded management and fiscal tools, threaten to cripple American overseas presence, which is perilously close to the point of systems failure." This description hardly seems worthy of a great power.

To be sure, Congress has appropriated increased funds for the State Department in recent years, but addressing the Department's infrastructure and security deficiencies is a long-term and expensive project. I would just note, Senator Helms and I have been struggling, as has been the Appropriations Committee, with just dealing with making our foreign embassies secure, let alone functional, just physically secure. I mean, we're talking about a significant amount of money and a significant commitment.

Some 80 percent of our embassies, for example, do not meet our present security standards. It will take a long time, a lot of money,

and an awful lot of will to replace or renovate all of these embassies.

So I have reviewed the Carlucci report, and agree with many of your findings, Mr. Secretary, regarding the deficiencies that it points out. The Department needs to recapture the lead role in the executive branch in making foreign policy. Ambassadors should have greater control of personnel and financial resources at their post, regardless of the agency that sent them, and the Department needs more modern computers, more personnel, better and safer facilities, and the list goes on.

I would say that I can understand, after having been here a while, why some Secretaries when they come in essentially go to that one floor, surround themselves with seven or eight people, and try to run the operation from there.

I mean, one of the people who I really—I do not know whether you interviewed him as part of the report, I should know—Felix Rohatyn, our Ambassador to France, hard-nosed guy, tough businessman, I thought a hell of an ambassador, spoke the language, knew the culture, I mean, my Lord, I went to see him on a matter unrelated to the personnel, or unrelated to the State Department, and I spent a weekend. He asked me to stay on another 2 days, or almost 2 days, just for him to let me know how badly run he thought the management of the State Department was, as well as the resources.

So I compliment you for being willing to do this, both of you, and I must say I think we may have delivered to us the right Secretary of State at the right time, because I think in order to be able to convince the Congress of the need for resources we have got the most persuasive guy we could have in our new Secretary of State, and I would note parenthetically, Mr. Chairman, I thought he did a pretty good job on this recent trip, particularly his comments in Europe, which I think are going to settle a lot of nerves, where he said, we went in together, we will come out together, and so right now he is high on my list.

I think you have got a great ally in him, and hopefully us implementing a significant portion of what you are recommending. I thank you both for being here, and at some point, Mr. Chairman—since I am cochairing the hearing on Colombia downstairs on the second floor. I will be in and out, so I apologize if that occurs.

Senator ALLEN. Thank you, Senator Biden. We understand. There are a lot of things going on at the same time around here.

We would first like to hear from the gentleman who authored the Carlucci report. Mr. Carlucci, would you please present your views to us?

STATEMENT OF HON. FRANK C. CARLUCCI, CHAIR, INDEPENDENT TASK FORCE ON STATE DEPARTMENT REFORM; AND FORMER SECRETARY OF DEFENSE AND NATIONAL SECURITY ADVISOR, WASHINGTON, DC

Mr. CARLUCCI. Thank you, Mr. Chairman, distinguished members of the committee. It is a pleasure to appear before you, and I commend you for holding an early hearing on this very important subject. I have written testimony. With your permission, I will sub-

mit it for the record and make some informal comments, and I will try to be brief.

Senator Biden, Felix Rohatyn was a member of our group.

Senator BIDEN. Was he? I should have known that.

Mr. CARLUCCI. He also has had a separate conversation with Colin Powell about the management of the State Department. He does feel very strongly, and I have talked at length with Felix about this. His views are very solid. They are very good.

Senator BIDEN. I agree with you.

Mr. CARLUCCI. You have outlined, both you, Mr. Chairman, and Senator Biden, the problem. It is worth repeating once again, because it has become a litany. Obsolete telecommunications facilities, often unsafe and unsecure working environments, poor congressional relations I would add to the list, Senator Biden, a dysfunctional personnel system, a shortage of FSO's, inadequate training, and a lack of ambassadorial authority over other agencies. One could go on with additional problems. That is just the start of the list. It is an institution that is literally crying out for reform, and the series of blue ribbon panels, including the Kaden Commission report, and another I chaired, all came to the same conclusion.

Consequently, when the Council on Foreign Relations and Center for Strategic and International Studies [CSIS] approached me to be chairman of this Task Force, I said no. We do not need another blue ribbon panel. We have had enough blue ribbon panels. They all came to the same conclusion. They said no, this is going to be an action-oriented document, we are going to summarize and synthesize the recommendations of the blue ribbon panels. That is actually what has been done.

Under the very able drafting of Ian Brzezinski we think we have provided a road map for the new Secretary to jump-start the reform process. The report has received a fair amount of attention, and I credit that to the bipartisan nature of the group. We had senior people, including people off the Hill of both political parties, and it was interesting that we came together very quickly on two conclusions.

One is that the State Department is in an advanced state of disrepair, and this is, as you pointed out, Senator Biden, to a large measure a resources problem, but we would argue that it is not totally. The State Department, and I speak as one who was a Foreign Service officer for 26 years, has never been able to manage itself properly. It suffers from long-term mismanagement. As you pointed out, certain Secretaries take a look and say, well, I will closet myself and just concentrate on foreign policy instead of on the management of the Department.

What is needed, of course, is both resources and reform. Without the reform, we are not going to get the resources from the Congress, and without the resources, there are a lot of things that we are not going to be able to do, hence, the heart of our report, as you pointed out, Senator Biden, is the resources for a reform strategy. There are three components to that strategy. One is Presidential leadership, another is to clarify the interagency relationships and responsibilities, and the third is to revitalize the State Department. Let me comment briefly on each.

Presidential leadership. We think there should be a Presidential directive declaring reform of our foreign policy apparatus to be a national security priority, and spelling out the steps the President expects to take. We would like to see the President use his podium to educate on the issue. We would like to see it figure in a major speech to the American people.

Third, we think the President needs to reach out to the Congress on this issue. In particular, I might say, he needs to consult with the leadership of this committee, because it has to be a full partnership. If we are going to reform our foreign policy institutions, we are going to have to walk hand-in-hand down the road together.

