S. HRG. 108–63

# SAFER EMBASSIES IN UNSAFE PLACES

## HEARING

BEFORE THE

## COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

MARCH 20, 2003

Printed for the use of the Committee on Foreign Relations

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE

88–151 PDF WASHINGTON : 2003

For sale by the Superintendent of Documents, U.S. Government Printing Office
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# SAFER EMBASSIES IN UNSAFE PLACES

**THURSDAY, MARCH 20, 2003**

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

The committee met, pursuant to notice, at 2:40 p.m. in room S–116 The Capitol, Hon. Richard G. Lugar (chairman of the committee), presiding.

Present: Senators Lugar, Sununu, and Sarbanes.

The CHAIRMAN. The hearing is called to order. Let me indicate that given the timing and circumstances, and to expedite the hearing, I will make an opening statement, and then Senator Biden will be recognized for an opening statement whenever he is able to come over here. At 2:45 my understanding is that the President of the United States will speak on the war, and so we are grateful for the monitor that you have provided or required for your testimony, because it will serve a dual purpose today, and it could very well be that by the time I have completed my opening statement, it may be time to turn to the monitor for the President's speech.

Following the President, I will call upon our witnesses for their opening statements, and then we will have questions from committee members. And as you all understand, we have a vigorous debate going on on the floor and that is one reason for situating our hearing here, where people can be close to the floor for votes or other activity.

We welcome you today. And today the Foreign Relations Committee gathers to discuss the security of our embassies overseas. With our military forces engaged in Iraq and the terrorism threat level raised to high, it is appropriate that we take up this subject.

Terrorists who seek to harm the United States but who lack the means to directly attack our homeland have often shifted their focus to United States diplomatic posts overseas. Recent attacks on our diplomatic facilities in Karachi, Pakistan, and Kabul, Afghanistan, as well as the daily warnings sent to our posts throughout the world remind us that our diplomats are on the front lines in the war on terrorism.

Being a United States diplomat today demands enormous courage and dedication. The murder of USAID executive officer Lawrence Foley last October in Jordan demonstrated the extreme risk that our diplomats encounter every day as they represent the United States. It is essential that the Congress, the President, and the State Department remain committed to protecting our diplomats and our government representatives overseas to the maximum extent possible.

The 1983 and 1984 attacks on the United States embassy and the annex in Beirut and the horrific double bombing of our embassies in Kenya and Tanzania in 1998 led to the commissioning of the Inman report and the Crowe report by the State Department to examine the security needs of our diplomatic missions. Many of the recommendations contained in those reports remain integral parts of today's construction planning.

Since 1998, the State Department has embarked on a long term project to replace rather than to merely upgrade many of our most vulnerable facilities overseas. The money set aside for replacing posts has grown from just $9.5 million in 1998 to an estimated $861 million for the current fiscal year. As we build new embassies, however, we have to recognize that we cannot turn our buildings into concrete bunkers that are physically and psychologically removed from the world capitals in which our diplomats must work. Indeed, many of our older embassies are located in busy urban areas close to streets.

Achieving the goal of embassy security is complicated by the fact that an embassy's purpose is to facilitate contact with the host country. The task of securing embassies, therefore, will require great creativity, and the application of new technologies and better construction methods.

Investments in embassy security are paying dividends. Throughout the world the State Department has worked closely with host countries to improve the security of our diplomatic missions. Although the suicide bombing in Karachi last June tragically killed 10 Pakistanis on the outside of the embassy and two Pakistani consulate guards, no one inside the compound was seriously injured thanks to prudent and timely steps taken to safeguard the building.

While much has been accomplished, much obviously remains to be done. It is estimated that 80 percent of the State Department's overseas facilities do not meet the security standards that were recommended in the mid-1980s. Significant resources must be devoted to securing our embassies, even in an era of tight budgets and pressing security needs at home. This is important not only for the safety of United States personnel, but also for accomplishing the mission of the State Department. If we want to encourage senior Foreign Service officers, many of whom have families, to bid on hardship posts, we must ensure that our facilities are secure.

It is a great pleasure today to welcome a panel of witnesses we have assembled to discuss the ongoing efforts to improve the safety of U.S. diplomatic personnel overseas. Testifying before us today will be Jess Ford, the Director of the General Accounting Office's International Affairs and Trade Division. The GAO has devoted an extensive study to the problem of embassy security, and it has been an indispensable resource on this subject for the Foreign Relations Committee, and we are eager to hear Mr. Ford's report.

We are also most fortunate to have General Charles E. Williams, Director of the State Department's Bureau of Overseas Building Operations, and Ambassador Francis X. Taylor, Assistant Secretary of State for Diplomatic Security. The committee looks forward to hearing from General Williams and Assistant Secretary Taylor what has been accomplished over the past several years that they

have witnessed, as well as what they judge to be the most pressing needs for the future.

This concludes my opening statement and introduction of the panel. And as I say, we would at this point in the record insert Senator Biden's statement, so that that will be a part of the permanent record, and each of your statements will be published in full, so that you need not ask permission for that to occur. And as I recognize you in the order I have mentioned in the introduction, please in your own words tell your story, and then we will respond.

Having said all of that, it appears to be, as we predicted, about 2:44. I do not know how prompt the White House will be. They were the other night, and broadcast at exactly 8, so we hope our technicians will obtain a picture of the President of the United States in just a few seconds.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Mr. Chairman, I commend you for convening this hearing. Although we are now engaged in military conflict, we must remain focused on the threat of al-Qaeda, which remains a clear and still present danger. We know, through bitter experience, that American embassies are targets for the terrorists.

There is no such thing as perfect security. But we must do everything possible to protect our people who are serving abroad.

Four years ago, after assessing the tragic embassy bombings in East Africa, review boards chaired by retired Admiral William Crowe found that there was a "collective failure of the U.S. government" over the previous decade in failing to provide adequate resources to protect U.S. embassies.

The report made several recommendations, some of which were similar to those made by an advisory panel chaired by Admiral Bobby Inman fourteen years before.

Following the Crowe report, this committee responded by developing legislation, enacted in 1999, which authorized $4.5 billion for embassy security construction from fiscal 2000 through fiscal 2004. The legislation also codified several of the Crowe recommendations, including the requirement of 100-foot setback for all new embassies and that all new U.S. facilities be co-located on the embassy compound.

Today, we must ask these questions: What is the current state of embassy security? What have we accomplished in the last four years? Are we implementing the Crowe recommendations and the law enacted in 1999?

Do we need to revisit the standards adopted after the 1998 bombings, given the changes in the threat of global terrorism? Is the funding in the President's budget sufficient?

Secretary of State Powell, like Secretary Albright before him, is committed to providing protection for his people. Secretary Powell has hired a strong team in General Williams and General Taylor.

Much has been done since the late 1990s. But much work remains. We still have significant vulnerabilities. The large majority of our facilities do not meet the minimum requirements for setback. Many posts do not meet standards for perimeter security.

Our task is complicated by what we now clearly understand: the al-Qaeda network has a global reach.

Every diplomatic mission, therefore, must now be considered a target. There is no such thing as a "low threat" post. Furthermore, the recent attack on the AID employee, Mr. Foley, outside his home in Amman, Jordan, demonstrates that terrorists are beginning to look for "soft targets."

The Department has plans to construct over 160 new embassies over the next 12 years. To support these essential efforts, we need a significant infusion of resources.

To its credit, the administration is proposing a sensible cost-sharing plan—to extend capital construction costs to other government agencies. But the budget otherwise falls short of what is needed.

The President's budget for embassy security provides $890 million to construct eight new facilities, which is clearly insufficient.

At this pace, it will take twenty years, not twelve, to replace all the embassies identified by the Department. The Department's own long-range plan contemplates

roughly $1.6 billion for construction in fiscal year 2004; the President's budget is well below that amount.

We cannot avoid this simple fact: security costs money. We must devote adequate resources to the task.

I welcome our witnesses today. I know that the two retired generals before us who have continued their public service at the State Department are dedicated to protecting their colleagues. I hope this committee, and this Congress, will give them the tools that they need.

The CHAIRMAN. Senator Sununu, do you have any opening comment or welcome to our guests today?

Senator SUNUNU. Thank you, Mr. Chairman. Certainly I would like to say welcome to the general. I was pleased to be able to take some time taking a look at the terrific plans and level of success of some of the early work in the construction program when I was a member of the Budget Committee in the House. It is wonderful to see you again, and in some ways under unfortunate circumstances, but during a time that just emphasizes how important the security is all over the world for embassy personnel and their families. Good to see you again.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, we may have been misinformed. Maybe the President is not going to speak at 2:45. Whenever he does speak we will obviously watch, but in the meanwhile, if you would proceed with your testimony, Mr. Ford, that would be great.

## STATEMENT OF JESS T. FORD, DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE, U.S. GENERAL ACCOUNTING OFFICE [GAO], WASHINGTON, DC

Mr. FORD. Thank you, Mr. Chairman. This is going to take about 15 minutes, so please, anytime you want me to stop——

The CHAIRMAN. I understand. I apologize for these unusual circumstances.

Mr. FORD. That's OK, perfectly fine.

I am pleased to be here today to discuss our work on security and the overall conditions of U.S. diplomatic facilities around the world. U.S. personnel at our embassies and consulates are on the front lines, often serving in dangerous locations, and they must rely heavily on law enforcement and security measures of the foreign country in which they are located.

As we think about the threats facing our military in the Middle East, as well as the terrorist threats here at home, we need to keep in mind that the U.S. Government employs thousands of people overseas at over 254 locations, and that they, too, face serious threats.

Mr. Chairman, I plan to walk through some slides and some videos, some brief videos that we have assembled. Hopefully it will show up on the monitor back there. About 5 years ago, in 1998, terrorist bombings of the two embassies in Kenya and Tanzania highlighted the compelling need for safe and secure overseas facilities. This slide [1] shows the U.S. Embassy in Tanzania both before and after that bombing, and the picture on the right shows the extensive damage that a terrorist bomb can do to our facilities.

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[1] Many of the slides and photos Mr. Ford discusses in his testimony are reproduced in his prepared statement which begins on page 9.

In November 1999, the Overseas Presence Advisory Panel said that thousands of Americans representing our Nation abroad faced an unacceptable level of risk from terrorist attacks. The panel concluded that many facilities were insecure, decrepit, deteriorating, and overcrowded, and it recommended a major capital improvement program to address these problems.

Today, I will focus my comments on the security conditions at U.S. embassies and consulates, and on the State Department's efforts to enhance building security, which emphasizes the construction of new, secure replacement facilities. I will also comment on the management actions taken by the State Department's Bureau for Overseas Building Operations which is responsible for building the security upgrades and the new facilities.

My comments on facilities security are based on analysis of State Department data and our recent visit to four overseas posts. For security reasons, I am not identifying these posts. My observations regarding State's facility construction program and its management are based on our ongoing work, which we initiated at your request and which we plan to report on later this year.

Before I discuss the results of our work in detail, I want to explain some of the State Department's security standards and why they are so important. The Department has identified 5 key security standards for overseas diplomatic facilities to protect them against terrorism and other dangers.

The first standard the State Department believes is essential is that office facilities should be at least 100 feet from uncontrolled areas such as streets where vehicles can pass without first being checked by security officials. This setback is to protect buildings and occupants against bomb blasts, mob attacks, and other threats.

Our first video clip from the State Department shows a test blast from 100 feet away. As you can see, the blast wave strikes the test structure with substantial force. However, the setback keeps the structure out of the blast fireball. A structure closer to that blast would not only be within the fireball, but would also receive substantial greater force from the blast.

The second and third standards are strong perimeter walls and anti-ram barriers to keep vehicles from breaching the facility perimeter to get close to buildings before they can detonate a bomb. The next two videos show tests of anti-ram barriers and perimeter walls. The test truck is traveling at 50 miles an hour. These walls and barriers are included in all new embassies under construction and, where feasible, have been included in State's upgraded security at existing facilities.

The fourth standard requires blast-resistant construction techniques and materials. Coupled with the 100-foot setback, this standard provides the best possible protection against vehicle bomb attack, according to diplomatic security officials.

The next video illustrates the importance of blast resistance. The video is taken from inside a test structure that is 100 feet away from an explosion of the same size shown earlier. Although the windows have been treated with mylar to prevent glass from shattering, the building is not blast resistant. As you can see, the blast force pushes the windows into the occupied space at a high rate of

speed, and causes significant damage. Blast resistant buildings are designed to protect against this threat.

The State Department's fifth security standard is controlled access at perimeter of a compound. At this controlled access point guards can screen personnel and vehicles before they enter the embassy compound to verify that they have no weapons before they can enter the compound.

Mr. Chairman, the State Department has done much over the last 4 years to improve physical security at overseas posts. The State Department has constructed perimeter walls and anti-ram barriers of the kind I just showed and access controls at many facilities. It has obtained host government approval to close off nearby streets at many locations, and it has implemented many other security measures. As of September 2002, the State Department had completed security upgrades at 113 posts. It had installed mylar window film protection and enforced entry ballistic resistant doors at another 242 posts.

At all four posts that we recently visited, we observed many of these recent upgrades. For example, the slide now being shown shows a new compound access control that was recently installed at one of the embassies we visited. This permits effective screening of people and vehicles before they enter the embassy.

At three of the other posts, local authorities had permitted the closing of streets to public traffic in order to protect the facility. However, diplomatic security officials acknowledge it is not feasible to increase setback by closing off streets at many other locations. Furthermore, these officials have told us that upgrades are only partial fixes that did not bring the buildings up to their overall standards. In many cases, it is not possible to upgrade existing buildings to meet all of the standards, such as setback and blast resistance.

Our analysis of the State Department's data shows that the primary office building at 232 posts did not meet one or more of the State Department's 5 key standards that I just mentioned. As a result, many thousands of employees may be at risk.

This slide shows the number of primary facilities that meet the key standard. As shown on the far left, at 81 overseas posts the primary building meets none of the State Department's 5 key standards. Only 12 posts overseas currently have buildings that meet all 5 standards.

We have prepared a large display over to my right which shows this analysis in another way. What we have done is we have examined four of the standards. We have omitted the one on blast resistance for security reasons. This display shows the extent to which facilities meet each of the four other standards. Above the line are the number of buildings that meet the standard, and below the line, the red, are the number of buildings that do not meet each of those standards.

The CHAIRMAN. Mr. Ford, what is the total number of buildings?

Mr. FORD. The total universe of our analysis is 254 major buildings overseas. In the example, just to point out an example on the left, the 100-foot setback shows that only 11 percent of the buildings——

The CHAIRMAN. Out of 254.

Mr. FORD. That is about 28 buildings.

Our visits to the four posts last month provide numerous examples of the serious physical security deficiencies. The main building at each post does not meet setback standards and is virtually perched on the street. Here is an example of a U.S. embassy that does not have the 100-foot setback. It is located very close to a public street, and public traffic, including trucks and buses, routinely pass by.

Annex buildings at the posts we visited had even more serious security problems. Three posts had annex buildings without any setbacks. Here is another example of one of those buildings. The picture shows the back of an embassy annex building. It has little or no setback on any of its four sides, and there is a public gas station on one side that could potentially exacerbate the bomb blast, the force of a bomb.

Now that we have shown building vulnerabilities, I now want to comment on the State Department's plan to implement a multiyear, multibillion dollar construction program. I show on the next slide that Congress has appropriated substantial funds since 1998 embassy bombings to improve diplomatic facilities. From 1998 through 2003, approximately $3.5 billion has been appropriated.

The slide also shows that the State Department has shifted its resources from implementing upgrades, as I mentioned earlier, to constructing new buildings and substantially retrofitting existing newly acquired or leased buildings. For example, in 1999, about half of the $692 million provided by Congress went for security upgrades and about half for construction projects. In 2003, the State Department plans to spend about 80 percent of its money on capital construction projects.

In addition to completing construction in this way, State believes it needs to place facilities at about another 160 posts. State's current long range plan, prepared in April 2002, calls for funding of 81 replacement facilities from fiscal year 2002 through 2007. As shown in the next slide, the majority of these projects are planned for posts in Africa and Europe. For example, the State Department plans to replace 23 facilities in Europe by fiscal year 2007 at an estimated cost of about $2.3 billion.

The State Department has completed construction on six projects in Uganda, Qatar, Tunisia, Fiji, Kenya, and Tanzania. Over the next 4 years, State plans to complete another 34 posts, including 11 in 2005 and 11 in 2006.

At your request, Mr. Chairman, we are currently reviewing the State Department's capacity and performance in implementing this program. Two important questions that we plan to address are whether or not the construction of the embassies and consulates is proceeding on time and on budget, and whether the State Department and its contractors——

[Interruption from television monitor.]

The CHAIRMAN. Let's suspend here.

[Recess.]

The CHAIRMAN. I apologize for the delay.

Mr. FORD. That is OK. That's fine.