Second, clarifying interagency roles and responsibilities. Here, too, we think a Presidential directive is in order, reaffirming that the Secretary of State is the President's principal foreign policy advisor, spokesman, and foreign policy implementer. The same directive could spell out the coordinating role of the National Security Advisor.

We think the President has to reinforce the authority of the ambassador. Every President since Kennedy has issued a letter telling ambassadors they are in charge, but they frequently are not in charge. We need to find a way to put more teeth in the Kennedy letter.

The ways I can think of are to give the ambassador more say over other agency's budgets, the agencies that are involved in his or her country, to make agencies pay attention to the ambassador's efficiency report on agency heads who are assigned to his or her country, and to give the ambassador, absolute authority to send home immediately people who do not function as full players on the country team.

Third, we think there should be an integrated national security budget. Now, we are not trying to tell the Congress how to organize itself, and the usual rejoinder is, well, the Congress cannot handle an integrated budget. But surely it would be useful for the Congress, at least this committee, to see the tradeoff between State and Defense, as opposed to the tradeoff between State and Justice and Labor. The President can display the budget any way he wants, and we think there ought to be an integrated national security display.

The third component is to move immediately to revitalize the State Department. The State Department badly needs a chief operating officer. For far too long, the budget and policy functions have been bifurcated, and should he be confirmed by this committee, I think Rich Armitage would be an ideal chief operating officer. Rich worked for me in the Pentagon. He is absolutely superb.

The State Department needs to reshape its human resources programs, and I had a conversation with the State Department this morning on this. They are moving on such things as spousal assignments, but there are a whole host of other problems to be addressed. Recruitment takes far too long, a couple of years to get somebody on board.

Training is inadequate. They do not have sufficient people to rotate into training programs. The up-and-out system has had the unintended effect of forcing out some of the better people. The grievance mechanism, based on legislation passed by the Congress

many years ago, is very inflexible for what should be a fast-moving agency, and we need to find ways to bring in more specialists.

To do this, the Foreign Service Reserve System could be revitalized. It used to work pretty well. Of course, in our overseas establishment we have to right-size. That does not automatically mean cutting. We need to find new concepts for our embassies. Felix Rohatyn is a staunch advocate of this.

Third, the State Department culture needs to change. This is probably the most controversial recommendation of the Task Force. Back when I went into the Foreign Service, the emphasis was on government-to-government relations. Today, the interaction has to be with all of the elements of society, with the educational institutions, the health institutions, the church, the press, the politicians, the economists, and the businessmen.

The embassy has to be able to reach out, interact with these elements of society, and analyze the society as a totality. We also have to do a lot better at public diplomacy. Senator Helms, you were responsible for bringing the USIA into the State Department, and hopefully that will improve the public diplomacy component.

The press says, hurrah, when you talk about a more open State Department. The State Department Foreign Service officers tend to be a little defensive. They say, well, we are changing and, indeed, they are, but our argument is, it needs to change faster.

Then there is the question of infrastructure, particularly telecommunications. That is, in my judgment at least, a simple question of money. The report that I chaired a while back recommended a $400 million telecommunications fund. I had had a telecom company that I happened to chair take a look at it, and they came up with a figure. It was scaled back to a pilot program, I am told, here on the Hill. I would argue that the State Department ought to go big. We know enough about telecommunications to know that we can let a master contract, modernize the system, and do it effectively and efficiently. It badly needs to be done.

Security goes without saying. I am sure this committee will support the security upgrades that are needed, but the State Department is not very good at real estate. The foreign buildings operation is a bureaucratic institution. The Kaden Commission came up with the idea of an overseas facilities authority, a federally chartered agency that would be able to employ private sector techniques that have been so successful in the real estate area. I happen to think that is a very good idea. The idea, by the way, came, I am told, from our current Secretary of the Treasury, Paul O'Neill.

Finally, the State Department needs to upgrade its congressional relations. For far too long, that has not been a choice assignment. The Secretary needs to find ways to induce better people to go into congressional relations, and congressional relations needs to see itself as a facilitator of information, not as a funnel through which all information must pass. I can remember the days when all of us in the State Department were up on the Hill. For some reason, that has all changed, and it is a more constricted environment.

We have conveyed our report to the Secretary of State. In fact, we had the first appointment after his swearing in. That was symbolically important. He indicated that he was going to take the report very seriously. He obviously could not be expected to endorse

everything in it at that time, but he indicated that he intended to follow the general thrust.

So far, he has made all the right moves. I know he can count on your support. As I think you, Senator Biden, suggested—I guess it was you, Mr. Chairman, we might be at the right moment. We have a recognized need. We have a Secretary of State with managerial experience who intends to manage, and he has made that clear.

The other day I was in a meeting with him, and somebody said, well, I have a personnel problem, who do I go to. He said, you go to me. I am the chief personnel officer of this Department. Well, that is unusual for a Secretary of State to say.

He has also got the stature, I believe, to command attention, both on the Hill and in the public. I sensed from this committee, and I testified in the House the other day, that there is great receptivity here for supporting the kinds of things that need to be done. I know he looks forward to working with you on the management of the State Department.

[The prepared statement of Mr. Carlucci follows:]

PREPARED STATEMENT OF HON. FRANK C. CARLUCCI

Mr. Chairman, thank you for inviting me to appear before your Committee in my capacity as chairman of an independent Task Force which recently issued its report on State Department reform.

Allow me to commend you for making State Department reform the subject of one of your Committee's first hearings in the 107th Congress. Few bureaucracies are in greater need of renovation than the Department of State. Indeed, the facts reviewed in our Task Force report make this point all too clearly.

- The Department's human resource policies are dysfunctional. They have generated a severe crisis in morale among State Department employees and serious workforce shortfalls, including a deficit of some 700 Foreign Service Officers (FSOs) or nearly 15 percent of FSO requirements.
- The Department's communications and information management infrastructure is outdated. Ninety-two percent of overseas posts are equipped with obsolete classified networks, some of which have no classified connectivity with the rest of the U.S. government. Unclassified systems also are antiquated and inadequate.
- Many Department of State facilities at home and overseas are shabby and insecure. They frequently do not meet Occupational Safety and Health Administration (OSHA) standards. Nearly 25 percent of all posts are seriously overcrowded. Moreover, 88 percent of all embassies do not fulfill established security standards, and many require major security upgrades.
- Ambassadors deployed overseas lack the authority necessary to coordinate and oversee the resources and personnel deployed to their missions by other agencies and departments.
- Policymaking and budget management within the Department are bifurcated.
- The Department's professional culture remains predisposed against public outreach and engagement, thus undercutting its effectiveness at public diplomacy, an increasingly important priority of foreign policy.