Although the State Department is in the early stages of its expanded construction program and our work is just underway, we

do have several preliminary observations to make. First, the State Department has made a number of positive changes in its management of capital projects. It has developed a long range overseas building plan, an action that we had previously recommended.

This plan represents a major improvement in the management of embassy construction because it provides decisionmakers with an overall sense of the projected project scope and funding needs, and it sets performance targets that can be compared with actual performance. In addition, senior State Department management has increased its oversight. For example, every month, General Williams holds a 2-day meeting to review every one of these projects.

The State Department is also taking steps to accelerate the construction process, reduce construction costs and further enhance security of new buildings. For example, the State Department has developed a standard embassy design for use in many projects, and has moved toward a design-build method for contracting.

The use of a standard design and design-build contracting has the potential to reduce project costs and timeframes. State has set a goal of a 2-year design and construction period for each of its embassies which, if met, could reduce the amount of time in design and construction by almost a year. State has also instituted an industry advisory panel to help ensure that it follows the best practices the private sector has to offer.

In addition, the State Department and the Bureau of Diplomatic Security are seeking to incorporate new technologies into the construction program. We now have a video that shows the performance of a new window and building material technology. In contrast to technology we showed earlier, where the windows were blown into the work space, in this test the windows bounce outwards after being struck by the blast. This new technology shows a lot of promise in providing even greater protection for personnel in new buildings.

State's time line for completing the replacement of all 160 remaining posts will depend on the amount of money we receive for the construction program and how well the Overseas Building Operations Bureau and its contractors are able to perform. The President has requested $890 million in fiscal year 2004 to build embassies at eight posts. As shown at the next slide, assuming funding levels based at the fiscal year 2004 level, it would take about 20 years to fund the replacement program.

This time line, which is represented in the red, could be shortened if the State Department receives more funds. According to the Office of Building Overseas projection, the program to replace the remaining 160 posts could be completed in about 12 years if it receives about $1.4 billion annually for capital projects.

Because of the high cost and the importance of providing safe facilities as quickly as possible, we believe this program will warrant continued oversight.

Mr. Chairman, that concludes my statement. I will be glad to answer any questions.

[The prepared statement of Mr. Ford follows:]

PREPARED STATEMENT OF JESS T. FORD, DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE, UNITED STATES GENERAL ACCOUNTING OFFICE [GAO]

WHY GAO DID THIS STUDY

The 1998 terrorist bombings of the U.S. embassies in Kenya and Tanzania, which killed more than 220 people and injured 4,000, highlighted the compelling need for safe and secure overseas facilities. In November 1999, an independent advisory group, the Overseas Presence Advisory Panel, said that thousands of Americans representing our nation abroad faced an unacceptable level of risk from terrorist attacks and other threats. The panel called for accelerating the process of addressing security risks to provide overseas staff with the safest working environment, consistent with the nation's resources and the demands of their missions. Moreover, the panel concluded that many U.S. overseas facilities were insecure, decrepit, deteriorating, overcrowded, and "shockingly shabby," and it recommended major capital improvements to redress these problems.

GAO was asked to (1) assess the current conditions of overseas diplomatic facilities, including security, maintenance, office space, and information technology; and (2) provide some preliminary observations regarding State's efforts to improve facility conditions by replacing existing buildings with new, secure embassy compounds.

[March 20, 2003]

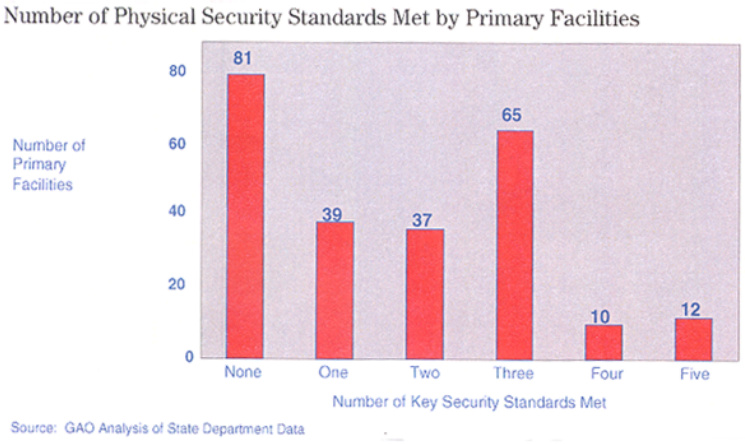
OVERSEAS PRESENCE

CONDITIONS OF OVERSEAS DIPLOMATIC FACILITIES

*What GAO Found*

The State Department has done much over the last 4 years to improve physical security at overseas posts. For example, State has constructed perimeter walls, anti-ram barriers, and access controls at many facilities. However, even with these improvements, most office facilities do not meet security standards. As of December 2002, the primary office building at 232 posts lacked desired security because it did not meet one or more of State's five key current security standards of (1) 100-foot setback between office facilities and uncontrolled areas; (2) perimeter walls and/or fencing; (3) anti-ram barriers; (4) blast-resistant construction techniques and materials; and (5) controlled access at the perimeter of the compound. Only 12 posts have a primary building that meets all 5 standards. As a result, thousands of U.S. government and foreign national employees may be vulnerable to terrorist attacks. Moreover, many of the primary office buildings at embassies and consulates are in poor condition. In fact, the primary office building at more than half of the posts does not meet certain fire/life safety standards. State estimates that there is a backlog of about $730 million in maintenance at overseas facilities; officials stated that maintenance costs would increase over time because of the age of many buildings. At least 96 posts have reported serious overcrowding.

While State continues to fund some security upgrades at embassies and consulates, State is shifting its resources from these upgrades toward constructing new buildings and substantially retrofitting existing, newly acquired, or leased buildings. Funding for these capital projects has increased from $9.5 million in fiscal year 1998 to a requested $890 million in fiscal year 2004. In addition to completing ongoing construction projects, State believes it needs to replace facilities at about 160 posts at an estimated cost of $16 billion. At the proposed fiscal year 2004 rate of funding, it will take more than 20 years to fully fund and build replacement facilities. While GAO has not fully analyzed State's performance in the early stages of this large-scale building program, GAO has observed that State has taken a number of positive steps to improve its program management. Because of the high costs and importance of this program, GAO believes the program merits extensive oversight.




TESTIMONY OF JESS T. FORD

Mr. Chairman and Members of the Committee:

I am pleased to be here to discuss our work on the security and overall conditions of U.S. embassy and consulate facilities around the world. The 1998 terrorist bombings of the U.S. embassies in Kenya and Tanzania, which killed more than 220 people and injured 4,000, highlighted the compelling need for safe and secure overseas facilities. Following the bombings, three high-level independent groups cited physical security problems at numerous overseas facilities. In November 1999, one of these groups, the Overseas Presence Advisory Panel,[1] said that thousands of Americans representing our nation abroad faced an unacceptable level of risk from terrorist attacks and other threats. The panel called for accelerating the process of addressing security risks to provide overseas staff with the safest working environment, consistent with the nation's resources and the demands of their missions. Moreover, the panel concluded that many U.S. overseas facilities were insecure, decrepit, deteriorating, overcrowded, and "shockingly shabby," and it recommended major capital improvements to redress these problems. You asked us to assess current facility conditions and what the State Department is doing to improve them.

Today I will focus my comments on the security conditions at U.S. embassies and consulates. I will also discuss building maintenance, office space, and information technology conditions. Our observations are based on an analysis of data from the State Department's Bureaus of Diplomatic Security, Overseas Buildings Operations (OBO), and Information Resources Management, and our visits last month to four posts where we examined how facility conditions affect security risks and mission effectiveness. For security reasons, I will not be identifying these posts. Finally, I will discuss some preliminary observations regarding State's efforts to improve facility conditions by replacing existing buildings with new, secure embassy compounds. These observations are based on our ongoing review of State's multibillion-dollar embassy and consulate construction program on which we will report later this year.

SUMMARY

The State Department has done much over the last 4 years to improve physical security at overseas posts. State has constructed perimeter walls, anti-ram barriers, and access controls at many facilities; has obtained host government approval to close off nearby streets at many locations; and has implemented other measures. However, even with these new improvements, most office facilities do not meet security standards. Our analysis showed that as of December 2002, the primary office

[1] Secretary of State Albright established the Overseas Presence Advisory Panel following the 1998 embassy bombings in Africa to consider the organization and condition of U.S. embassies. Department of State, *America's Overseas Presence in the 21st Century, The Report of the Overseas Presence Advisory Panel* (Washington, D.C.: Nov. 1999).

building at 232 posts lacked sufficient security because it did not meet one or more of State's five key standards.[2] These standards are a 100-foot setback between office facilities and public streets or other uncontrolled areas, the presence of perimeter walls and/or fencing, anti-ram barriers, blast-resistant construction techniques and materials, and controlled access at the perimeter to the compound. Moreover, at 81 posts, the primary building did not meet any of these standards. Only 12 posts have a primary building that meets all 5 standards. As a result, thousands of U.S. government and foreign national employees may be at risk. Our visits to four posts last month provide numerous examples of serious physical security shortcomings. None of the primary office buildings at the four posts meets setback standards, and three posts have annex buildings without any setback. At one post, an annex building has little or no setback on four sides, and there is a public gas station on one side that could potentially exacerbate the blast force from a bomb. In addition, U.S. personnel at two posts occupy leased space in office buildings constructed with extensive glass walls, which post officials told us could shatter, seriously injuring or killing many occupants in the event of a large blast. Security officials at the posts we visited are concerned that many of the buildings we observed are vulnerable to terrorist attacks.

Many of the primary office buildings at embassies and consulates are in poor condition. In fact, the primary office building at more than half of the posts does not meet certain fire/life safety standards. During one site visit, post officials described several buildings as fire traps—old wiring could cause fires, and there are limited fire exits. State estimated that there is a backlog of about $730 million in maintenance at overseas facilities, and officials stated that maintenance costs will increase over time because of the age of many buildings. Many embassy and consulate buildings are old, and at the four posts we visited, several buildings were constructed in the 1800s. We observed sinking foundations, crumbling facades, and serious cracks in the walls and around the windows. At one post, duct tape and plywood have been used in the ambassador's suite to seal around a window opening. At least 96 posts have reported serious overcrowding. At one post we visited, crowded office space was dramatic—for example, the Political Counselor, who is one of the most senior officials at the embassy, had an 8 by 13-foot cubicle, and another work area had a cramped 7-foot ceiling height.

While State continues to fund some security upgrades at embassies and consulates, it is shifting its resources from implementing upgrades toward constructing new buildings and substantially retrofitting existing, newly acquired, or leased buildings. Funding for State's capital projects has increased from $9.5 million in fiscal year 1998 to a requested $890 million in fiscal year 2004. In addition to completing construction that is under way, State believes it needs to replace facilities at about 160 posts. This will be an expensive effort, costing an estimated $16 billion, and will require a sustained level of funding over many years. State's timeline for completing this program will depend on the amount of funding it receives and how well it manages the program. At the proposed fiscal year 2004 rate of funding, about $890 million for the construction of replacement facilities at 8 posts, it will take more than 20 years to fully fund and complete construction.

In the past, we have raised concerns regarding State's performance in managing its overseas real estate programs. While we have not fully analyzed State's performance in the early stages of this large-scale building program, we have observed that OBO has taken a number of positive steps to improve its program management. For example, it has developed a long-range plan to help guide decision making, has taken steps to reduce the amount of time for designing and constructing new embassies and consulates, and has installed an industry advisory panel to ensure that "best practices" are in place. Because of the high costs associated with this program and the importance of providing secure office space as quickly as possible, we believe this program merits extensive oversight.

## BACKGROUND

The United States maintains more than 250 diplomatic posts, including embassies, consulates, and other diplomatic offices, located around the world.[3] More than 60,000 personnel—U.S. and foreign service nationals—work at these locations.

[2] At most posts, there are multiple buildings, often dispersed throughout the city. Our analysis focused on the primary office building at each post. At an embassy, the primary office building is called the chancery.

[3] The number of embassies, consulates, and other diplomatic posts changes as new posts are opened and posts are closed. In addition, State has a small presence in some other locations that are not included in these figures. For example, it has five 1-person posts in France, called American Presence posts.

About 50 government agencies and subagencies operate overseas, including the Departments of State, Defense, and Justice; and the U.S. Agency for International Development.

Since the 1970s, U.S. diplomatic personnel overseas have been increasingly at risk from terrorist attacks and other acts of violence. In response, the State Department in 1986 began a substantial embassy construction program, known as the Inman program, to protect U.S. personnel and facilities. In 1991, we reported that State was unable to complete as many projects as originally planned due to systemic weaknesses in program management, as well as subsequent funding limitations. This construction program suffered from delays and cost increases due to, among other things, poor program planning, difficulties in acquiring sites, changes in security requirements, and inadequate contractor performance.[4] Following the demise of the Inman program in the early 1990s, the State Department initiated very few new construction projects until the Africa embassy bombings in August 1998 prompted additional funding.

In the 1998 bombings, terrorists attacked the U.S. embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. These large-scale truck bombings killed more than 220 people, including 12 American U.S. government employees and family members, 32 Kenyan national U.S. government employees, and 8 Tanzanian national U.S. government employees. In addition, the bombings injured more than 4,000 Kenyans, Tanzanians, and Americans.[5] Figures 1 and 2 show pictures of the embassy in Tanzania before and after the bombings.

Figure 1: U.S. Embassy in Tanzania, before the August 7, 1998, Terrorist Attack

Source: State Department.

[4] U.S. General Accounting Office, *State Department: Management Weaknesses in the Security Construction Program,* GAO/NSIAD-92-2 (Washington, D.C.: Nov. 1991).

[5] State Department, *Report of the Accountability Review Boards: Bombings of the U.S. Embassies in Nairobi, Kenya, and Dares Salaam, Tanzania, on August 7, 1998* (Washington, D.C.: Jan. 1999).

Figure 2: U.S. Embassy in Tanzania, after the August 7, 1998, Terrorist Attack

Source: State Department

Since these embassy bombings, U.S. facilities and personnel have faced continued threats from terrorist and other attacks. Embassy and consulate employees are on the front lines, often serving in dangerous locations, and must rely heavily on the protection provided by the law enforcement and security measures of the foreign country in which they are located. From 1998 through 2002, there were 30 terrorist attacks against overseas posts, personnel, and diplomatic residences. During that same period, overseas posts were forced to evacuate personnel or suspend operations 83 times in response to direct threats or unstable security situations in the host country. (See table 1.) During the first 2 months of 2003, overseas posts authorized the departures of personnel and/or their families a total of 11 times due to security concerns.

Table 1: Threats against U.S. Diplomatic Personnel and Posts, 1998-2002

| Number and Type | 1998 | 1999 | 2000 | 2001 | 2002 | Total |
|---|---|---|---|---|---|---|
| Terrorist attacks ..... | 10 | 9 | 2 | 2 | 7 | 30 |
| Evacuations ..... | 22 | 12 | 7 | 18 | 19 | 78 |
| Authorized/voluntary .. | [13] | [10] | [4] | [17] | [9] | [53] |
| Ordered ..... | [9] | [2] | [3] | [1] | [10] | [25] |
| Suspended operations .... | 4 | 1 | ..... | ..... | ..... | 5 |

Source: GAO analysis of State Department data. Security Standards.

*Security Standards*

Before I discuss the results of our work, I want to explain some of State's security standards and why they are important.[6] State identified five key security standards for overseas diplomatic office facilities to protect them against terrorism and other dangers. First, State believes that office facilities should be at least 100 feet from uncontrolled areas, such as a street where vehicles can pass without first being checked by security officials. Therefore, this distance helps to protect the buildings and occupants against bomb blasts, mob attacks, and other threats. In establishing the setback standard, the State Department determined that at 100 feet, the effects

[6] These standards apply to the construction of new buildings. Existing buildings are required to meet the setback standard to the "maximum extent feasible."

of a bomb blast have diminished to the point where the cost of site acquisition and construction to protect against the remaining blast effects are relatively affordable. State notes that additional setback may not be practical at many locations. Exhibit 1 is a video clip from the State Department showing a test blast from 100 feet away.

The second and third standards are strong perimeter walls and anti-ram barriers to ensure that vehicles cannot breach the facility perimeter to get close to the building prior to detonating a bomb. Exhibits 2 and 3 are video clips from the State Department showing the effectiveness of these walls and barriers.

The fourth standard requires blast-resistant construction techniques and materials. Among other things, these materials include reinforced concrete and steel construction and blast-resistant windows. Diplomatic Security officials state that flying glass is a primary cause of injuries and deaths in a blast. Coupled with a 100-foot setback, blast-resistant construction provides the best possible protection against a vehicle bomb attack, according to Diplomatic Security officials. Combined, these four standards mitigate the effect of a vehicle bomb attack and prevent the building from suffering catastrophic collapse and complete destruction.

State's fifth security standard is controlled access at the perimeter to the compound. At this control access point, guards can screen personnel and visitors before they enter the embassy compound to verify that they have no weapons and that they should be allowed to enter, and can fully search vehicles before they are permitted to enter the compound.

## STATE HAS DONE MUCH TO IMPROVE FACILITY SECURITY BUT MOST FACILITIES STILL DO NOT MEET SECURITY STANDARDS

Over the last 4 years, State has accomplished much in improving posts' security through various security upgrades. These upgrades include the installation of Mylar shatter-resistant window film and forced entry/ballistic-resistant doors; the construction of perimeter security walls and fences, jersey barriers, and compound access controls; and the stationing of additional police and security guards. In June 2002, a bomb attack against the U.S. consulate in Karachi demonstrated the effectiveness of recent security upgrades to the compound. As shown in figure 3, physical damage to the building was minimized by these upgrades. As of September 30, 2002, State had completed security upgrades at 113 posts and had installed Mylar window film barriers and forced entry/ballistic-resistant doors at 242 posts.

Figure 3: U.S. Consulate, Karachi, Pakistan, after Car Bomb Attack of June 14, 2002, Showing Little Damage to the Building

Source: State Department.

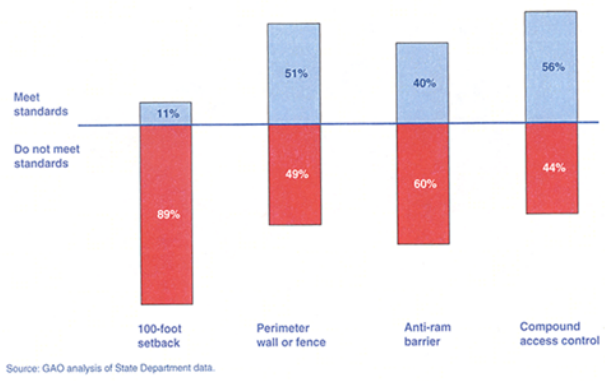
Further, to address security concerns at some of the buildings without a 100-foot setback, State has secured host government cooperation in either closing adjacent

streets and/or posting local police officers as guards to monitor and control surrounding streets. State has also acquired adjacent land at 34 posts to increase setback since the 1998 embassy bombings. For example, State purchased a gas station next to an office annex building in Athens, Greece, and closed the gas station, thus increasing setback and improving security.

At all four posts we visited, we observed that recent security upgrades have enhanced security. At three of these posts, local authorities have permitted closing off streets to public traffic in order to protect U.S. facilities. However, Diplomatic Security officials acknowledged that it is not feasible to increase setback by acquiring land and closing off nearby streets at many locations. Furthermore, these officials also told us that security upgrades were partial fixes that did not bring the buildings up to physical security standards. As a result, many buildings and their occupants remain vulnerable to terrorist attacks. Exhibit 4 is a video clip from the State Department that illustrates this vulnerability. It shows the effect of a blast 100 feet away on an office that does not meet the standard for blast-resistant construction. The windows have been treated with Mylar sheeting, a standard upgrade that mitigates the effects of glass shattering in a blast. Although Mylar provides some protection, the non-blast-resistant window construction may allow glass to be forced into the building at a high rate of speed.

To assess the security of embassy and consulate facilities, we analyzed State Department data to determine if the primary facilities meet State's five key standards that I discussed earlier. Figure 4 shows the portion of posts where the primary office building meets or does not meet four of the five security standards: setback, perimeter wall or fence, anti-ram barrier, and compound access control. At the request of Diplomatic Security officials, we will not discuss details on the remaining standard, blast-resistant construction, due to its sensitivity. We can say, however, that facilities completed since the late 1980s are considered to be blast resistant. Figure 5 shows the number of primary facilities that meet one, two, three, four, or five of the physical security standards.[7] For example, it shows that the primary office facility at 81 posts met none of the five standards. Of these, 36 facilities are in locations that the State Department has designated as posing a high or critical threat level.

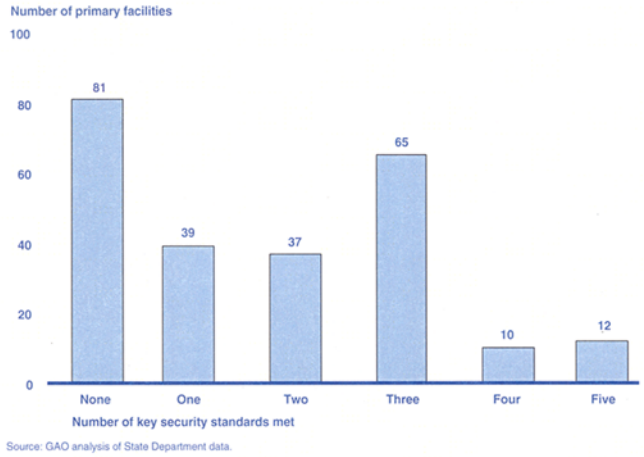
Figure 4: Percentage of Primary Facilities that Meet or Do Not Meet Key Physical Security Standards




Source: GAO analysis of State Department data.

[7] Our analysis of facilities' security focused on the primary facility at 244 posts for which State provided security data.

Figure 5: Number of Physical Security Standards Met by Primary Facilities




*Setback*

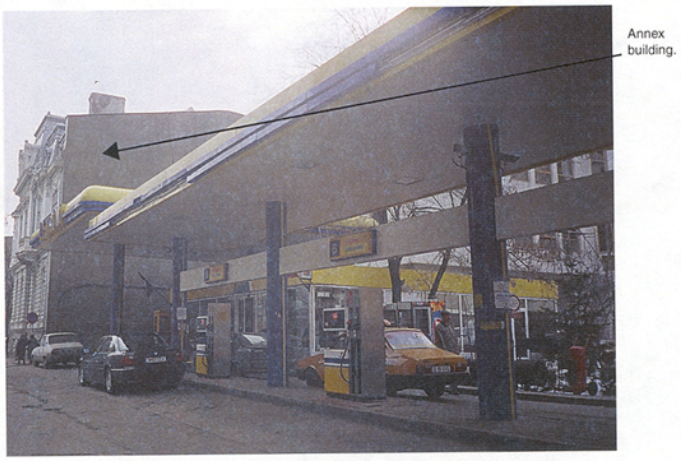
As shown in figure 4, only 28, or 11 percent, of the primary buildings meet the 100-foot setback standard. More than half of the primary buildings have less than 15 feet of setback—these buildings are virtually perched on the street. Figure 6 is an example of a post with limited setback.

At the four posts we visited, all of the primary office buildings have limited setback from the street and several annex buildings have no setback. As shown in figure 7, one of these buildings is adjacent to a public gas station, which could exacerbate the effects of a bomb attack.

Figure 6: Insufficient Setback at a U.S. Embassy

Source: State Department.

Figure 7: Public Gas Station Behind an Embassy Building Poses Security Concern




Source: GAO photo.

Another building, with little setback, is located next to a main thoroughfare. Consequently, public traffic, including trucks and buses, routinely travels within feet of

U.S. government office space. At three of the four posts we visited, the embassy had secured host government cooperation in closing at least one street surrounding the primary office building; however, embassy officials at one location noted that these agreements were temporary and could be revoked at any time. Moreover, the embassies had not been able to close streets running next to all of their facilities, such as office annexes. For example, figure 8 depicts the view from a senior official's office in an annex building where post officials were unable to close the main thoroughfare that runs directly in front of the building.

Figure 8: View from Annex Office Showing Traffic Flow Nearby

Source: GAO photo.

*Perimeter Walls or Fences and Anti-ram Barriers*

Perimeter walls or fences and anti-ram barriers are two standards that work together to protect facilities. We found that 120 primary facilities lack an adequate perimeter wall/fence, while 147 lack adequate anti-ram barriers. Diplomatic Security officials explained that in many cases, posts are unable to install these upgrades due to host country limitations, such as their impact on traffic flow, parking, and the operation of adjoining residences and commercial buildings. Diplomatic Security officials stated that perimeter upgrades have been installed at all posts that are able to accommodate them.

*Compound Access Control*

We also found that 108 posts either lack or have inadequate compound access control, a system of gates, barriers, and guard booths that is used to pre-screen personnel and vehicles before entering the embassy grounds. At one embassy we visited, visa applicants could gain access to the embassy building prior to undergoing proper screening, which would be a serious concern in the case of a terrorist action. Figure 9 depicts an inadequate compound access control booth, which is located within the embassy compound. The Security Officer acknowledged that this was a serious weakness and that visitors were not screened adequately before entering the embassy building. Construction of a new compound access control system is scheduled to begin in May 2003. Figure 10 depicts a newly upgraded compound access control system that facilitates full screening of all vehicles and persons prior to their gaining access to the compound.

Figure 9: Inadequate Compound Access Control Booth

Source: GAO photo.

Figure 10: Newly Upgraded Compound Access Control Booth

Source: GAO photo.

Ambassadors and security officers at three of the four posts we visited emphasized that in addition to facilities not meeting standards, there were security difficulties associated with the number of office facilities at their post that were spread out

around the city. Three of the four posts we visited had more than five locations, and post managers were concerned that this made it extraordinarily difficult and expensive to implement security measures. Officials also stated that dispersion of facilities complicates emergency action planning. We note that frequent travel between dispersed facilities may also pose security risks to personnel because terrorists and criminals can target them while they are in transit. In the construction of new embassy compounds, all U.S. government offices are required to be located on the compound.

BUILDINGS ARE IN POOR CONDITION

State Department data show that many buildings are in poor condition. At 133 posts, the primary office building has certain fire/life safety deficiencies. At one post we visited, the fire escape for the 6th floor of the chancery was a chain-link ladder strapped to a heating radiator (fig. 11). OBO fire officials explained that a number of posts were unable to meet fire standards, such as sprinkler systems and proper number of exits, due to the structural limitations of the building. This underscores the Department's position that many buildings are in a condition that will not allow a security and safety upgrade.

Figure 11: Chain-link Ladder Serves as Fire Escape for 6th Floor Embassy Employees

Source: GAO photo.

Another safety problem is the seismic condition of buildings. Although the State Department does not have data on seismic conditions at all facilities, it acknowledges that embassy and consular employees at some locations may be working in buildings that do not protect against earthquakes. At one of the posts we visited, located in an earthquake region, the consular building has a very poor seismic rating. The State Department has been unable to locate a suitable temporary facility that can house the consular services while the landlord makes seismic improvements to the current building. The landlord has absolved himself from any responsibility in the event of earthquake damage.

*Maintenance Is Serious Concern*

Maintenance is a serious concern because "essential maintenance and repair requirements have long been unfunded," according to OBO documents. In May 2002, State estimated that its repair backlog to be about $736 million. For the primary office buildings alone, maintenance needs exceed $316 million, with the primary building at more than one-third of all posts having more than $1 million in maintenance requirements. OBO projects that maintenance costs will increase over time because many of the facilities are so old and antiquated, some dating back to the late 19th and early 20th century. Our visits to four posts provided numerous examples of maintenance problems. All of the posts we visited had buildings with serious maintenance concerns that are common to old and deteriorating buildings, such as sinking foundations, crumbling walls, bursting pipes, and electrical overloads.

*Office Space Is Crowded*

Although there are no specific criteria to measure the adequacy of office space, OBO has provided posts a questionnaire to help them evaluate space needs. Based on post inputs, OBO's Long-range Overseas Buildings Plan describes space conditions at posts where it plans a new facility or major rehabilitation. We counted 96 posts mentioned in the plan where OBO described the office space as being crowded or poorly configured. During our post visits, we verified that crowded and poorly configured office space is a problem. This was particularly true in the controlled access areas of the embassies where classified information is stored and processed. Because of the special requirements of these areas, it is generally not feasible to lease additional space as the embassies have done to expand office space for unclassified work. One post had severe overcrowding in its chancery. To cope, the post resorted to creating workspaces under a stairway and in storage areas. One office stacked a printer on top of shelving that can only be accessed with a stepladder in order to make room for another small workstation. This post used trailers located behind the chancery to augment office space. In addition, all of the posts expressed concern that the crowded conditions would get worse because they anticipate staff increases to handle additional responsibilities, such as performing more rigorous screening of visa applicants. Several ambassadors told us that the dispersion of office space in multiple buildings hindered operational efficiency. This is because personnel spend significant amounts of time going from one facility to another to conduct daily business.

*Information Technology Issues*

I will now briefly discuss information technology capabilities at overseas posts, which, along with office facilities, are an important part of diplomatic readiness. State has long been plagued by poor information technology capabilities. In 1999, the Overseas Presence Advisory Panel reported that many posts are equipped with obsolete systems that prevent effective interagency information sharing.[8]

The Secretary of State has made a major commitment to modernizing information technology. According to State officials, the department invested $236 million in fiscal year 2002 on key modernization initiatives for overseas posts and plans to spend $262 million over fiscal years 2003 and 2004. State reports that its information technology is in the best shape it has ever been, and embassy personnel at the four posts we visited agreed, noting that they now have improved Internet access and upgraded computer equipment. State is now working to replace its antiquated cable system with the State Messaging and Archive Retrieval Toolset (SMART), a new integrated messaging and retrieval system.

We have raised a number of concerns regarding State's management of information technology programs, and believe that State's information technology modernization efforts warrant management attention and oversight to ensure that State is following effective management practices. In 2001, we reported that State was not following proven system acquisition and investment practices in attempting to deploy a common overseas knowledge management system.[9] State canceled this initiative because it could not get buy-in from other foreign affairs agencies. In 2001, we reported on State's information security problems, including weaknesses in access control that place information resources at risk of unauthorized access.[10] As State continues to modernize information technology at overseas posts, it is important that it employs rigorous and disciplined management processes on each of its projects and that it addresses its information security weaknesses. This is particularly important on the SMART system, which State acknowledges is an ambitious effort. The Office of Management and Budget recently reduced funding for the system because of concerns that State was not employing effective management processes.

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[8] *America's Overseas Presence in the 21st Century: The Report of the Overseas Presence Advisory Panel.*

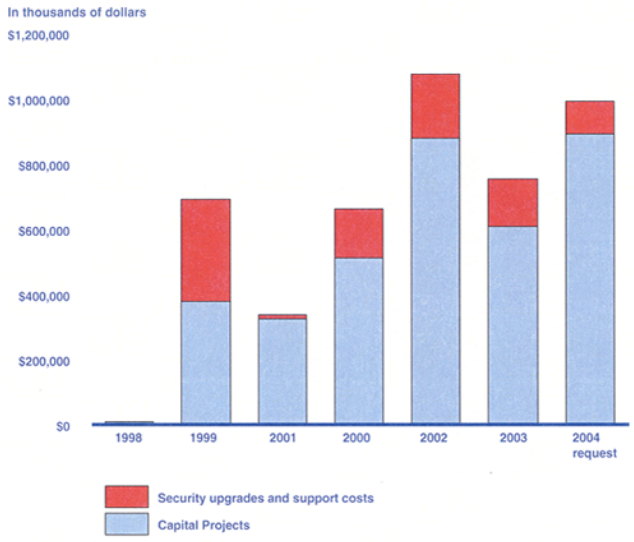
[9] U.S. General Accounting Office, *Information Technology: State Department-Led Overseas Modernization Program Faces Management Challenges,* GAO-02-41 (Washington, D.C.; Nov. 2001); and U.S. General Accounting Office, *Foreign Affairs: Effort to Upgrade Information Technology Overseas Faces Formidable Challenges,* GAO/T-AIMD/NSIAD-0O-2 14 (Washington, D.C.; June 2000).

[10] U.S. General Accounting Office, *Major Management Challenges and Program Risks: Department of State,* GAO-O1-252 (Washington, D.C.: Jan. 2001).

REPLACING BUILDINGS IS STATE'S LONG-TERM SOLUTION TO PHYSICAL SECURITY PROBLEMS

State continues to make security upgrades at some posts, but it is shifting its resources toward replacing existing facilities with new, secure embassy compounds or substantially retrofitting existing, newly acquired, or leased buildings. As shown in figure 12, funding for State's capital projects has increased from $9.5 million in fiscal year 1998 to a requested $890 million in fiscal year 2004. State is still in the early phase of this multiyear, multibillion-dollar construction program. I will discuss this program briefly and then make several preliminary observations regarding State's management of this program.

Figure 12: Appropriations for Upgrading and Replacing Diplomatic Posts, Fiscal Years 1998-2004




Source: State Department, Bureau of Overseas Buildings Operations.

* Fiscal Year 2002 includes $200.5 million from Emergency Supplemental Act, 2002.