This condition—I am tempted to say "state of affairs"—is not only a disservice to the high-caliber men and women of the Foreign Service and Civil Service who serve their country under the Department of State. It also handicaps the ability of the United States to shape and respond to the opportunities and growing challenges of the 21st century. If this deterioration continues, our ability to use statecraft to avoid, manage, and resolve crises and to deter aggression will decline, increasing the likelihood that America will have to use military force to protect our interests abroad.

In short, reversing this decline must be a top national security priority.

Before I address the key elements of the reform action plan articulated by our report, allow me to underscore three key aspects of our Task Force.

First, this initiative was sponsored jointly by the Council on Foreign Relations (CFR) and the Center for Strategic and International Studies (CSIS). I am particularly grateful to Les Gelb and Paula Dobriansky of the CFR and CSIS' John Hamre. They not only provided us with much needed organizational support, they are the ones who generated this Task Force and asked me to serve as its chairman. They also brought to our effort their considerable experience and insight into the making of U.S. national security policy.

Second, the mandate of the Task Force was clear from the outset. There have been a plentitude of blue ribbon panels and commissions that have examined the institutional problems besetting the Department of State. Our intent was not to reinvent the findings and recommendations of these outstanding studies, but to synthesize them into an action plan of concrete steps. Our hope is that this report will assist the new administration jump start the revitalization of the State Department and, thus, of its role in U.S. national security policy.

Third, if the Task Force fulfilled its mandate, it was in no small part due to its composition. Our group is bipartisan in character. Its members include those who served at the highest levels in both Democratic and Republican Administrations and on both sides of the aisle in Congress. And, our Task Force includes those who served on more than several of the important blue ribbon commissions whose conclusions were the starting point for our endeavor.

Mr. Chairman, past efforts to repair the machinery of American foreign policy included initiatives by previous Secretaries of State, numerous high-level task forces, and legislation passed by Congress. However, they have been often received by the State Department and other agencies with grudging enthusiasm at best. More often than not, such initiatives encountered strong bureaucratic resistance.

As a result, reform efforts have amounted to a series of half-hearted, selective, and ultimately insufficient half-steps. The deterioration of America's foreign policy apparatus continues on a downward spiral that must be reversed. Indeed, Congress has, with justification, become skeptical of appropriating resources for the Department of State, which has been burdened with an image of being fundamentally flawed and wasteful, if not irreparable. However, without resources, reversing the decline of the nation's foreign policy machinery becomes increasingly unattainable.

How to break this downward spiral was the key question on the minds of the members of my Task Force, and our answer, the Task Force report, is presented in the form of two memoranda, one to the President and one to the Secretary of State. Since effective reform will require the partnership of both sides of Pennsylvania Avenue, I am confident that the elements of these memoranda are equally relevant to this committee and its responsibilities over America's foreign policy.

The heart of our report is a "resources-for-reform" action plan. The action plan recognizes that while resources will be necessary for reform, reform will be necessary to obtain those resources from Congress. The Task Force report asserts that if Congress is convinced that fundamental reform is underway, it will provide the resources required to modernize and revitalize the foreign policy apparatus.

Mr. Chairman, it is my hope that you will agree with that assertion.

The core components of the "resources-for-reform" action plan are: (1) the establishment of a strong Presidential mandate for reform; (2) a clear tasking of responsibilities and authorities among the principal national security departments; and (3) concrete steps that can be initiated immediately to renew the Department of State.

Allow me to review each of these elements briefly.

PRESIDENTIAL MANDATE

First, establishing a Presidential mandate for reform. The Task Force firmly believes that attention and commitment from not only the Secretary of State, but also personally from the President himself, is the imperative impulse for State Department renewal.

The requisite presidential mandate for reform will require the following:

First, a presidential directive (or directives) should be promulgated that declares reform of the Department of State to be a national security priority. It should articulate a comprehensive plan to reform the Department and its role in national security affairs. (In a moment, I will explain in a bit more detail what should be the content of this directive.)

Second, the President should also use his "bully pulpit" to publicly reinforce the reform mandate. Toward this end, the Task Force urges that renewing the Department of State should be one of the themes of his first address to the nation.

Third, the President should personally engage Congress to foster a partnership in this reform. He should personally meet with the Congressional committees that

have jurisdiction over the State Department in order to explain to them the "resources for reform" action plan.

Presidential directives, use of the President's first national address, and a partnership with Congress would provide much needed political and bureaucratic leverage for the Secretary of State and his efforts to drive the reform effort to a successful completion.

CLARIFYING INTERAGENCY RELATIONSHIPS AND RESPONSIBLITIES

The second element of the Task Force's action plan is the establishment of a sound organizational structure for the coordination of government agencies and departments responsible for national security policy. Toward this end, the Task Force calls for Presidential guidance that:

- reasserts the Secretary of State's role as the President's principal advisor and spokesman on foreign affairs and the leading role of the Department of State in the implementation of U.S. foreign policy;
- strengthens the coordinating authorities that ambassadors exercise over officials from other departments and agencies serving at their embassies;
- and, initiates the annual presentation of an integrated national security budget. (This document should define and explain the linkages and trade-offs between the different instruments of diplomacy, intelligence, defense, and international economics and the budgetary decisions upon which national security policy ultimately rests.)

REFORMING THE DEPARTMENT OF STATE

The third element of the Task Force's action plan are concrete reforms to overcome the Department's institutional disarray and dilapidated infrastructure. I will review them briefly:

First, a key priority must be the re-centralization of the Department's budget and management authorities and their reintegration with the Department's policy-making process. The Secretary should conduct himself as State's Chief Executive Officer. He should empower his Deputy Secretary to act as the Department's Chief Operating Officer with line authority over its finances, administration, and human resources.