*Summary of State's Regulations and Plans for Future Construction*

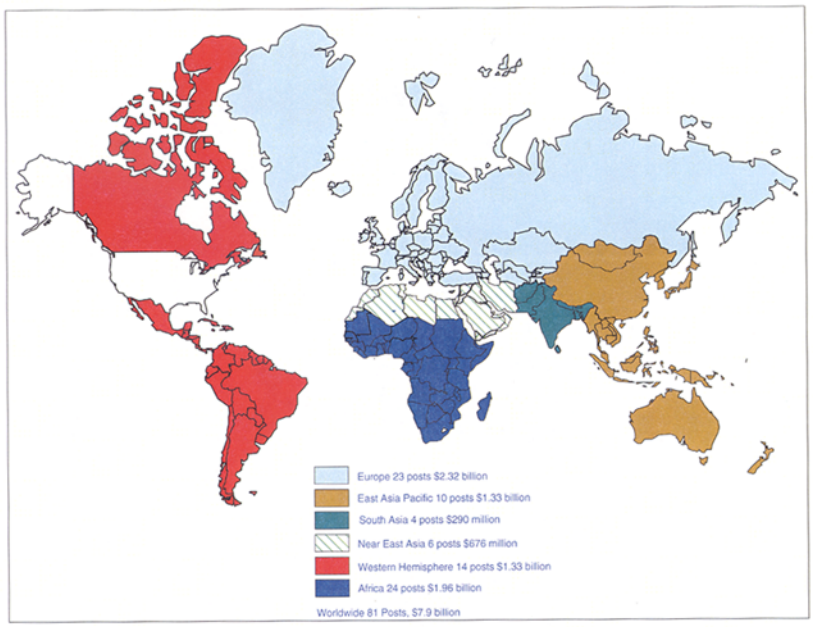
Following the 1998 east Africa bombings, State identified about 185 posts needing replacement facilities in order to meet security standards. As of February 10, 2003, State had begun to replace 25 of these posts with new or retrofitted embassy and consulate compounds. From fiscal year 1999 through fiscal year 2003, State has received approximately $2.7 billion for its new construction program. OBO officials estimated that beginning in fiscal year 2004, it will cost an additional $16 billion to replace facilities at the remaining 160 posts. OBO plans to construct these replacement facilities on embassy/consulate compounds that will contain the main office building, all support buildings, and, where necessary, a building for the U.S. Agency for International Development.

To help manage this large-scale construction program, OBO developed the Long-range Overseas Buildings Plan, first published in July 2001 and most recently updated in April 2002. The latest version of the plan outlines and prioritizes proposed capital projects over 6 years, from fiscal year 2002 through fiscal year 2007, based on input from State's Bureau of Diplomatic Security, regional bureaus, and agencies with overseas presence.

According to the April 2002 plan, State plans to fund the replacement of facilities at 81 posts at an estimated cost of $7.9 billion from fiscal year 2002 through fiscal year 2007. As shown in figure 13, the majority of these projects are planned for Afri-

ca and Europe. OBO plans to release the next update of the Long-range Overseas Buildings Plan by the end of March 2003.

Figure 13: Plans for Post Replacement Projects, Fiscal Years 2002-2007

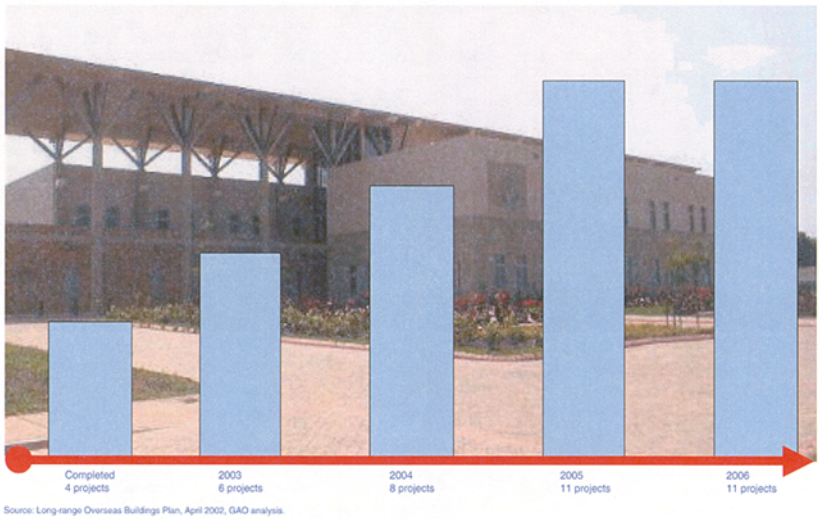



Source: Long-range Overseas Buildings Plan, April 2002

Of State's 25 post replacement projects funded after the 1998 embassy bombings, State has completed the construction of 2 new embassy compounds and major retrofits of 2 newly acquired buildings that will serve as embassies.[11] The remaining 21 projects are currently in the construction process. These consist of 18 new embassy and consulate compounds, 1 consulate compound renovation, and 2 newly acquired buildings undergoing major retrofitting for use as embassies (see fig. 14). State plans to initiate another 7 post replacement projects in fiscal year 2003 and 8 post replacement projects in fiscal year 2004. These projects will be completed in fiscal years 2005 and 2006, respectively, if they adhere to State's planned 2-year construction schedule.

[11] Capital project figures exclude support buildings such as Marine Security Guard Quarters, U.S. Agency for International Development buildings, and General Services Operations buildings that were built independently of new embassy compounds.

Figure 14: Scheduled Completion of Capital Projects Funded Fiscal Years 1999-2004*




*As of February 10, 2003. Excludes smaller capital projects such as Marine Security Guard Quarters, U.S. Agency for International Development Buildings, and General Services Offices. Assumes a 2-year construction period for projects funded in 2003 and planned in 2004.

Regarding the four posts we visited, a replacement facility is under construction at one post and fiscal year 2006 funding is scheduled for replacement facilities at two posts. The replacement facility for the fourth post is not currently scheduled; however, post officials told us that a replacement facility at their location would be included in OBO's March 2003 update of the Long-range Overseas Buildings Plan. Assuming that funding were made available to replace facilities for the three posts in fiscal year 2006, construction would not be completed until about 2009. Ambassadors at two of these posts expressed concern that it would be difficult to wait that long for a solution to their facility needs and that interim measures were needed.

*State's Management of the Recently Expanded Construction Program*

We are currently reviewing State's capacity and performance in implementing its large-scale construction program. Two important questions for program oversight by this and other committees are: (1) Is the construction of embassies and consulates proceeding on time and on budget? (2) Do OBO and its contractors have the capacity to properly manage the program and ensure that funds are used wisely? State is in the early stages of its expanded construction program and, therefore, has not yet established a clear track record that would provide complete answers to these questions. However, we do have several observations based on our ongoing work.

First, OBO has made a number of positive changes in its management of capital projects as the construction program has expanded over the past few years. As mentioned earlier, OBO developed the Long-range Overseas Buildings Plan in July 2001, an action we had previously recommended.[12] This plan represents a major improvement in the management of embassy construction because it provides decision makers with an overall sense of proposed project scope and funding needs, and sets performance targets that can be compared with actual performance. Further, in February 2002, OBO leadership convened the Industry Advisory Panel. The panel consists of volunteer industry representatives who meet quarterly to discuss issues related to OBO's construction program and advise OBO management on industry's best practices. Moreover, senior OBO management has increased its oversight of ongoing capital and other projects. For example, each month, the OBO Director holds a 2-day Project Performance Review meeting to review the progress and problems of all ongoing OBO projects in detail. In addition, OBO is requiring contract admin-

[12] U.S. General Accounting Office, *Embassy Construction: Better Long-term Planning Will Enhance Program Decision-making,* GAO-01-11 (Washington, D.C.: Jan. 2001).

istration training for all senior field staff who are to supervise new embassy and consulate construction.

Second, State is taking steps to accelerate the construction process, reduce construction costs, and further enhance physical security conditions of new buildings. For example, OBO has developed a standard embassy design for use in most projects and has moved away from a "design-bid-build" method of contracting toward a "design-build" method. Use of a standard design and design-build contracting has the potential to reduce project costs and the time taken to implement projects. Table 2 provides details of the three standard designs that OBO has developed for small, medium, and large posts. OBO has set a goal of a 2-year design and construction period for its standard embassy design buildings, which, if met, would reduce the amount of time spent in design and construction by almost a year.[13]

Table 2: Characteristics of Standard Embassy Designs for New Capital Projects

| | General size | [1] General construction cost |
|---|---|---|
| Small new office building | 46,285 gross square feet | $45 million |
| Medium new office building | 79,653 gross square feet | $65 million |
| Large new office building | 121,632 gross square feet | $85 million |

Source: Long-range Overseas Buildings Plan, April 2002.
[1] This figure is in 2002 dollars and excludes value added tax and land costs.

In addition, OBO and the Bureau of Diplomatic Security are actively seeking to incorporate advanced technologies into the construction program. Exhibit 5, a video clip from the State Department showing the performance of new windows and building materials, indicates that these technologies show promise of providing an even greater level of physical security for personnel operating in new buildings.

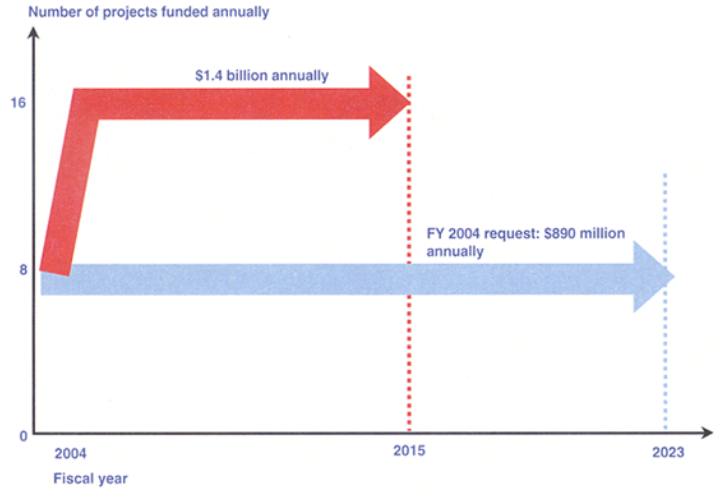
While OBO has taken positive steps, we do have concerns regarding requirements for staffing levels at locations where OBO is planning to build a new embassy compound. We believe that improvements are needed in how the State Department and other agencies project staffing requirements for new embassies. In April 2003, we will report to the Chairman of the House Government Reform Committee's Subcommittee on National Security, Emerging Threats, and International Relations that staffing projections for new embassy compounds are developed without a systematic approach or comprehensive assessments of the number and types of staff who would be needed in the future. Without adhering to a systematic process for developing future staffing needs at U.S. embassies and consulates, the U.S. government risks building the wrong-sized facilities, which could lead to security concerns, additional costs, and other work inefficiencies.

*Funding and Timelines for Completing the Construction Program*

State's timeline for completing the replacement of all 160 remaining posts will depend on the amount of funding it receives for the construction program. For fiscal year 2004, State's Long-range Overseas Buildings Plan called for almost $2 billion to fund the design and/or construction of 19 capital projects; in contrast, the President's proposed fiscal year 2004 budget requested $890 million for 8 new diplomatic posts. As shown in figure 15, at the proposed fiscal year 2004 rate of replacement, it would take about 20 years to fund and 22 years to complete construction of the estimated 160 remaining posts (assuming a 2-year design and construction period). Figure 15 also shows that this timeline would be shortened if State receives more funds annually. According to an OBO projection, the program to replace the remaining 160 posts could be completed in 12 years if OBO receives $1.4 billion annually for new capital projects.

[13] Current new post construction projects have a contract schedule averaging 2 years and 11 months to complete. Only one project completed thus far—the new embassy compound in Kampala, Uganda—has used the standard embassy design.

Figure 15: Projected Timelines for Funding Facility Replacement Projects




Source: GAO projections based on Fiscal Year 2004 appropriations request and Overseas Buildings Operations data.

In a January 2001 report,[14] we identified potential industry bottlenecks and management issues that could affect State's ability to further expand and increase the pace of the construction program. These potential problems include the availability of appropriate sites for new buildings, particularly in major urban areas; appropriately cleared U.S. labor; construction materials; and unique security materials, such as glazing for windows and forced entry- and ballistic-resistant doors, Further, State and its contractors may require more management resources to implement and manage the program. In our continuing work for the committee, we will be considering these and other issues related to State's and its contractors' performance in building new embassies and consulates.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or other members of the committee may ask.

The CHAIRMAN. Thank you very much for that statement.

General Williams.

**STATEMENT OF MAJ. GEN. CHARLES E. WILLIAMS (RET.), DIRECTOR AND CHIEF OPERATING OFFICER, OVERSEAS BUILDINGS OPERATIONS, DEPARTMENT OF STATE, WASHINGTON, DC**

General WILLIAMS. Thank you, Mr. Chairman and members of the committee, for this opportunity to discuss the Office of Overseas Building Operations, which has the mission to provide diplomatic and consular facilities for our government personnel overseas. I want to thank you, Mr. Chairman and the committee, for the support that has been provided to the State Department and specifically the area that I have commanded during this period of time.

[14] GAO-01-11.

I am going to make a few short remarks, and then I am going to show you some slides which will depict what we have been about which I think can make the point.

The mission of the Overseas Building Operations obviously was reshaped by the 1998 bombings of our embassies at Dar es Salaam in Tanzania and Nairobi, as you clearly have pointed out. This was reinforced, Mr. Chairman, by the events of 9/11, and all of this together has caused us to rethink about the whole notion of accelerating the construction of new facilities that can satisfy the Department's stringent security standards and provide our diplomatic personnel safe, secure, and functional office and residential environments.

As you know, the Congress and the executive branch have identified the Overseas Building Operations in the Department as the State's single property manager for diplomatic, consular, and other related civilian support properties of the U.S. Government overseas. I want to take this occasion again to thank the committee and the Congress for their recent efforts to reinforce the Overseas Building Operations' role as the single real property manager, because I believe this is the right approach. The GAO recommended this management arrangement, and it was good to see the Congress support this as well.

The combination of administrative reforms and planning, design and construction of new embassy compounds and the implementation of a cost-sharing program will go a long way toward implementing the recommendations of the Overseas Presence Advisory Panel and the GAO for long term planning and construction of new facilities, and operations and maintenance of existing facilities.

I hope through this testimony that it will be clearly demonstrated that the efforts that we are making to bring rational and efficient management to the overseas building operation will be clearly shown. We take our new results based management approach very seriously, and we are committed to achieving the goals of ensuring that every government employee overseas has a secure, safe, and a functional facility in which to conduct our foreign policy.

At this point, I would like to take you through a series of charts [2] which will depict our program to date.

Starting first of all with how it all started, I joined Secretary Powell during the transition, and it is from his vision that we started on this journey of totally revamping the way State would manage its properties overseas. The Secretary has given me total support, and it is a pleasure to have that in place in order to do this difficult job.

Security, Mr. Chairman, is paramount. That is the bottom line, quite frankly. Starting in 1998 and to some degree in 1999 after our activity in Europe, we have seen that our diplomatic facilities have been threatened. Studies and reports through the years have also pointed out that our buildings are unsafe, many are neglected and overcrowded, the image of our presence is negative in some locations, and records and reports have also pointed out that the

[2] The charts referred to are reproduced in General Williams' prepared statement which begins on page 31.

funding has been too low. Construction targets, yes, have not been met throughout the years.

What we have on our plate today. At the 260 locations, we have diplomatic missions. We have 22 new embassy compounds under construction today for about $1.5 billion. We have 9 new embassy compounds planned for construction in 2003 and we will be awarding them later this year. There are also many rehabs and other improvements.

The capital security program, as has been pointed out by Mr. Ford, is pegged now at 160 new embassy and consulate compounds for a total estimate of about $16 billion. We think, with the plan we have in place, we can complete this work in about 12 years if we are able to have available about $1.4 billion a year going forward.

What guides all of this process is our newly created long range overseas building plan. This is a plan which offers us a "road map" which shows all of the construction and rehabilitation, including the State Department and all of the tenants' staffing that would be associated with business overseas, Our own includes USAID, as well. This plan is updated annually. It covers a 6-year period, including the execution year.

The new embassy compounds—I keep emphasizing compounds because we are not just building a diplomatic building, but rather we are building a compound, on a green, 10-acre site. Enclosed in this 10 acres is a 9-foot anti-climb wall which disallows any vehicular penetration, and then a series of facilities and structures inside of that compound.

Some of the projects that we have completed are depicted next. Doha in Qatar, which is in a very, obviously, sensitive location as we speak. This embassy has been completed during the past 2 years. In Lima, Peru, the next slide shows a very large annex that was complete as well.

Tunis in Tunisia, we just opened this new facility just before Christmas, and Dar es Salaam, which we are very proud of, 3 weeks ago we opened the new embassy in Tanzania. And Mr. Chairman, I would like to pause here to pick up a point that you made in your statement to us, and that is we should be very sensitive about not building bunkers, and I am happy to report to you that this facility picks up the local facade and the surroundings of Tanzania and Dar es Salaam, and the natives are very appreciative to that.

This next building on the same campus, is a USAID building in Dar es Salaam, and just up the coast 200 or so kilometers is Nairobi, which opened 1 day after Dar es Salaam, and it was a wonderful ceremony with almost 1,000 people at each location.