In other words, the Deputy Secretary should return to his original role as the Department's top manager.

Second, there is no greater imperative for the Department of State than correcting its dysfunctional human resources practices. As I mentioned earlier, they have generated a serious morale crisis. The Task Force endorsed the recommendations of the Overseas Presence Advisory Panel which called for improvements in the selection and recruitment of personnel, expanded professional development opportunities with an emphasis on leadership training, and enhancing the quality of life the Department provides its employees and their families.

Third, among the most challenging priorities identified in our report is the need to transform the State Department's culture into one that emphasizes and embraces public outreach and engagement as a core function of diplomacy and statecraft. Today, the Department's professional culture remains predisposed to "information policing" rather than "information providing." In the information age—an age of increasingly open societies—effective diplomacy requires not only explaining America's positions and views to foreign governments, but also to their citizens.

Fourth, it is common knowledge that State Department facilities, both at home and overseas, are dilapidated and insecure. Fixing these problems, including a much needed modernization of State's communications and information equipment, will not only require additional resources, but also significant reform of how the U.S. Government manages the buildings and infrastructure supporting its foreign policy operations.

For example, the highly inefficient Office of Foreign Buildings Operations should be eliminated. Its functions should be transferred to an "Overseas Facilities Authority" established as a federally charted government operation. The Department of State needs to get out of the business of building and renting office space. And, OFA provides an effective means to inject a high degree of privitization and professionalization into the management of U.S. overseas infrastructure.

Finally, the Secretary of State needs to engage Congress more rationally and with greater energy. Our Task Force suggests steps to upgrade the Department's Legislative Affairs Bureau. It also urges the Secretary to commit himself to meet informally on a monthly basis with the Chairmen of Congressional Committees with jurisdiction over foreign policy and to instruct his subordinates down to the Deputy

Assistant Secretary level to do the same with relevant Subcommittee Chairmen, key legislators, and Congressional staff.

These are not all the specific recommendations presented in the Task Force report, but I hope they convey the Task Force's focus on concrete recommendations that are immediately actionable.

The Task Force believes that the determined execution of the "resources for reform" action plan will immediately boost State Department morale, revitalize the Department's central role in the making and implementation of national security policy, and provide a sound foundation for a genuine partnership with Congress in this reform endeavor.

Mr. Chairman, the recent change in administrations here in Washington provides an ideal time jump start the process of State Department reform. The new President and his Secretary of State have a clean slate that can be used to effectively force the implementation of difficult decisions and departures from long-standing practices. And, we have in Colin Powell a Secretary of State determined to renew his Department.

On the Monday following President Bush's inauguration, I visited Colin Powell and formally presented to him our Task Force report. I emphasize the word formally because I know that he personally kept abreast of the Task Force's deliberations and the evolution of this document. In our meeting, Secretary Powell expressed appreciation for the Task Force's focus on actions that could be implemented with dispatch, because, as he said repeatedly during our meeting, that is exactly how he intends to act.

Mr. Chairman, I urge you and your colleagues to give him your full support. Thank you.

The CHAIRMAN. Mr. Chairman, I have to go to another meeting. One point, if I could—and thank you both for coming, and I want to read everything you have said over and over again. Are you familiar with Felix Rohatyn, the Ambassador to France?

Mr. CARLUCCI. Yes. He was a member of our group.

The CHAIRMAN. Well then, I am sure you know what he did as an experiment in France, sort of like a bank has teller windows. He said, the people were all concentrated right there in Paris, and people in the rest of the country did not know, and do you think that is a good idea?

Mr. CARLUCCI. I think it is an excellent idea to get people out, and there are a lot of functions in these large embassies, voucher processing and other things that could be done back in Washington. They could even be contracted out.

The CHAIRMAN. Of course, the cost is no greater, and when you have the fax machine and all the rest of it you have got half of it lit, and it makes an important point with people in the community, in this city and that city, and the other city, but I thank you very much. It is good to see both of you again, and thank you for helping us on this hearing.

Mr. CARLUCCI. Thank you, Mr. Chairman.

Senator ALLEN. Thank you, Mr. Chairman.

Mr. Donilon.

STATEMENT OF HON. THOMAS E. DONILON, MEMBER, INDEPENDENT TASK FORCE ON STATE DEPARTMENT REFORM; EXECUTIVE VICE PRESIDENT—LAW AND POLICY, FANNIE MAE; AND FORMER ASSISTANT SECRETARY OF STATE FOR PUBLIC AFFAIRS, STATE DEPARTMENT CHIEF OF STAFF, WASHINGTON, DC

Mr. DONILON. Mr. Chairman, Senator Helms, Senator Biden, members of the committee, my name is Tom Donilon. I appear as

a proud graduate of the University of Virginia Law School. I will underscore that again.

Senator BIDEN. Graduate school doesn't count for the basketball team. I keep trying to claim Syracuse basketball over Delaware. It does not work.

Mr. DONILON. We are not fair weather alums at Virginia, Senator.

I appreciate the opportunity to appear before you as a member of Secretary Carlucci's Task Force. I am privileged to be at the same table with him today.

I also appear as a former senior official of the State Department who cares deeply about the men and women of the Department who believes that its functioning as a first class and effective organization is essential to our national security and believes the Department is in very serious need of reform and resources, as Senator Allen, you and the other members of the committee, and Secretary Carlucci have outlined, but in the words of the Task Force, "the deterioration of America's foreign policy apparatus is now in a downward spiral that must be reversed."

Our report is a call to action to reverse that downward spiral and a challenge to the President to make revitalization of our foreign policy tools a top national security priority, and it challenges the Congress to provide the necessary resources to do so.

I want to compliment Secretary Carlucci for spearheading this thoroughly bipartisan effort and the committee for considering reform and resource issues so early in your agenda. I also note the great work of Ian Brzezinski as the project coordinator for our group.

These issues are not unfamiliar to the members of this committee. Senator Helms and Senator Biden have been working on efficiency and reorganization issues with the State Department for a long time, but there is a lot more to be done.

We have never demanded more from the Department. If one consensus has emerged as a core principle of United States foreign policy since the end of the cold war, it is the continuing imperative of international leaders and the United States' international leadership and engagement and, indeed, it is the central lesson of the last century, and the requirements of this leadership, Senator Allen, as you indicated, have become increasingly complex and demanding and, at the same time we are making unprecedented demands on our policy structures and people, we are asking them to do it from a deteriorating platform around the world.

As Secretary Carlucci said, and I will just say a couple of informal things because he has covered the report fairly comprehensively, as Secretary Carlucci said, the task force undertook to review and synthesize the best work and recommendations of a number of recent studies on the condition, role, and future of the State Department, and these prior reports are listed and their findings are summarized in the appendices to the report.

I want to draw the committee's attention, though, to two of these reports, because I think they are quite important. The first is the report of the Accountability and Review Boards on the August 1998 Embassy Bombings in Africa, where some 220 people were killed, including a dozen Americans, and over 4,000 people were injured.

The second report is—it has been referenced a couple of times, the Kaden report. I do that for two reasons. No. 1, the membership of these committees was superb, Admiral Crowe, the former Chairman of the Joint Chiefs and later Ambassador to the United Kingdom chaired the Accountability Boards, and the overseas advisory panel was chaired by a preeminent member of the bar and had, as Secretary Carlucci alluded to, significant participation by the private sector.

Jack Welch, chairman of GE, Paul O'Neill, then at Alcoa, now Secretary of the Treasury, were active members of this panel, and I point to these reports because I think they put us on notice, they put the committee on notice and they put the executive branch on notice with respect to the crisis in the physical condition and the security of our U.S. posts abroad.

Senator Biden quoted from the Advisory Panel on Overseas Presence: "the United States overseas presence which has provided the central underpinnings of U.S. foreign policy for many decades is in a near state of crisis."

Admiral Crowe noted in his transmittal letter to Secretary Albright after the bombings in Africa in August 1998: "a collective failure by several administrations and Congresses over the past decade to invest adequately in efforts and resources to reduce the vulnerability of U.S. diplomatic missions around the world." He called it a collective failure of both the Congress and several administrations.

As I have said, I point to these reports because they put us on notice that a decade of failure to invest on a sustained basis in overseas infrastructure and security have placed us in a perilous condition, and failure to address this condition I believe is a failure to address central a national security concern.

Let me underscore three quick points from the report. The first is the focus on management, as Senator Biden alluded to, and this is really key. At the State Department, at the highest levels, management is the easiest thing to slip to the bottom of the list.

The State Department essentially is a policy organization. Policy development and policy execution is the glamorous aspect of being at the State Department. It is what gets rewarded. It is what gets noticed. Management is not glamorous. Management is hard work. It does not get noticed, it does not get rewarded the way it should, and I know from my own experience at the State Department, when you are at the highest levels there, that is the easiest thing to slip into the background of your day-to-day activities.

We make a couple of specific recommendations in the independent task force report which I think are absolutely critical, and I will just underscore one, and that is, as Secretary Carlucci said, that the Deputy Secretary of State essentially serve as chief operating officer of the State Department. There have been different models over the years there, but many times the Deputy Secretary of State has had nothing to do with the administration of the Department.

Underneath the Deputy Secretary of State, I would centralize budget, finance, administration, and human resources, and make the Deputy Secretary of State responsible to the building and to this committee for running the Department, and as the report says,

this should be a person who relishes running a large organization, that is a special person, someone who really finds management rewarding day-in and day-out.

In the Appropriations bill last year there was passed a bill that indicated there should be a second Deputy Secretary of State for Management and Resources. Our report recommends against that, and I think with good reason. I think that just duplicates the problem. You would again put management over to the side, as opposed to bringing management to the center.

I would instruct the Department, and again I do this with some hesitation, because I am sensitive to allowing the Secretary of State to construct the Department any way that he or she sees fit, but I would instruct the Department from here, or tell the Department that it is the committee's recommendation and expectation that the Deputy Secretary of State be the chief operating officer of the Department.

Second, physical security and infrastructure. We have discussed that here. The Department's overseas physical presence is dilapidated, ill-equipped, and secure, and the result of many years of inadequate resources have to be addressed. Admiral Crowe set forth in the Accountability Board Report a plan, a decade-long plan for renewing the physical infrastructure and ensuring security of our embassies abroad.

My strong recommendation to this committee demand from the State Department a multi-year, decade-long plan that you work closely with them on implementing it, and that it be fully funded over the course of the decade. Not to do so will put us back in the same place where we were when Admiral Crowe made his recommendations.

It is very interesting, if you read his transmittal letter to Secretary Albright in January 1999, he indicates that many of the recommendations that he is making here were recommendations that were made by Admiral Inman after the Beirut Embassy bombings, and what happened is, you have a tragedy, you have a report, the money goes up, the attention gets focused, and then it slips away, until you have another tragedy and another report, and another increase in funding, and then it slips away.

I would really encourage this committee to demand that the State Department have a plan to implement physical security, physical infrastructure improvements over the next decade at the State Department, and that we not fall into that same pattern again of a lot of attention and then it slipping away. It is going to take sustained attention in order to get this done.

Third and last, communications. Senator Allen, you mentioned that no American company of any scope that I know of would ever operate the way the State Department operates today. You have situations where people in the same building cannot send an e-mail to someone in an office next door. Again, no American corporation would operate this way.

American corporations, as you know from the state you come from, have spent an enormous amount of resources over the last 6, 7, 10 years in investing in IT [information technology], and we should—again, I would recommend to this committee that it demand a plan from the State Department as to how it is going to,

on the unclassified portion of the Department first, ensure that you have at least off-the-shelf capabilities of e-mail, and Internet access, and then move on over the course of several years to bringing up to speed the classified systems.

I think—Secretary Carlucci chaired the Simpson report, the Simpson report which indicated that it would cost $400 million to accomplish both these goals. It is a small amount of money to pay in the context of IT investment in the United States today.

Finally, Senator Biden, I believe that you are absolutely correct that the stars are aligned here, potentially. We have a Secretary of State of great stature and experience, who has made appropriate funding and sound management of the Department a top priority. We have the largest surpluses projected in the history of our country.