Moving to Europe and Zagreb, Croatia, we are about 6 weeks away from opening this new facility in Croatia. In Istanbul, Turkey, another very key location, this is a very large consulate. As you see once again the facade of these buildings picking up the local treatment and once again demonstrating that they are not bunkers.

In the Emirates, in Abu Dhabi, this shows another new complex about 50 percent complete. In Abidjan, Cote d'Ivoire, also a similar arrangement. Sofia, Bulgaria, one of our younger countries, we are

about 25 percent along the way with that facility. Sao Paulo, Brazil is another new location that we are completing a new consulate. In Yerevan, Armenia, also we have started work there as well, and Luanda, Angola, a very difficult place to work and a very small site, but we were able to launch that one as well. Abuja, Nigeria is the other location.

And finally, Kabul, in Afghanistan. On 14 acres, the original embassy grounds, we are reconstructing the total embassy complex with our own new utility system so that we will never have the difficulty when, that we encountered in Kabul during this recent activity. On this compound we will have houses, we will have quarters for our marines, and it will be a fully secure compound. We are under construction there as well.

This next slide, Mr. Chairman, shows our performance, because Mr. Ford had made reference to that. We were entrusted with $1.5, close to $1.7 billion last year. We obligated all of that. You can see how these funds were distributed around.

A couple of points to make on this next slide are that the performance during this past year was about an 84 percent increase over any previous year, and it is important to point out that through this program we were able to generate savings. We generated some $63 million of savings through better costing tighter budget, shorter duration, so out of the funds that were provided we were able to generate enough funds to build another small embassy.

In terms of workload, in March of 2001, OBO was managing about $.7 billion of work, and that has increased now to $3.5 billion. In fiscal year 2002, the last previous year, we awarded 13 new compounds. They are listed on this chart. This year, in fiscal year 2003, we will be launching the construction on this list, which is 9 new compounds plus one left over, Dili, East Timor left over from last year.

Beijing is in the mix for this year as well. This obviously will be the largest diplomatic facility that State has ever undertaken. This picture shows a rendering of how that will come out. We would expect to break ground there sometime in early fall.

This next one shows the facilities that are planned for fiscal year 2004. As you can see, there are three USAID buildings as well that are programmed for fiscal year 2004.

Berlin is also in the mix in fiscal year 2004. We are hoping to break ground, after many, many years of trying to reconstruct an embassy back at the same location where it all began, quite frankly. It has a lot of political significance, as you know, and this is where the Wall was located which divided that city.

The CHAIRMAN. General, we have been discussing this for many, many years at the Department.

General WILLIAMS. That is correct.

The CHAIRMAN. Now, is this back 100 feet? [Indicating to slide.]

General WILLIAMS. It is not back 100 feet at every side, Senator Lugar, but we have worked through all of the waivers in order to make it work for us. What is important is that we have worked out these arrangements with the neighbors to allow us to do certain activities in terms of checking vehicles and the like, and all of those agreements have been sorted out.

The CHAIRMAN. We are still on the same plot near the Brandenburg Gate?

General WILLIAMS. Same plot. That is correct, so now we have the "rights of passage" out of the way so we can move forward, and we are really pleased with that.

The CHAIRMAN. Good. Yes.

General WILLIAMS. This next chart shows some of the security compound upgrades. These are at the locations that are not new facilities. This happens to be in Djibouti, which is a very significant location.

This next one shows another, what I call a, sort of a remote post out in Angola, and another one in South America. Our organization is operating from a results-based mentality, and with this we are responsible to have in place performance measures that work and at the same time an industry advisory panel that advises us.

On this list, I will just illuminate a couple of these because some have been already mentioned. These are best practices. What we are most proud of is the industry advisory panel and an interagency facilities council, and obviously our relationship with the GAO and the inspector generals, we try to work in partnership to see the same issue and work toward a solution.

This slide shows the industry advisory panel that we established 1½ years ago. It meets every quarter and advises me and my senior staff on industry best practices. There are nine members, who are very seasoned in their business, who come in on their own nickel and help us, and in fact they promote this program and our practices as much as we do.

Our management responsibilities are as depicted here, but this next slide shows Kampala, Uganda, and the Secretary visited this area right after this new facility opened about 18 months ago and asked me, why could we not use this concept and come up with a standard design. So we took this small embassy—this happened to be just one wing of it—in Uganda and developed a standard design.

What that means is that we now have on the shelf a small, medium, and large template for a very quick embassy construction, and this allows us now to move much faster and cut years off the schedule that we had once had in place. It is an excellent concept for getting after embassies in those small countries that are emerging.

Next slide.

This shows the performance and accountability. Mr. Ford made reference to that, the monthly reviews and the like, and finally moving to the new initiative, which is cost-sharing. Cost-sharing is an initiative that we feel will go hand in hand to everything else that we are trying to do here. This is where the tenants who occupy our platform will pay a pro rata share per capita, starting in 2004, and help us get these facilities done on an expedited scale.

Finally, on the last slide I would just like to—I know this is very difficult to read, but this is the Director of the USAID building in Dar es Salaam. This was his quote about what he felt about the new facilities that we were trying to put in place.

[The prepared statement of General Williams follows:]

PREPARED STATEMENT OF GENERAL CHARLES E. WILLIAMS, DIRECTOR AND CHIEF OPERATING OFFICER, OVERSEAS BUILDINGS OPERATIONS BUREAU, DEPARTMENT OF STATE

Thank you, Mr. Chairman and Members of the Committee, for this opportunity to discuss the efforts of the Department of State and the Overseas Buildings Operations Bureau (OBO) to provide secure diplomatic and consular facilities for U.S. Government personnel overseas.

OBO's mission, reshaped by the 1998 bombings of the U.S. Embassies in Dar Es Salaam and Nairobi, and reinforced by the events of 9/11, is to accelerate the construction of new facilities that can satisfy the Department's stringent security standards and provide our diplomatic personnel safe, secure, and functional office and residential environments.

As you know, Congress and the Executive Branch have identified OBO in the Department of State as the single property manager for diplomatic, consular, and other related civilian support properties of the United States Government overseas.[1] I want to take this occasion to thank the Committee and the Congress for their recent efforts to reinforce OBO's role as the single real property manager, as recommended by the GAO, both in the Foreign Relations Authorization Act in the 107th Congress and in the Omnibus Appropriations Act in the 108th Congress.[2] Managing the U.S. Government's overseas properties is a delicate and complex set of responsibilities, involving properties with a value of approximately $12 billion, and the centralization of this function in the Department of State allows for professional, business-like management of these assets.

When I joined Secretary Powell's transition team in December of 2000 to evaluate the Department's overseas facilities status and program, I reviewed the Inman Report, the Crowe Report, the Overseas Presence Advisory Panel (OPAP) Report, and various GAO reports on the challenges facing our government in providing secure, safe, functional facilities from which to conduct our foreign policy mission. The OPAP Report stated flatly that "The condition of U.S. posts and missions abroad is unacceptable. . . . [I]nsecure and often decrepit facilities . . . threaten to cripple our nation's overseas capability." And GAO reported in January 2001 that "The need to adequately protect employees and their families from threatened terrorist attacks overseas may very well be the single most important management issue facing the State Department."

Our Government currently employs almost 60,000 people, representing over 30 agencies at 260 overseas posts. The Diplomatic Security Bureau of the Department has concluded that at least 160 of those posts do not meet current security standards and should be replaced with new embassy compounds. Yet our Government was building new embassies at the rate of about one a year—a "business as usual" approach that could never catch up to the needs identified by OPAP and GAO. Inadequate funding was defended in part on the ground that the Department did not have the capacity to build more rapidly even if it were given the funds.

Secretary Powell persuaded me to take on the task of reshaping the Department's overseas buildings operations so it could handle the task that needed to be done. With strong support and encouragement from Secretary Powell, I instituted significant organizational and management reforms in the structure and operations of what is now OBO. Over the last two years, we have already seen significant successes in cutting costs, putting in place standard designs and an integrated design review process, and reducing the construction period for new embassies through a "fast track" process. Congress has rewarded OBO with increased support and flexibility to carry out our mission, for which we are very thankful. In Fiscal Year 2002 we demonstrated the capacity to manage $1.8 billion. The capacity-building task is not completed, and I am determined to continue working to improve our operations.

Let me briefly address the reforms I have instituted with respect to managing the process of constructing secure new diplomatic facilities and improving security at ex-

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[1] GAO Report, entitled *Current Law Limits the State Department's Authority to Manage Certain Overseas Properties Cost Effectively,* July 11, 2002, lays out the origins of this arrangement, from Congressional Report language, to OMB direction, to Department guidance documents. See page 2 of the Report.

[2] Section 213 of the Foreign Relations Authorization Act, 2003, Pub. L. 107-228, reversed section 738 of the USDA Appropriations Act, which conflicted with the Department of State's role as the single real property manager. GAO Report GAO-02-790R included in its recommendations, "Congress may wish to consider repealing section 738." Similarly, section 215 of the Omnibus Appropriations Act, Pub. L. 108-7, modified an earlier appropriations act (Section 220, Pub. L. 106-554 App. A) that gave the Centers for Disease Control independent authority to lease real property overseas, restoring that authority to the Secretary of State.

isting facilities, so the Committee can see why I believe OBO is now capable of handling the tasks that need to be done.

RESTRUCTURING OBO

My first order of business as Director and Chief Operating Officer of OBO was to take advantage of its elevation to Bureau status as the occasion for a comprehensive reorganization. The new organizational structure reflects the life cycle of our properties: Planning and Development, Project Execution, Operations and Maintenance, and Real Estate and Property Management.

Equally as fundamental as the new organization chart is a new organizational philosophy: every employee at OBO must be accountable, just as the organization as a whole must be held accountable for performance, and both senior management and staff must focus on results, not just business as usual.

I have also put in place performance measures and a number of specific management tools that improve OBO's ability to accomplish its mission:

- We set up a systematic process to gather the most accurate information possible about long-term staffing plans not only of the Department of State, but also of other agencies and departments, including Treasury, Justice, and Defense, who occupy many of the Department's facilities.
- We prepared and published a Long-Range Overseas Buildings Plan to establish construction priorities among posts, based on a weighing of security risks and practical capability to execute projects. The LROBP sets out in detail how the Department will address its many competing facilities requirements over the next six years, and it is the linchpin to State's Overseas Buildings Operations. The first Plan, prepared in July 2001 and released to Congress in April 2002, encompasses 72 security capital projects estimated at more than $6.2 billion, 9 other regular capital projects totaling $1.6 billion, 70 major rehabilitation projects estimated at $436 million, general maintenance and repair needs of over $500 million, and real estate acquisitions and disposals. The first annual revision and update is in the process of being finalized.
- We established an Industry Advisory Panel to take advantage of industry expertise.
- We chartered an Interagency Facilities Committee, which met for the first time in July, 2002 and will meet quarterly, to provide a forum for all agencies that occupy Department facilities overseas to discuss their needs and concerns.
- We have adopted a holistic, business-case approach to evaluating real property acquisition, lease-purchase, management, and disposal decisions.
- We use Standard Embassy Designs for the first time in the Department's history, and modular construction where appropriate, both of which can improve quality, reduce costs, and shorten design and construction duration.
- We conduct Integrated Design Reviews and interagency coordination to ensure that our designs will meet applicable health, safety, security, and functional standards and serve the needs of all of the agencies that will be using the facilities.
- We have put in place the first completely secure system for handling sensitive documents with designers and contractors.
- I personally conduct monthly accountability and performance reviews of every OBO Division and project.

In pursuing these reforms, OBO has worked to develop a progressively closer relationship with the Bureau of Diplomatic Security. This effort extends across the board, from careful coordination of the security requirements in planning New Embassy Compounds, major rehabilitations, and perimeter and compound security projects, to integrated scheduling of post-construction security certifications that allow the Department to make use of completed structures without delay. I am pleased to say that Ambassador Taylor has continued the policy of active cooperation between our Bureaus that has made our projects move smoothly to successful conclusions. He and his staff have made concerted efforts to understand and accommodate the needs of the planners and construction managers in OBO, and I am happy to take this opportunity to thank them publicly for that vital cooperation. I am also pleased to report that OBO has developed an outstanding relationship and working arrangements with the intelligence community.

These changes have produced results. OBO's increased capacity has gone hand-in-hand with a dramatic increase in funding requested by the Administration and appropriated by Congress. As a result, OBO is currently planning and executing

new facilities on a larger scale than the Department has ever managed before. As of today, OBO has 22 New Embassy Compound (NEC) projects underway, involving $1.5 billion, and we intend to obligate funds for another 9 NEC projects involving $883 million in Fiscal Year 2003.

Over the course of 2003, OBO expects to break ground for New Embassy Compounds in Abuja, Nigeria; Beijing, China; Cape Town, South Africa; Conakry, Guinea; Dushanbe, Tajikistan; Kabul, Afghanistan; Phnom Penh, Cambodia; Tashkent, Uzbekistan; Thilisi, Georgia; and Yaounde, Cameroon.

I am even more pleased to say that we will be cutting ribbons to open New Embassy/Consulate Compounds in Istanbul, Turkey, and Zagreb, Croatia. Earlier this month Under Secretary Grant Green and I had the pleasure of presiding over the dedication of our New Embassy Compounds in Nairobi, Kenya and Dar Es Salaam, Tanzania, replacing the embassies that were destroyed in 1998.

I want to assure you that all of these new facilities are secure, safe, functional, and aesthetically appropriate to their surroundings. They will provide excellent diplomatic platforms for the execution of U.S. foreign policy for decades to come.

In addition, we have 68 major rehabilitation projects underway and expect to initiate another 42 such projects with Fiscal Year 2003 funds, for a total of $576 million in rehabilitation and security upgrade projects in process. OBO now has the capacity to manage $1.8 billion in NEC projects on an annual basis.

Over the last two years the Department has developed a major new initiative: a Capital Security Cost-Sharing Program that will dramatically accelerate our embassy construction program and encourage agencies to right-size their overseas presence. This Program implements the OPAP Report recommendation for a new financing mechanism for embassy construction and supports the President's Management Agenda item on rightsizing. The initiation of this Program was announced in the President's Budget for Fiscal Year 2004, with actual allocations to other agencies to commence in FY2005.

As designed by the Department, the Capital Security Cost-Sharing Program will ensure that all agencies and departments share in the cost of new, secure diplomatic and consular facilities. When fully implemented, it will allocate funding on the basis of each agency's overseas presence in classified and unclassified space. We will seek a Program at the Washington level that will result in minimal administrative burden and controversy over agency shares. This structure for the program will reflect the advice we received from the Office of Management and Budget and from the Department's Industry Advisory Panel, which both thoroughly examined various structures and alternatives.

In addition to funding the urgent needs for secure facilities, this capital costsharing arrangement will encourage each agency to right-size its staffing, by reflecting more closely the true cost of stationing employees overseas. The overall effect on agency budgets could add about 10%-15% to what agencies now report as their total cost of stationing an American U.S. Government employee overseas.

The combination of administrative reforms in the planning, design, and construction of new embassy compounds and the implementation the cost-sharing program will go a long way toward implementing recommendations of OPAP and GAO for long term planning and construction of new facilities and for proper operation and maintenance of existing facilities.

I hope this testimony demonstrates the efforts we are making to bring rational and efficient management to OBO and the Department of State. We take our new results-based management philosophy very seriously, and we are committed to achieving the goal of ensuring that every U. S. Government employee overseas has secure, safe, and functional facilities in which to conduct the foreign policy of the United States.

Thank you for your interest and attention. I will be happy to address any questions you may have.

Senate Foreign Relations Committee
Overseas Buildings Operations
Charles E. Williams
Director/Chief Operating Officer
March 20, 2003

# *The Challenge*

*On April 26, 2001, in a statement delivered to the House Subcommittee on Commerce, Justice, State, and Related Agencies Appropriations, Secretary Colin Powell indicated that the highest priority facing the Overseas Buildings Office is:*

"…to get construction projects completed on time, under cost and in the most efficient way possible."

*And to ensure that these construction projects result in:*

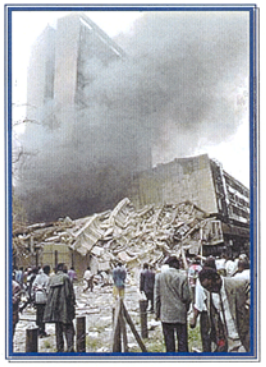
"…well-built, secure and modern embassies…"

# *Security is Paramount*

Beijing 1999

"The need to adequately protect employees and their families from threatened terrorist attacks overseas may very well be the single most important management issue currently facing the State Department."

U. S. GAO, January 2001



Nairobi 1998

Dar es Salaam 1998

Skopje 1999

# *Studies & Reports Prior to 2001 (General Conclusions)*

- Many of the facilities are **unsafe, neglected, and overcrowded.**
- U.S. overseas image is **negative** in some locations.
- Facilities funding level has been **too low**.
- Construction targets and timelines have **not been met**.
- The DOS "**Core Business**" is not overseas property and facilities management.

# *What Is on Our Plate Today*

- 260 Diplomatic Missions in 186 countries
- 22 NEC projects under construction ($1,537M)
- 9 NEC projects planned for FY03 execution ($883M)
- 68 rehab projects underway ($514M)
- 42 rehab projects planned for FY03 execution ($62M)
- 81 NEC projects in planning ($6.4B)

# *Capital Security Construction Program*

The Construction Program:

- 160 new embassy and consular compounds
- total capital cost of $16 billion
- funded over 12 years
- annual cost of $1.4 billion

# *Long-Range Overseas Buildings Plan*

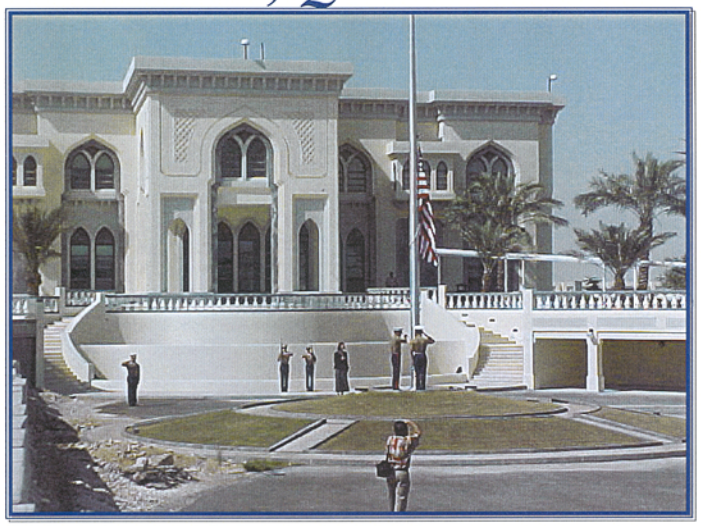
- The Plan is based on Diplomatic Security's Priority List of Diplomatic Facilities for Replacement, required by P.L. 106-113.
- The top 80 on the Priority List, grouped in bands of 20, are eligible for Capital Security funds for New Embassy Compound (NEC) construction.
- Plan priorities is preceded by extensive consultation with the Department's Regional Bureaus and other agencies with significant overseas presence. It is updated annually.
- The Plan is not a budget document, but it is intended as a realistic projection of the level of construction the Department hopes to maintain in future years - not "pie in the sky."

# *New Embassy Compound (NEC)*

## *(Standard Structures)*

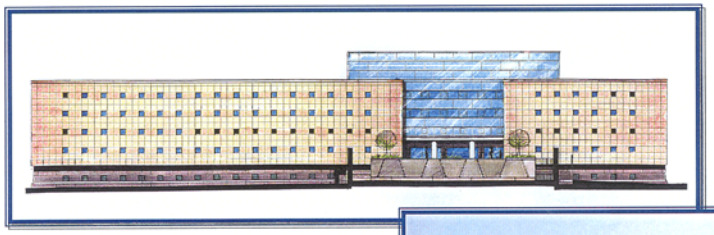
- Main Office Building (Chancery)
- General Services Support Building(s)
- Marine Security Guard Quarters
- Utility Systems & Parking Facility
- Perimeter Security System
  - Compound Access Control System
  - Personnel Access Control System
  - Nine foot Anti-climb/RAM Wall with Lights
  - Surveillance Equipment

# *Completed Project (2002)*
# *Doha, Qatar NAB*



New Embassy Flag-Raising Ceremony October 20, 2001
Dedication - April, 2002

# *Lima, Peru USAID (Annex)*



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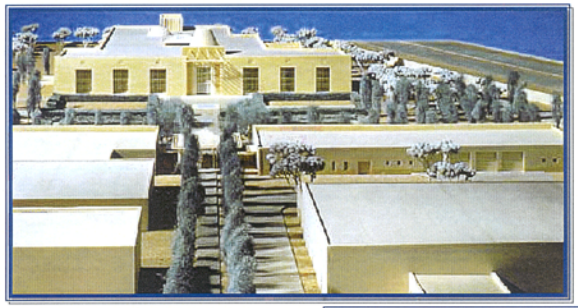
March 20, 2003

# *Tunis, Tunisia NEC*



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# *Dar es Salaam, Tanzania (USAID Building)*

100% Complete

March 20, 2003

# *São Paulo, Brazil NAB*

20 % Complete

March 20, 2003

# *Kabul, Afghanistan NEC*

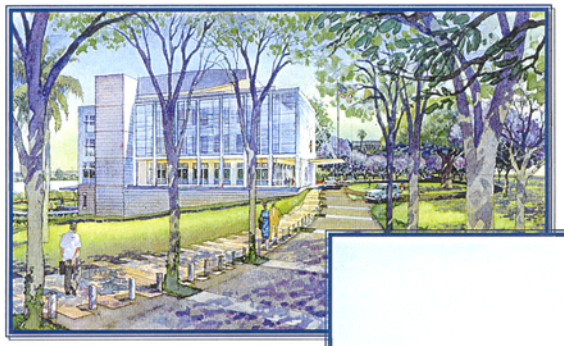
Phase 1 Complete
Phase 2 In Process

# *Dar es Salaam, Tanzania (USAID Building)*

100% Complete

March 20, 2003

# *Nairobi, Kenya NEC*



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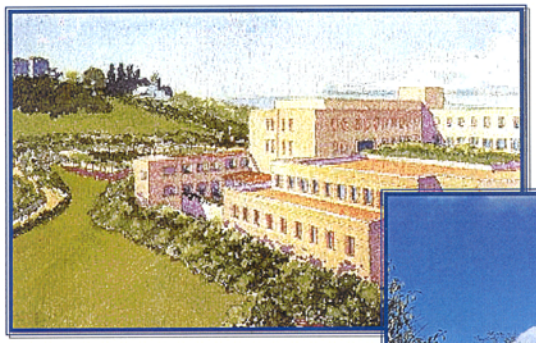
March 20, 2003

# *Zagreb, Croatia NEC*

99% Complete

# *Istanbul, Turkey NEC*



91% Complete

March 20, 2003

# *Abu Dhabi, United Arab Emirates NEC*

42% Complete

March 20, 2003

# *Sofia, Bulgaria NEC*

21% Complete

March 20, 2003

# *FY 02 Obligations/Performance (dollars in millions)*

- FY 02 performance represents the highest level of obligations in OBO history, an 84% increase over our previous high set in FY 01.
- Estimated savings in FY 02 NEC awards is $63 million, or 13% of the new construction program.
- Our participating contractor pool for the NECs increased from five in FY 01 to 14 today.
- OBO has $3.5 billion of work under management today vs. $0.7 billion at the beginning of FY 01.
- OBO's new starts management capacity per annum today is $1.8 billion.
- We saved enough money through our management best practices in FY 02 to build another new embassy.

# *FY 02 Obligations/Performance*

## *(dollars in millions)*

| Type | Number | Value |
|---|---|---|
| New Embassy Compounds | 13 | $699.1 |
| New Embassy Annexes | 3 | 7.2 |
| Site Acquisitions | 6 | 48.3 |
| New Housing Compounds | 1 | 40.2 |
| Marine Security Guard Quarters | 4 | 14.9 |
| Marine Security Guard Detatchments | 10 | 22.9 |
| Perimeter/Compound Security Upgrades | | 152.6 |
| Major Rehabilitation | 62 | 45 |
| Maintenace & Repair Projects | | 58.6 |
| Total Project Obligations | | 1,088.8 |
| Misc. Obligations (Operations) | | 686.8 |
| **Grand Total FY 2002 Obligations** | | **$1,775.6** |

# *OBO's Management Workload*

| March 1, 2001 | January 1, 2003 |
|---|---|
| $0.7B | $3.5B |

$\Delta$ = $2.8B

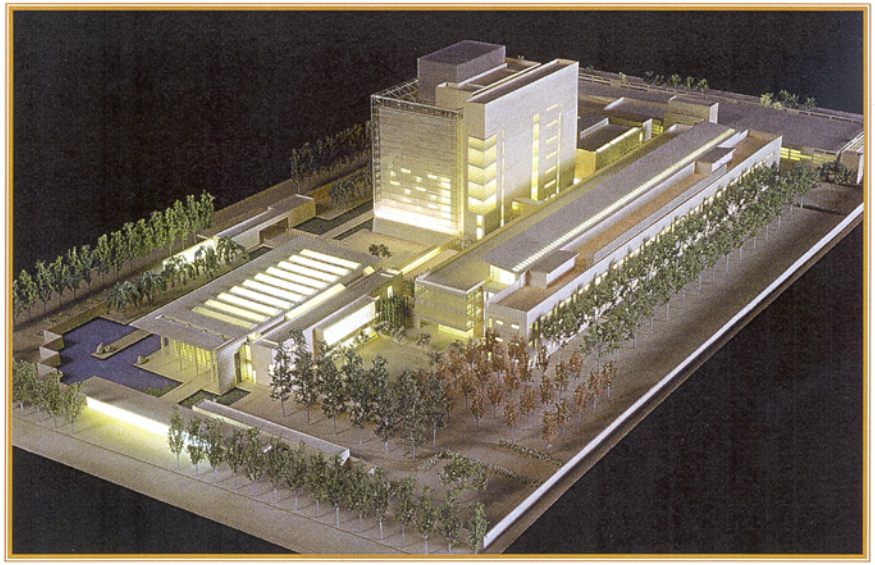
# *NEC Awards in FY 02*

- Abidjan, Cote d'Ivoire
- Abuja, Nigeria
- Cape Town, South Africa
- Conakry, Guinea
- Dushanbe, Tajikistan
- Frankfurt, Germany NAB
- Jerusalem consular annex
- Kabul, Afghanistan
- Phnom Penh, Cambodia
- Sao Paulo, Brazil
- Tashkent, Uzbekistan
- Tbilisi, Georgia
- Yaounde, Cameroon

# *NEC Awards Planned for FY 03*

- Astana, Kazakhstan
- Athens, Greece - Annex
- Bamako, Mali
- Beijing, China
- Bridgetown, Barbados
- Dili, East Timor (FY02 funds)
- Freetown, Sierra Leone
- Kingston, Jamaica
- Moscow - Annex (Design Only)
- Tirana, Albania - Annex

# *New Embassy Compound*
# *Beijing, China*

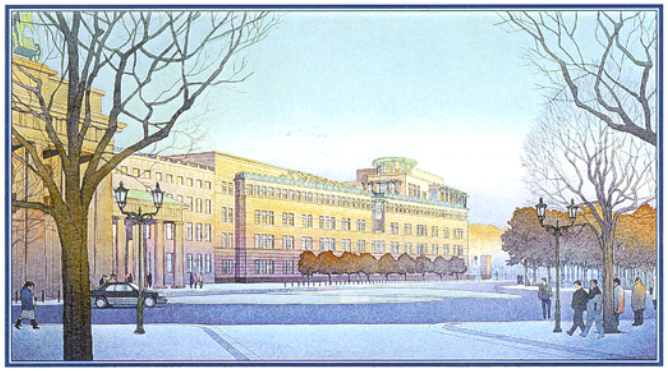


March 20, 2003

# *NEC Awards Planned for FY 04*

- Accra, Ghana
- Algiers, Algeria
- Belgrade, Yugoslavia
- Berlin, Germany
- Lome, Togo
- Panama City, Panama
- Rangoon, Burma
- Surabaya, Indonesia

- Abuja, Nigeria - USAID
- Accra, Ghana - USAID
- Kingston, Jamaica - USAID



# *Berlin*

- Security Agreements signed with neighbors in Pariser Platz
- Design contract to be completed in FY 03
- Groundbreaking late 2003
- Regular Capital ($128.25M) and Asset Management ($53.8M) funds

# *Security Upgrade Projects*

# *Compound Security*

Vehicle Access Control - Djibouti

Perimeter Access Control - Djibouti

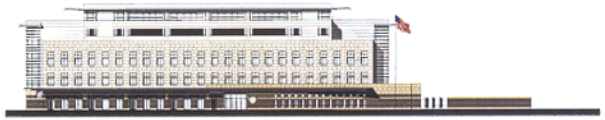
# *FE/BR Projects*

Curaçao - CAC

Ulaanbaatar - Main Entrance Attack Side

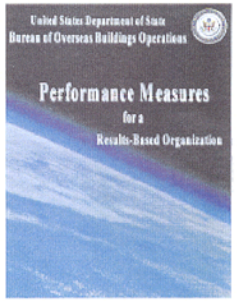
Ulaanbaatar - Storefront Secure Side Pre-demo

INDUSTRY ADVISORY PANEL



# A Results-Based Organization

## (Performance & Accountability)



# *OBO's Best Practices (In Place)*

- Industry Advisory Panel
- Interagency Facilities Council
- Real Property Advisory Board
- Cost estimation evaluation (Benchmark & Validation)
- Value Engineering (Planning & Execution)
- Standard Embassy Designs
- Integrated Design Reviews
- Design-Build delivery method
- Formal training programs (i.e., COR, etc.)
- Operational reviews and system analyses
- Facilities Maintenance fully integrated in plans
- GAO & OIG partnership
- Monthly Project Performance Reviews

# *Industry Advisory Panel*

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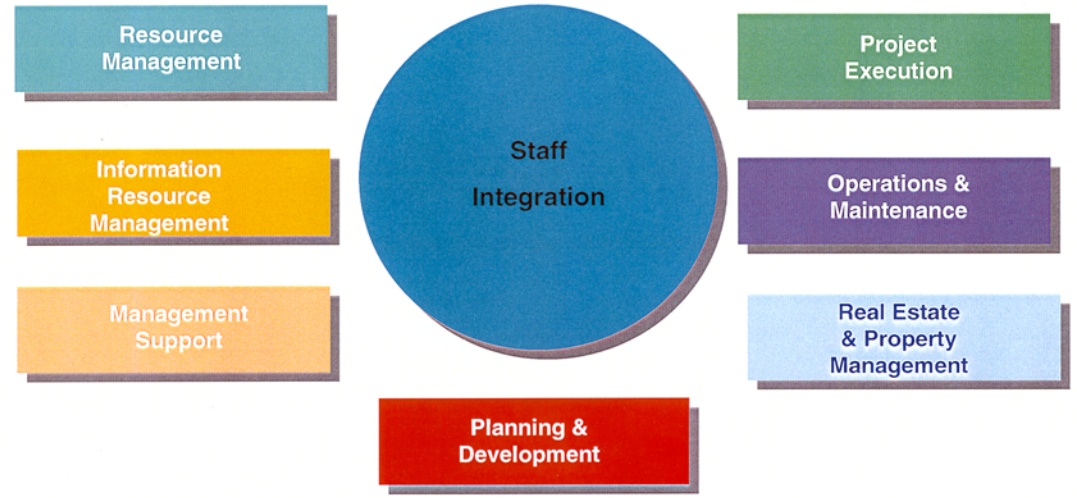
# *Management Responsibilities*

## *The "Sandboxes"*



# *Kampala, Uganda NEC*

## *(Baseline for Standard Design)*

# *Design/Construction Planning & Development Parameters**

## Small (NEC)

NEC General Construction Cost: ~ less than $47 M*
Chancery/Consulate General Size: ~ 4,300 gsm
General Planning Duration: ~ 6 months
General Design/Build Acquisition Duration: ~ 6 months
General Design and Construction Duration: ~ 15 months
General Commissioning Duration: ~ 2 months
General Total Project Duration: ~ 29 months

## Medium (NEC)

NEC General Construction Cost: ~ less than $68 M*
Chancery/Consulate General Size: ~ 4,300-7,400 gsm
General Planning Duration: ~ 6 months
General Design/Build Acquisition Duration: ~ 6 months
General Design and Construction Duration: ~ 24 months
General Commissioning Duration: ~ 2 months
General Total Project Duration: ~ 38 months

## Large (NEC)

NEC General Construction Cost: ~ $88 M*
Chancery/Consulate General Size: ~ greater than 7,400 gsm
General Planning Duration: ~ 6 months
General Design/Build Acquisition Duration: ~ 6 months
General Design and Construction Duration: ~ 28 months
General Commissioning Duration: ~ 2 months
General Total Project Duration: ~ 42 months

**Excluding VAT, land cost, and USAID standalone building costs; shown in 2003 dollars.*

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## *OBO's Performance and Accountability Tools*

- Monthly Project Performance Reviews
- Internal Reviews and Analysis of Process and Procedures
- Integrated Design Reviews
- Clearly published Performance Measures

# *New Initiatives*

## *Cost Sharing in the President's FY 04 Budget*

- Cost sharing begins in FY 04, to be phased in over five years.
- FY 04 funding for State's Capital Security program is $761 million, of which $120 million is identified as the first year of the Cost Sharing Program. Other agencies will begin budgeting their contributions in FY 05.