We are now talking about—we are having a serious national discussion about a very large tax cut. We have the leadership, we have the opportunity, and we have the resources to turn the State Department into a first-class organization, and I think a failure to do so would be a failure to pursue an important national security concern.

Thank you.

Senator ALLEN. Thank you both very much. We very much appreciate listening to your remarks, your enthusiasm, and your insight. Since we budgeted an hour for this hearing, I would say we limit comments and questions to 5 minutes, if that is OK with the committee. I just want to followup and then go to Senator Biden, and we will go as members are in and out.

As far as the information technology aspects of it, and any aspect of government, and I know you both, especially Secretary Carlucci has been in the private sector. One thing that is important for continued support for funding of any project or any mission is some way of measuring performance and that is probably a very difficult thing to do in the Department of State. It is not like the Department of Commerce, or the Department of Transportation, or Justice, and Crime rates and investment rates, jobs being created, or welfare rolls going down, or those sorts of things.

But to the extent that you could, it would be great, and I think this would be very helpful for getting that sustained funding that there is a strategic plan, and even if you just put it into the area of information technology, a strategic plan, here is what needs to be done to coordinate these—it is really—their IT departments are over 40 different agencies being developed, but here is the plan, here is the cost, and here are the guidelines, and here are the measurements, and as it goes over the years you see a quantifiable, measurable, somehow measurable difference in it.

So my question to you all, whichever one of you gentlemen want to answer this, as far as performance basing this, and their IT systems, which are developed over 40 agencies, do you believe that the CIO, the chief information officer at the State Department, has the budget authority and the managerial control necessary to actually effectively coordinate this modernization?

Mr. CARLUCCI. I will let Tom, whose experience is more recent than mine, answer that in more detail. My initial reaction to your question is no. That is why we need a chief operating officer. You

need somebody who can bring together both budget and programs and traditionally, as Tom indicated, the program people have run the State Department.

I came up through the political side. That was always the choice cone. We rose faster than anybody else. Management was not given a premium, so you have got to bring resources and management together if we are going to have an effective IT program. I think the idea that you set forth of benchmarking it so you can measure the progress is the way it ought to go.

Mr. DONILON. Mr. Chairman, I think it can be scaled. There is a challenge, and it is because you have numerous agencies at each of these posts, a couple of dozen agencies at some posts. I think I would recommend the following: No. 1, that the President instruct all agencies with operations abroad that they have to work with the chief information officer, whoever that is at the State Department, to develop in a set period of time, say 24 months, an integrated IT system at posts abroad.

No. 2, that there be a schedule for bringing on a set number of posts per year, that there be a list of off-the-shelf products, specific products that you want folks to have at embassies—again, it does not have to be exotic. As you know, the state of—you know, I work for a company where it is not imaginable that you could operate without being able to communicate instantaneously with your colleagues day-in and day-out.

So a Presidential instruction, develop an ability for agencies to talk to each other at posts, have a schedule as to when each of the posts should be online, have a set list of off-the-rack products, and complete it in a set amount of time for the unclassified portion of the traffic, and then move over the next period of 24 or 36 months to the classified portion. I think it is eminently doable, and affordable.

Senator ALLEN. You actually think the $400 million is a correct figure?

Mr. CARLUCCI. Let me comment on that.

Senator ALLEN. I believe you can spend more money more quickly and waste it as well if you do not do it right, and if you say—whatever that figure is had better be accurate.

Mr. CARLUCCI. There are various estimates. It is a ball park figure. We did not do any kind of scientific survey. I think a survey would need to be done. The estimates range anywhere from $200 to $400 million. I can tell you, coming from the Pentagon, whatever it is, it is a small amount of money.

Mr. DONILON. That does not go unnoticed at the State Department. I think, Senator, as I said at the beginning, I would demand a plan of the State Department.

I agree with you, you can make a lot of mistakes in the IT world and you can get off-track, particularly in a culture that is not precise in terms of business practices, but I think you need to get a plan from the Department over a set of years, showing you exactly what they are going to do year-in and year-out, who is going to do it, and how much it costs, and encourage them to report to you every quarter or twice a year to show you what the progress is and to put up a chart saying, this is how far we have gotten, but I agree with Secretary Carlucci, I think you need to demand a com-

prehensive approach and a plan before you fund it, but then go ahead, oversee it, interact and fund it.

Mr. CARLUCCI. I think there is a role for the National Security Council here as well in bringing other agencies into line, but State can take the lead.

Senator ALLEN. Thank you both very much. Senator Biden.

Senator BIDEN. Thank you. In your report, Mr. Secretary, you point out 700 Foreign Service positions need to be filled. Why are they empty?

Mr. CARLUCCI. Well, part of the reason is the recruitment process. If you have got delays of 1 to 2 years in coming on board, it is very hard for a young person to sustain himself or herself. We have talked to some of the people at our Foreign Service schools. At Georgetown Foreign Service School the students are not electing to go into the Foreign Service. They are discouraged. They are moving into other areas.

Whether it is the financial attractiveness of those other areas or not, I cannot say, but I think in part because the State Department is not viewed as a place where one can have a rewarding career anymore. Since we came out with this report I have had two or three potential applicants come to see me to say, well, should I do this or shouldn't I, I have been accepted, I am really in a dilemma, if it is not well-managed, can I expect a good career path. I think it is a chicken-and-egg question here. We are not getting the best and the brightest, as we used to do.

Senator BIDEN. Tom.

Mr. DONILON. I think it is a matter, it needs to be fully funded, No. 1. No. 2, there needs to be a big recruitment effort. It is a problem faced all across the government in terms of recruitment for talent, particularly given the fact that, as Secretary Carlucci said, the financial compensation gaps are widening, in terms of the gap between the private-public sector, but also there needs to be a pitch. There needs to be shown a career path that makes sense, training that makes sense.

At the Pentagon, Mark Grossman, the Director of the Foreign Service, told me yesterday that at the Pentagon at any given time some 15 percent of the personnel are on training, and that is because they have enough officers and enlisted people to be able to do that. They are so stretched at the State Department those opportunities are not there.