## *Benefits of the Cost Sharing Program*

- Funds an accelerated Capital Security Construction Program -- 12 years, not 26
- Shows Congress, agencies, and the public the capital cost of stationing personnel overseas
- Causes all agencies to
  - help fund overseas facilities
  - consider the capital cost of stationing personnel overseas
- Encourages agencies to rightsize overseas staffing

## *The State Department's Cost Sharing Allocation Concept*

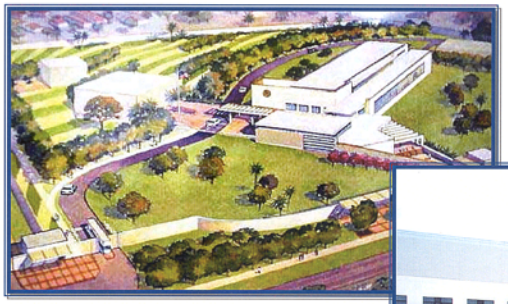
- A uniform annual per capita charge for every position overseas to generate $1.4 billion per year
  - ~ $22,000 for each unclassified position
  - ~ $33,000 for each classified operations position
- Every authorized position pays. Cost-sharing charges will phase in over five years.
- By the end of the program, everyone will have secure, safe, functional work facilities.

## *Summary*

The Capital Security Cost Sharing Program will

- accelerate the provision of secure, safe, functional overseas facilities from 26 years to 12 years
- show Congress, agencies, and the public the capital cost of stationing personnel overseas
- allocate capital costs to each agency for its overseas positions, giving them a proper incentive to rightsize
- sunset after construction of 160 new embassy compounds (about 12 years)

# *Dar es Salaam, Tanzania NEC*



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# *Abidjan, Côte d'Ivoire NEC*

24 % Complete

March 20, 2003

# *Abuja, Nigeria NEC*

7 % Complete

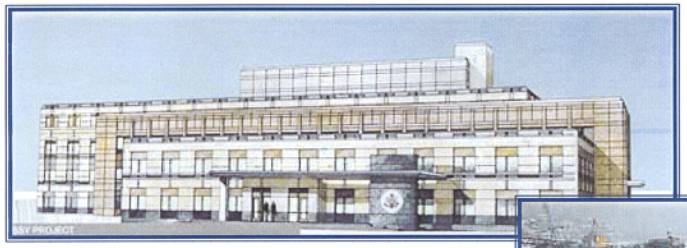
March 20, 2003

# *Luanda, Angola NEC*

16% Complete

March 20, 2003

# *Yerevan, Armenia NEC*



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March 20, 2003

The CHAIRMAN. Thank you very much, General Williams.

Ambassador Taylor.

**STATEMENT OF HON. FRANCIS X. TAYLOR, ASSISTANT SECRETARY OF STATE FOR DIPLOMATIC SECURITY, DEPARTMENT OF STATE, WASHINGTON, DC**

Ambassador TAYLOR. Thank you, Mr. Chairman, members of the committee. I am honored to have the opportunity to appear before you today to talk about security of our embassies and consulates abroad.

Congress has indeed played a major role in assisting our Department in improving our ability to provide secure facilities and the security of our embassies abroad. As a result of the 1998 embassy bombings in Nairobi and Dar es Salaam, Congress passed new legislation now referred to as the Secure Embassy Counterterrorism and Construction Act, mandating the standards set forth in Mr. Ford's presentation. The Department has faithfully complied with the certification requirements outlined in that legislation, and I can state unequivocally that this has resulted in construction of safer, more secure facilities for our diplomats overseas.

Congress also provided generous and most necessary funding in the form of an emergency security appropriation in the aftermath of the 1998 embassy bombings. This funding allowed us to install shatter-resistant window film, duck and cover alert systems, and closed circuit TV recording systems worldwide. We upgraded our technical security systems' power and wiring which allowed us to improve our perimeter security at our most threatened posts, with better walls, public access control, screening booths, and additional anti-ram protection. And it provided us the means to purchase explosive detectors and x-ray equipment for virtually every post in the world.

Improvements made to the U.S. Consulate in Karachi, as Mr. Ford mentioned, with this funding, undoubtedly saved many lives when a suicide car bomber struck in June 2002.

Mr. Chairman, I am not here on this occasion to provide a discourse solely on the actions we have taken jointly in the past. You have asked the GAO and Mr. Ford to report on the state of our facilities. I think their presentation has fairly and accurately stated the depth of our requirements in order to meet the Department's diplomatic goals in a relatively safe and secure environment.

You have also heard from my colleague, General Williams, on his restructuring of the Bureau of Overseas Building Operations to meet these requirements. He has outlined his goals, execution strategies, and budget requests. I think the success of his efforts are quite self-evident. His efforts, and more importantly his results, have built a new level of credibility with Congress and convinced skeptics that the Department can adapt to new methods of management and utilize some of the best practices from industry. I support his efforts, and my offices within Diplomatic Security will continue to work very closely with OBO to ensure that his efforts continue in a safe and secure manner.

The Bureau of Diplomatic Security [DS] is not standing still, either. A highly focused development effort in our Physical Security Office has successfully delivered new products and methods that

will allow OBO to better mitigate our vulnerabilities. The Department of State's proprietary standards for forced entry and bullet-resistant doors and windows, once the only standards in industry and government concerned with this type of security, have been supplemented by the adoption of industry standards promulgated by Underwriters Laboratory and the American Society of Testing and Manufacturing.

We have developed and commercialized a totally new, lightweight, laminated glass window that will lower cost and simplify installation. This material is now commercially available. We have pioneered new developments in anti-ram vehicle protection and provided new products more acceptable to foreign governments and architects. We have done this in partnership with other government agencies to leverage our work and provide better answers across our spectrum of needs.

DS special agents serving in regional security offices anchor our overseas security efforts and provide a first line of defense for U.S. diplomatic personnel, their families, U.S. diplomatic missions, and national security information. We have more than 420 DS security officers in 157 countries advising chiefs of mission on security matters and developing and implementing the programs that shield each U.S. mission and residence from physical and technical attack.

A little known fact is that the DS also provides security professionals at OBO construction projects overseas for the entire duration of construction. These individuals, known as site security managers, are DS special agents there to ensure that the project security requirements are foremost in the important and complex efforts of constructing new facilities. Our level of cooperation with OBO has never been as close as it has been today. The Department's need for safe and modern facilities has never been more apparent. DS and OBO goals have never been as clearly aligned. We need your continued support to build upon the fine efforts that the Department has made in the last 3 years to construct more new embassies and consulates. If General Williams says he can produce even more on an annual basis, then DS will be there supporting his efforts.

While I have only been the Assistant Secretary since November, Mr. Chairman, I think you know I spent 31 years in our Air Force investigations and counterintelligence and more recently as the Coordinator for Counterterrorism, and therefore I have had an opportunity to watch DS in action, and I could not be more proud to have been asked by the President and Secretary to lead this fine organization of talented professionals in performing this very complex mission overseas.

In addition to supporting our overseas construction program, we have a multifaceted partnership with domestic and foreign law enforcement agencies. These relationships ensure better security abroad for Americans and foreign national employees of the Department of State, and help to secure our national borders here at home. They have been built over time to provide a layered and secure environment for the conduct of diplomacy and the promotion of America's interests worldwide, as well as helping us to increase security awareness among all Americans living and working

abroad. I would like to just highlight several of those initiatives that we are involved in.

In calendar year 2002, our agents investigated nearly 5,000 passport and visa fraud cases and made more than 400 arrests. These felonies are often committed in conjunction with more serious crimes by individuals looking to change their identities and conceal their activities and movements. DS has investigated passport and visa fraud cases that have been connected not only to terrorism, but also to drug trafficking, international organized crime, money laundering, pedophilia, and murder. Our investigation helps secure U.S. borders and protects the national security of the United States.

Domestically, DS is actively involved in the homeland security effort. DS's 8 field offices and 15 resident offices coordinate with our Consular Affairs passport agencies to vigorously investigate passport fraud. Our visa fraud branch is working collaboratively with the Department of State Office of the Inspector General: Office of Investigations to examine all allegations of consular malfeasance and employee corruption, and I am proud to report to you, Mr. Chairman, that the difficulties in coordination that once existed between the OIG and DS with regard to sharing investigative information no longer exists. We have an excellent agreement on the exchange of information, and there is more fraud than all of us can do together, so we do not have to fight over who gets what.

We have DS agents represented in 19 of the FBI's 56 Joint Terrorism Task Forces to coordinate the passport and visa aspects of those investigations and, indeed, most terrorism investigations do go overseas and come back to the States. Those relationships that we have with the FBI and our other partners are particularly useful in bringing those culprits to justice.

In addition, DS conducts protective intelligence investigations into threats made against the Secretary of State, our employees, and foreign dignitaries under our protection, and foreign missions that are assigned here in the United States. Since the East Africa bombing, DS has investigated thousands of these threats directed at our missions and personnel around the world.

We protect more dignitaries than any other agency in the U.S. Government. Our special agents guard, as I said, the Secretary of State 24 hours a day, and go everywhere that he goes. We also protect the U.S. Ambassador to the United Nations, and foreign dignitaries who visit the United States, approximately 150 visitors in the last year.

Among those dignitaries who have received DS protection are Foreign Ministers, foreign heads of state, members of the British Royal Family, and representatives of Middle East peace delegations, and the Secretary General of NATO, to mention a few. DS coordinates its protection with State and local police and with other Federal law enforcement agencies in the cities to be visited.

The DS Office of Foreign Missions also assists foreign embassies and their consulates in the United States with security for their missions and personnel, and the convergence of security information with the foreign missions' role of managing or assisting foreign missions here has never been closer. Particularly as threats have

arisen in our own country, foreign missions have looked to us and OFM for assistance in threat data and in protecting their facilities.

Mr. Chairman, as you mentioned, I have the remainder of my statement, but in the interests of time I will stop there and look forward to your questions and those of the committee.

[The prepared statement of Ambassador Taylor follows:]

PREPARED STATEMENT OF AMBASSADOR FRANCIS X. TAYLOR, ASSISTANT SECRETARY OF STATE FOR DIPLOMATIC SECURITY AND THE OFFICE OF FOREIGN MISSIONS, DEPARTMENT OF STATE

Mr. Chairman, Senator Biden, and distinguished members of the committee—I am honored to appear before you today with my esteemed colleague to speak on the issue of security of our Embassies and Consulates abroad, and our efforts with both domestic and foreign law enforcement agencies to ensure the security of Americans abroad and to protect our borders. As Assistant Secretary for Diplomatic Security, I am acutely aware of, and in many ways responsible for, countering the serious threats to Americans and American facilities operating overseas.

Congress has played an important role in the evolution of how the Department of State protects our operations overseas. As a result of attacks against our facilities in the 1980s and the problems associated with the first effort at building the new embassy in Moscow, the Foreign Relations Authorization Act of 1989 and 1990 included a requirement that the Secretary certify to Congress that adequate and appropriate steps are taken to ensure that the Department builds safe and secure facilities.

As a result of the 1998 embassy bombings in Nairobi and Dar-Es-Salam, Congress passed new legislation, now referred to as the "Secure Embassy Counterterrorism and Construction Act", mandating 100 feet of setback and collocation of all Foreign Affairs agencies in newly constructed facilities overseas, unless a specific waiver was granted by the Secretary or myself.

The Department has faithfully complied with the certification requirement, and I can state unequivocally that this has resulted in the construction of safer more secure facilities overseas.

SAFER EMBASSIES

Congress also provided generous, and most necessary, funding in the form of an emergency security appropriation in the aftermath of the 1998 embassy bombings. This funding allowed us to install shatter resistant window film; duck and cover alert systems; and CCTV recording systems worldwide. We upgraded our technical security systems, power, and wiring. It allowed us to improve our perimeter security at our most threatened posts with better walls, public access control screening booths, and additional anti-ram protection. And it provided us the means to purchase explosive detectors and X-Ray equipment for virtually every post in the world. Improvements made to the U.S. Consulate in Karachi with this funding undoubtedly saved many lives when a suicide car bomber struck in 2002.

However, I am not here this on this occasion to provide a discourse solely on actions we have jointly taken in the past. You have asked GAO to report on the state of diplomatic facility conditions. I think their presentation has fairly and accurately stated the depth of our requirements in order to meet the Department's diplomatic goals in a relatively safe and secure environment.

You have heard from General Williams, on his restructuring of the Bureau of Overseas Buildings Operations to meet these requirements. He has outlined his goals, execution strategies, and budget requests. I think the success of his efforts is self-evident. His efforts, and more importantly his results, have built a new level of credibility with Congress, and convinced skeptics that the Department can adapt to new methods of management and utilize some of the best practices from industry. I support his efforts, and my offices within Diplomatic Security will continue to work closely with OBO.

The Bureau of Diplomatic Security is not standing still either. A highly focused development effort in our physical security office has successfully delivered new products and methods that will allow OBO to better mitigate our vulnerabilities. Department of State proprietary standards for forced entry and bullet resistant doors and windows, once the only standards in industry or government concerned with this type of security, have been supplemented by adoption of industry standards promulgated by Underwriters Laboratories and the American Society of Testing and Manufacturing. We have developed and commercialized a totally new light-

weight laminated glass blast window that will lower costs and simplify installations. This material is now commercially available. We have pioneered new developments in anti-ram vehicle protection and provided new products more acceptable to foreign governments and architects. We have done this in partnership with other U.S. government agencies to leverage our work and provide better answers across our spectrum of needs.

DS Special Agents serving in Regional Security Offices anchor our overseas security efforts and provide a first line of defense for U.S. Diplomatic personnel, their families, U.S. Diplomatic Missions, and national security information. More than 420 DS security officers in 157 countries advise chiefs of missions on security matters, and develop and implement the programs that shield each U.S. Mission and residence from physical and technical attack. A little known fact is that DS also provides security professionals at OBO construction projects overseas for the entire duration of the construction. Known as Site Security Managers, these DS agents ensure that project security requirements are foremost in these important and complex efforts.

Our level of cooperation with OBO has never been as close as it is today. The Department's need for safe and modern facilities has never been more apparent. DS and OBO goals have never been as clearly aligned. We need your continued support to build upon the fine efforts the Department has made in the last three years to construct more new embassies and consulates. If General Williams says he can produce even more on an annual basis, then DS will be there supporting his effort.

While I have only been the Assistant Secretary for Diplomatic Security since November, I was the Department's Coordinator for Counterterrorism. Before that, I spent 31 years in the Air Force Office of Special Investigations, serving as its Commander from July 1996 until my retirement in July in 2001. In *all* of these positions, I have had the privilege to work with the men and women of the Bureau of Diplomatic Security and the Office of Foreign Missions. I am awed by the scope of their missions and the dedication and professionalism they demonstrate daily in protecting Americans and American interests worldwide. I was particularly proud, when recently, the Federal Law Enforce Officers Association (FLEOA) recognized 12 of our people with the association's highest honor for courage demonstrated in rescues last March as they evacuated 15 Americans stranded in Ramallah "working literally meters away from Israeli-Palestinian firefights", and again last April when our agents rescued 18 Americans, including six children, along with nationals from Britain, Japan and Italy who had been trapped by fighting in Bethlehem.

In addition to supporting the overseas construction program we have a multi-faceted partnership with both domestic and foreign law enforcement agencies. These relationships ensure better security aboard for Americans and foreign national employees of the Department of State, and help to secure our national borders here at home. They have been built over time to provide a layered and secure environment for the conduct of American diplomacy and the promotion of American interests worldwide, as well as helping us increase security awareness among all Americans living, working and traveling abroad.

## INVESTIGATIONS

In the area of investigations, during the 2002 calendar year, DS Special Agents investigated nearly 5000 passport and visa fraud cases and made over 400 arrests. These felonies are often committed in conjunction with more serious crimes by individuals looking to change their identities and conceal their activities and movements. DS has investigated passport and visa fraud cases that have been connected not only to terrorism, but also to drug trafficking, international organized crime, money laundering, pedophilia and murder. Our investigations help secure U.S. borders and protect the national security of the United States.

## SECURING OUR BORDERS

Domestically, DS is also actively involved in the border security effort. DS' eight Field Offices and fifteen Resident Offices coordinate with Consular Affairs Passport Agencies to vigorously investigate passport fraud cases. The DS Visa Fraud Branch is working collaboratively with the Department of State OIG Office of Investigations to examine all allegations of consular malfeasance and employee corruption that may compromise the integrity of the visa process. DS is represented on 19 Joint Terrorism Task Forces (JTTF) around the country, and works closely with the FBI and other federal law enforcement agencies to investigate any passport or visa fraud investigations with a possible terrorism nexus. DS, in partnerships with the Bureau of Consular Affairs and State OIG, plays an important role in helping to secure our nation's borders. It is because of this partnership that we will succeed.

PROTECTIVE INTELLIGENCE

In addition, DS conducts protective intelligence investigations into threats made against the Secretary of State, other Department employees, facilities here and abroad, foreign dignitaries under our protection, and foreign missions in the United States. Since the East Africa bombings, DS has investigated thousands of threats directed at our missions and personnel around the world.