And last, I think it does need leadership. It needs recruitment, and the personnel system needs attention from the top of the State Department, as it does in any large organization.

Senator BIDEN. One last question. I have been spending, and I suspect most of my colleagues have, and Secretary Carlucci, your experience at Defense, I have been spending a great deal of time on quality of life issues for the military. I mean, it has amazed me, quite frankly, how much time I spend.

I would have thought—I am not on that committee, but because of Dover Air Force Base in Delaware I have become over the years so deeply involved with their interests and needs, and then getting very involved in what is going on in the Balkans, and actually being onsite eight or nine times, and the more I have dealt with the military, the last 6 or 8 years, I mean, the single biggest thing

that comes through is quality of life, literally just what barracks you sleep in, what the food is like, just simple, basic things, is there a day care center, and one of the things that I am finding is that as I focused on that, more than I ever intended to, the results are pretty dramatic. You get a pretty big bang for the buck back, according to the commanding officers.

For example, over in the Balkans, I mean, Fort Bondsteel, you have been over there, I mean, I am telling you, it is—they did it right. They did it right. They paid attention to the quality of life, the food is incredible—I mean, my son, who is assigned to Pristina for 6 months to a year with the Justice Department, I was going to be over there, I said, do you mind coming to Bondsteel? He said, hell, no, I will meet you there, can we stay overnight. I mean, literally, not figuratively. State Department guys, the folks there with the U.N. assigned missions, they want to get to Bondsteel. They want to go with the military. I mean, literally, not figuratively.

The places where they are living, there is no heat, there is no—I mean, and so I guess what I am driving at is, it seems to me that, as I in the years, as many as I have been doing this, a long time, been to embassies all around the world, the quality of life is abysmal in some of these places. I mean, literally abysmal. I do not know why anybody would do it.

Now, when there was still a lot of cachet in being in Moscow, which is always abysmal being in Moscow, you said, well, it is Moscow, you know. It is an important post. I am here because, as policy people that was a career path. I mean, you are not going to go very far. The first 20 years of my career here, in the State Department, if you did not go through Moscow somehow, it was not going to happen.

But by and large, across the world, 70 percent of the places I have been, the quality of life, I mean, is really lousy, and one of the things that I focused on is the way in which spouses of State Department personnel assigned abroad are so significantly limited in what they can do and not do.

Is there any attention—I know this is sort of a hobby horse of mine—any attention paid to spouses, and by the way, I have long thought that spouses of ambassadors should get paid. I really mean that, because they perform—I am not joking. I sincerely mean it. They have a major function in most embassies.

But at any rate, that is my question.

Mr. CARLUCCI. Senator Biden, I can remember the days when we had to include an evaluation of the spouses in the efficiency report. That was done away with for good and sound reasons, but it underscores the point you make that they are full partners. This is one of the things Mark Grossman has worked on as Director General, and I hope the new Director General, whoever that might be, will pick up the ball.

In fact, I talked to Grant Green this morning. He said they are pursuing vigorously a spousal assignment policy, so that the spouses, if they want to work, can have an opportunity to work at the post. I found in my experience that has a very big morale effect.

Senator BIDEN. It sure does, and today, much more than when you and I started, you know, most of the spouses attracted to the people who are in the State Department, which are generally pretty bright people, academically fairly ambitious, are pretty ambitious and qualified people themselves, so it is not like we are asking somebody to tag along. You have doctors, lawyers, professionals—I think that complicates it a lot.

But at any rate, I appreciate the report. I hope this time we actually do something. I hope we actually stick to it and follow through on your recommendations. I cannot think of anything that I have any disagreement with in terms of the recommendations made.

But anyway, thank you very much.

Thank you, Mr. Chairman.

Senator ALLEN. Thank you, Senator Biden. You have a record that he has found nothing to disagree with you on. That is amazing.

Senator Sarbanes.

Senator SARBANES. Thank you, Mr. Chairman. First of all, I want to thank Secretary Carlucci and Tom Donilon and all of their colleagues on the panel for a fine piece of work. I think this has the prospects of making a very important contribution, and I particularly appreciate your taking all the other studies and seeking to synthesize them into an action program that is exactly what is needed.

We do not really need another comparable kind of study. They have been done over and over again, and by some extremely competent and dedicated people, and so I am hopeful this will make a major impact.

I have two or three questions, though, I want to put first of all. I am a little concerned by the, if you do the reform, you will get the resources mantra, and the assumption that is the only way Congress will provide the resources. We should do the reform, but in my mind we need to give some resources very fast, probably ahead of the reform.

In fact, some of the reforms, in my view, are really almost conditional on getting the resources. It is almost the other way around. If you want to implement these reforms, you need the resources. Embassy security ought not to wait on reforms, in my opinion. The information systems ought not to wait on the reforms, other than the reform is needed to set up an appropriate structure to implement the information systems, so I just add that as a sort of caveat to what you have said.

I do not want to get into the situation—I have seen it happen before—where the Department is sort of being held hostage to getting the resources because they have not completely carried through this sort of wide, sweeping reform agenda, and the people up here are still holding out on them because they have not done yet this further thing, and so forth, and particularly in view of this perspective that I have, that you need some lead resources to help achieve the reforms. Could you comment on that?

Mr. CARLUCCI. We deliberated considerably on that very point, and we were careful to avoid any kind of a contract or bargain, because one is not dependent totally on the other. We did not set priorities. We did not say one ought to go before the other. In fact,

the State Department is already moving on some reforms. As you point out, resources are absolutely essential for telecom upgrades and for embassy security, and so we want to see them moving hand-in-hand, but we never thought one was totally dependent on the other.

Senator SARBANES. I think that is important. I think we need to have you on the record in that regard, so we do not have a situation up here where people are holding back from giving the resources because you say, quote, "the reform agenda has not been completed."

Mr. DONILON. Senator Sarbanes, I filed an additional view to the Task Force, but with that as its major theme.

Senator SARBANES. I apologize to you. It was all I could do to handle the report. I did not get to the additional comments.

Mr. DONILON. For the record, I will say, though, to get this on the record, reform is necessary at the State Department, but a lot of the deficits, deficiencies we identified in the course of the Independent Task Force report, and in the previous reports on the results of resource starvation, and there is a current and urgent need for some real baseline increases for specific challenges.

Senator SARBANES. Mr. Chairman, I have two more questions I want to put. One is, I will save what I regard as the most important one till the end. The second one is, you say the Secretary of State should be the President's principal foreign policy advisor. The NSC ought not to have an operational role, as I understand the report.

You talk about the rivalry and duplication between the State Department and the NSC, and yet you recommend that the NSC create a new strategic planning office for long-term planning. Would not this proposed office be a rival of the State Department Policy Planning office and, in effect, undercut what you are trying to achieve?

Mr. CARLUCCI. Senator Sarbanes, we see it as supportive. Do not forget that the National Security Council includes the Secretary of State. We tend to think of the National Security Council staff as autonomous, and it really is not. It is a staff arm of the National Security Council. Any kind of strategic planning is going to have to take a broad outlook. You cannot just plan for foreign policy in isolation from national security policy. National security policy has to be an integrated policy developed with input from the Department of Defense, the CIA, the Justice Department, whatever other departments might be involved. You move from there to your foreign policy strategy, but foreign policy strategy has to fit into a context. Hence we think there should be a long-term strategy of planning organization as part of the National Security Council staff.

Senator SARBANES. Mr. Chairman, if you would indulge me to put the final question.

Senator ALLEN. Go ahead, Senator Sarbanes.

Senator SARBANES. I want to talk about the chief operating officer and linking that with the Deputy Secretary of State. I think we need a chief operating officer, obviously. I guess I have some concern about whether it should be the Deputy Secretary of State, and let me outline what those concerns are.

First of all, it would seem to me that you have the question of whether the chief operating officer is going to be a career person who has worked up through the ranks of the Department and knows it intimately, and so forth, or whether you are going to bring in someone from outside to manage the Department.

Now, you can bring in some good managers, but they always have to get up to speed in terms of the Department, so that is the first sort of question I have, and second, the Deputy Secretary of State has outside functions, so to speak, being Acting Secretary when the Secretary is on travel, so he has this public face that the Deputy Secretary has to exercise, so I am just wondering whether—I mean, you rejected the notion of the Deputy Secretary, an additional Deputy Secretary, as I understand, as the chief operating officer and said, well, that would put it out of the loop. It is not clear to me why that would put it out of the loop.

And of course, if you had two Deputy Secretaries, then that one could be a career person. He could be like the top civil servant in other foreign ministries around the world. Did you wrestle with that? I would like to hear your thinking.

Mr. CARLUCCI. We did have some discussion around that point. Most of us on the Task Force felt that the dual deputy system was a very awkward system. I have seldom seen dual deputy systems work. In fact, I abolished one when I went into the NSC in the wake of the Iran-Contra affair, because it institutionalizes competition between the deputies.

Whether it should be somebody with experience in the Foreign Service, or business experience, or foreign policy experience, ideally the individual would encompass all three. I think the proposed incumbent for that job, Rich Armitage, does have the necessary qualifications. He understands bureaucracy.

He is not a Foreign Service officer, but he is a graduate of the Naval Academy, he served in the military, served in senior positions in the Pentagon, and it has worked in the Pentagon model. The Deputy Secretary of Defense is in effect, the chief operating officer of the Pentagon. So I think you have got the right individual, and I know General Powell has great faith in Rich Armitage.

Senator SARBANES. Tom, do you want to add to that?

Mr. DONILON. I think a dual Deputy Secretary of State would be duplicative of the Secretary for Management, and what we are trying to get to is a real centralization at the top of budget finance administration, human resources, and placing a big priority on it, and I think having a Deputy Secretary of State—and I have wrestled with that.

I had some hesitation about it, with a predilection toward allowing the Secretary of State to pick his or her team. I think the management problems are so severe that a chief operating officer at the top of the place, who is—I would recommend an outsider coming in is necessary to bring energy, to bring management policy together from the top, and to make it a priority.

So I understand your concerns, but I think at the end of the day I think the problems are so severe that it needs to be done this way.

Senator SARBANES. Mr. Chairman, thank you, and I thank Senator Nelson for your indulgence, and again I want to thank Sec-

retary Carlucci and Tom Donilon for their contribution. We appreciate it very much.

Senator ALLEN. Thank you, Senator.

Senator Nelson.

Senator NELSON. Just a quick question. Thank you for coming. Thank you for your work. Thank you for your public service. This past weekend, I spent the weekend with the CINC of the Southern Command, and with a lot of the State Department personnel in Colombia, and I was impressed with both.

Last year, the Washington Post did a series of articles about the influence of the CINC's, so should we be concerned about their foreign policy role, and is there sufficient coordination with the State Department?

Mr. CARLUCCI. Obviously, we have to be concerned that there be sufficient coordination. My experience has been that the CINC's are quite willing to take policy guidance. One of the task forces, or one of the blue ribbon panels, I forgot which one, recommended upgrading the political advisors to the CINC's. We have had some very talented people as political advisors to the CINC's. I know Wes Clark had Mike Durkee, and he depended heavily on Mike Durkee.

So if a CINC is a good CINC, and the political advisor is a good political advisor, it will work, but you cannot build a system that bad people will not disrupt, so I think the emphasis really has to be on quality on both sides.

Senator NELSON. Thank you, Mr. Chairman.

Senator ALLEN. Well, thank you both, both witnesses for your insight, and all of the work you have put into this, and we very much appreciate it.

Mr. CARLUCCI. Mr. Chairman, may I make a closing comment?

Senator ALLEN. Sure.

Mr. CARLUCCI. This would not have been possible if it had not been for Ian Brzezinski, who pulled it all together. He did the drafting, and he did a marvelous job. I would like to give him full credit.

Senator ALLEN. Good work, Ian. There are members who are not here and, if you would, please indulge those members. They may want to submit some questions in writing to you, and if that would be permitted, we would certainly appreciate it.

Mr. CARLUCCI. We would be happy to do that.

Senator ALLEN. Thank you both very much. The hearing is adjourned.

[Whereupon, at 12:10 p.m., the committee adjourned.]

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