REWARDS FOR JUSTICE

DS also administers the interagency Rewards for Justice Program, which allows the Secretary of State to offer rewards for information that prevents or resolves acts of international terrorism against U.S. interests worldwide. There is no doubt that information received under this program has put terrorist behind bars, saved thousands of lives, and is a key component of the U.S. Governments fight against international terrorism.

PROTECTIVE OPERATIONS

Diplomatic Security protects more dignitaries than any other agency in the U.S. Government. DS Special Agents guard the Secretary of State 24 hours a day, seven days a week, everywhere he goes in the world. DS also protects the U.S. Ambassador to the United Nations, and foreign dignitaries who visit the United States (approximately 150 each year). Among those foreign dignitaries who have received DS protection are foreign ministers, former heads of state, members of the British royal family, representatives of the Middle East Peace Delegations, the Secretary General of NATO, Palestinian Authority Chairman Yassar Arafat, and the Dali Lama. DS coordinates this protection with state and local police and with other federal law enforcement agencies in the cities to be visited. The DS's Office of Foreign Missions also assists foreign Embassies and their Consulates in the United States with the security for their missions and personnel. I would like to thank the committee for the increased agent authorities provided last year that will assist us in the conduct of this mission.

CRISIS MANAGEMENT

DS Special Agents serving in regional security offices anchor our overseas security efforts and provide the first line of defense for U.S. diplomatic personnel, their families, U.S. diplomatic missions, and national security information. DS Special Agents, in concert with other mission or post elements, formulate a number of subject specific action plans to deal with various emergency contingencies ranging from hostage taking to evacuations. Often in times of crisis and political instability, DS Special Agents rely on the U.S. military for assistance. Since the early 1990s, DS agents have worked closely with the military, especially the U.S. Marine Fleet Anti-terrorism Security Teams, which have provided emergency force protection support for Department of State operations in a number of countries throughout the world when the host government was unable to do so.

INTERNATIONAL LIAISON

In addition, special agents are the primary liaison with foreign police and security services overseas in an effort to obtain support for U.S. law enforcement initiatives and investigations. Much of the investigative and law enforcement liaison work done by special agents abroad is on behalf of other Federal, State and local agencies. The Bureau receives more than 5,000 requests for overseas investigative assistance from U.S. law enforcement each year, and has achieved noteworthy success in locating and apprehending wanted fugitives who have fled the United States.

ANTI-TERRORISM ASSISTANCE PROGRAM

The war against international terrorism is one that the United States cannot wage alone. Through the Anti-Terrorism Assistance Program, DS arranges for training in the United States for civilian security personnel from allied governments in police procedures focused on terrorism. Since the program's inception in 1983, more than 31,000 foreign students from 127 countries have received training in bomb detection, crime scene investigations, airport and building security, maritime security, and dignitary protection. These officials return to their countries better prepared to fight terrorism and protect Americans overseas in times of crisis. DS has received numerous stories from foreign police officers who have utilized their ATA training successfully to counter terrorist situations in their countries.

The economic and national prosperity of the United States depends on a strong and vigorous private sector that is able to conduct business safely and securely throughout the world.

OVERSEAS SECURITY ADVISORY COUNCIL

In addition to protecting our people, information, and property, DS, through the Overseas Security Advisory Council (OSAC), works with the U.S. private sector on security issues abroad. The Council, one of the preeminent public-private partnerships in the United States today, was established in 1985 and is co-chaired by DS. It consists of representatives from the U.S. government and the U.S. business community on overseas security issues of mutual concern. Since its inception, over 2,300 U.S. companies have repeatedly sought assistance from the Council.

The Council operates an electronic database that can be accessed via the Internet by OSAC's constituency. This database contains a directory of all Foreign Services posts by country, including regional security officers, police organizations, State Department travel advisories, security and crime situations, terrorism profiles, significant anniversary dates, and messages highlighting information of interest to American business travelers. DS Special Agents also provide unclassified security briefings and other professional advice to U.S. businesses overseas.

Diplomatic Security and the Bureau of Consular Affairs are at the forefront of our nation's efforts to adequately secure our borders from possible terrorist threats. Those efforts begin at the consular interview window in each of our Embassies and Consulates around the world. DS is deploying additional agents overseas to expand our investigative efforts to identify fraudulent applicants and other individuals who attempt to compromise the integrity of our passport and visa process. DS agents and Consular Officers working at our embassies and consulates continue to work closely with numerous host government law enforcement authorities to identify, arrest, and prosecute these individuals before they reach our shores.

I would like to thank the Committee for its continuing interest and support of the Diplomatic Security Service and the Office of Foreign Missions and would welcome any questions you might have.

The CHAIRMAN. Thank you very much. I will ask a few questions, I will then recognize Senator Sarbanes, and then we will alternate as long as we are here. We appreciate the thoroughness and the detail of your testimony and the visuals.

Let me just ask a general question. Has the danger level that we are now talking about today—in addition to discussing your efforts to combat it—always been a problem for American diplomacy? Historically, is this a new phenomenon, so I am interested in whether anybody has done any research. Is this a spike? Do we go through cycles in the history of our country in which our embassies, and particularly these buildings we are talking about today, quite apart from the personnel who are in them, have been targets for the vicious attacks that you have discussed?

Does anyone have any historical perspective of this phenomenon?

Ambassador TAYLOR. Mr. Chairman, I think terrorism as a phenomenon, and our embassies as a symbol of America, American power and American values have increasingly, since the sixties, become increasing targets.

The CHAIRMAN. You would say since that point?

Ambassador TAYLOR. Since that point.

The CHAIRMAN. Because a lot of these places were built, as you pointed out, up against streets, thoroughfares, right in the middle of major cities, so apparently people who were building them in those days and those that occupied them for decades did not have the same fear that we have been talking about today.

Ambassador TAYLOR. Indeed, that is quite true.

General WILLIAMS. But I will point this out, Mr. Chairman, that as we were opening the embassy in Nairobi, for example, obviously

some very senior host nation officials were in attendance, and they were very supportive and were quick to point out that we were doing it right. So we are at a time now in our operations where it has been a sea change, and we hope that the condition of our buildings will not be at this level for much longer. I do think it is recognized worldwide that we have to take a different approach.

The CHAIRMAN. You mentioned earlier, and I touched upon this in my opening statement, that we are trying very hard to have embassies that are at least approachable. I mention just anecdotally an experience several years ago, when I was one of the first guests in our new embassy residence in El Salvador.

Now, during the 1980s when there were serious problems in that country, at least some of our diplomats desired to go outside of town, and they did. The place was out of town, and it did have a wall around it.

Some of the personnel in the embassy said it is not like the old days, where you have coffee downtown, and you would pick up on the street gossip and the local rumors. Something has been lost here. As professionals, in watching this academically as well as professionally, do you feel it is a reasonable compromise? In gaining the security, do we still have a feeling that we are a part of the community, to the point that other nationals are willing to come in and share with us what is on their mind?

General WILLIAMS. Let me just say from a building perspective we are utilizing all new green sites, Beijing, in China, is a good example. Where we select these sites, we do a lot of coordination with the host government to determine where the planned development and growth will be going. We try to always build in the corridor where the new development is headed. So we have a new embassy compound that is going up in Beijing, for example, and in other places, Zagreb, I can mention that as well. At each location we are building where the future new and modern business will be.

The CHAIRMAN. So your research encompasses local plans and some sense of confidence on the part of the local governments?

General WILLIAMS. That is correct. That is correct.

The CHAIRMAN. So they know where you are building, and that is consonant with their ideas.

General WILLIAMS. That is correct, and also during the period of time while we are building, local and new activities, hotels, office buildings and the like are being built by the host country.

The CHAIRMAN. Now, during another hearing we have had this week as a part of the buildup toward the authorization bill for American diplomacy, we discussed the idea that you mentioned today very prominently, of cost-sharing. We discussed who exactly are in our buildings, our annexes and other facilities. We were visiting with people from the intelligence community, from the Treasury, the FBI and others, and I would say one of the nice things about the hearings this time around, as opposed to a couple of years ago, is that all these people are getting along better with each other.

I can remember in the post 9/11 days having some hearings behind closed doors in which people within our own government became so agitated at each other, and so visibly angry, that they went back to their principals—and I can remember one occasion

where Cabinet officials were engaged in arguments that afternoon that their subordinates had been involved in that morning. Everybody went back to a firewall mentality.

Now, at least with FBI, Treasury, Customs, these people all seem to be saying really nice things about each other, as well as the State Department. This leads me to the question, in our total government picture, does everybody have the same idea of cost-sharing?

In other words, in the Treasury budget submission this year do they have an item for paying State Department something, and does OMB adjudicate all of these claims as to what is equitable? Physically and bureaucratically how does it work?

General WILLIAMS. Let me try and give you what we know at this point. We have tried to put in place a system and an approach that is fair. We are using a per capita approach because we did not want to deal with the square footage approach as it has caused some problems in the past. So if you are in a classified seat you pay for a classified seat, if you are in an unclassified seat, you pay for an unclassified seat and it makes it very equal across the board. We are proposing that this cost sharing apply to all facilities and not just new ones.

Any time you introduce a break from a tradition, particularly where you have not had to budget, obviously there is a little feedback and a little push back. I frankly think, Senator, we can get over this. It is going to be a transitional period. What we have said to OMB, that we think the plan ought to be phased in over maybe a 5-year period——

The CHAIRMAN. A phase-in period.

General WILLIAMS. A phase-in period to allow everybody to vet and participate.

We have also put in place an interagency facilities council where all of the participating tenants can come together at least three or four times a year and hear DOS, who is the manager of the program, explain what is taking place. This gives them an opportunity and a sense of participation.

The CHAIRMAN. Are they all examining the rents together, and they know per capita——

General WILLIAMS. That is correct.

The CHAIRMAN. But then, do all pay?

General WILLIAMS. Well, we are expecting all to pay once we get this launched, and OMB is in the process of becoming the adjudicator on budget structure. We still are working with them to make certain that we get the program fine-tuned as to how the budget will work. I believe, Senator Lugar, this will do two things for us. First, it will help us get the sizing right at each post. I think also we will be building the right type of facilities. It allows DOS to get out of the deep hole that we are in and get our new facilities on line much faster.

We have got 160 new embassies to build. It is going to take a lot of money. This concept will generate more income or more funds for us. It will help us move from the $800 million or so a year to the $1.4 billion level that we need. I just think it is the right path to go. We can sunset this, because it will not be a program we would have to keep in place forever. I estimate that we could get

the 160 done, then we could look at either phasing the program down, or possibly terminating it, depending on how we are doing at that time.

The CHAIRMAN. I just have one more question. You point out that $1.4 billion is required per year to do all of this in 12 years, as opposed to the 20-year time line that you have. Certainly, in terms of the security of our people and of our buildings, the shorter term option would be ideal. Twelve years is a long time in this world, as to how many things may change.

General WILLIAMS. That's right.

The CHAIRMAN. This committee has encouraged the Secretary of State overtly at roundtables like this, or in more public situations when he appears in the Caucus Room in the Russell Building, to ask for the money, because without very strong advocacy by the Department the request is unlikely to survive several other scrutinies. Have you asked for it this year? What is the level that you approached OMB with, or what did they grant? Where do things lie at this moment?

General WILLIAMS. Well, it is known because it is in our long range plan. It is fortunate right now we do have a long range plan in which we lay out the next 6 years of what we see the requirements to be.

The method of providing us the millions, the billion and a half that we need, the cost-sharing mechanism is in place to generate about $600 million of it.

The CHAIRMAN. Ah, so that gets you from the $800 million to the $1.4 billion.

General WILLIAMS. That is correct. That is why the cost-sharing initiative is so critical.

The CHAIRMAN. Yes, but it phases in over 5 years, so you get just a piece of this at a time?

General WILLIAMS. Yes. That is correct. We will have to work up to it.

The CHAIRMAN. All right.

Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman.

A number of us on this committee have been very concerned about this issue for a long time, and I am very pleased that one of the early things Senator Lugar is doing in his chairmanship is to schedule this very subject for a hearing. I think I am accurate when I say that more Ambassadors have been killed in the line of duty over recent decades than admirals and generals put together, so our diplomats are at real hazard, there is no question.

And looking at Mr. Ford's report from the GAO I am struck by how much is left to be done, and I say that without any intended criticism of those who are trying to bring things up to standard, because you start out with a huge backlog to be done, and I think under the circumstances a lot of very good work is taking place.

The fact remains, though, that even under the best of circumstances there is a large time interval before we can get things up to the point where someone can come along and say, well, we have pretty well secured our facilities around the world, and it is good to go from 20 to 12 years, but you have still got 12 years in between there where people are at risk, and that chart, of course,

was just a further demonstration of it, the one that Mr. Ford provided, of how we are falling short.

The CHAIRMAN. We saw before you came in, Paul, on the monitor graphic displays of explosions and what happens in these places without the items that are there.

Senator SARBANES. Which leads me to this question. Is there a kind of an emergency program to pick things up fast—I do not want to say makeshift—but with measures that do not represent a new embassy, or a completely refurbished embassy, but at least in the short run would have a substantial impact on the security situation? And how intense is that program? Anyone on the panel may wish to reply. Mr. Ford, do you want to take a crack at that first before we go to the others? Do you understand the question?

Mr. FORD. Well, I—yes, I think I know your question. As I mentioned in my statement, the State Department at least immediately after the bombings received a substantial amount of money from the Congress to do security enhancements which were designed to address the immediate problems at facilities overseas.

So, for example, they did install some of those anti-ramp barriers that I mentioned earlier to help protect against car bomb attacks. They did install the controlled areas to try to make sure that people were properly screened, and vehicles were properly screened. They did install some perimeter fencing. They put in mylar on windows so the glass would not shatter, which caused quite a bit of the deaths in the bombings in Africa. So I think there has been a lot of steps that the Department has taken to try to mitigate some of those problems.

The problem is that we are pretty much at the end of that. Now we have other physical security problems, as I outlined, that have to be addressed, and absent a new building, I cannot speak for the experts, but I think they have a problem in trying to make those places as safe as they can be for the people who have to work there.

Senator SARBANES. Does anyone want to add to that?

General WILLIAMS. Yes. Senator Sarbanes, I think that our problem is exactly the way you put it. Can we do something in the interim as an emergency? Yes, we can. We have looked at a number of ways. We have received some good input from industry on being able to put up a very quick, hardened type of facility which can serve as an interim until such time that we could do it completely right.

What we are talking about from the standpoint of the 12 years is building that embassy compound that has all of the features and structures that it takes to run the business, the chancery building, our consulate, has the general services building, quarters for our marines, parking, and all this is enclosed in a secure 9 foot, anti-climb wall.

Can we do something in the interim that is quicker? Yes, we can. It is a question of being able to get sufficient funding for that. We really want to be able to, with investments of the magnitude we are talking about. In summary, we wanted to make certain that we put something in place that had a useful life that would justify the investment.

Now, could we manage more than 1.4? Yes, Senator, we could. We could, even today with our management capacity—of course, Mr. Ford will have some comments about this when he finishes his report. I think we could operate very comfortably with $1.8 billion a year. This would cut that time from 12 to something around 10 years. We pegged at this $1.4 billion amount because we thought it was reasonable from the standpoint of what we are trying to move from, but yes, we could go faster.

Senator SARBANES. Let me put the question in a somewhat different way. Are you satisfied in your own mind, sanguine about the prospect that if something happened at one of our embassies, in the aftermath someone would not come back and say, well, you know, if they had done one, two, and three—they had a plan to completely redo this embassy compound, but that was *x* number of years away, and that was lined up in the priority key and someone made a judgment that other things should come ahead of this place, and we think all of those reasons were correct, but what they failed to do was to do the kind of survey that came back and said, gee, you know, they should have done this and that, all of which could have been done in a very short period of time, and not at a huge project expense, and that would have given them a heightened security and might well have avoided the considerable amount of the damage that was done?

Now, in the sense, have all of the embassies been scrubbed down with that kind of an analysis?

Ambassador TAYLOR. If I may, Senator Sarbanes, I think you are absolutely correct, and we have done that. Certainly the standards that General Williams is building buildings to, and the time line is a projected time line, but in the interim we have installed interim upgrades to all of our facilities.

We have worked to add surveillance detection and guards and have worked with governments to close streets to give us more stand-off. That's not always possible at every facility, but there is not an RSO or a Chief of Mission anywhere in the world that does not examine this on a daily basis.

The legislation setting forth the standards has given us an opportunity to approve waivers that increase, marginally increase security at facilities while not meeting all of the standards, so we have applied those waivers where we could improve the security of our people or our facilities in the interim until such time as we have the money to build.

Senator SARBANES. Now, in some instances, I presume that a deficiency in the physical facilities can to some extent be made up by personnel. If you have more personnel doing a more careful job, you can compensate for it, at least in the interim, which leads me to this question. I am very interested in this proposed Center for Antiterrorism and Security Training.

Now, they went out and vetted a lot of sites and the conclusion that was reached, as I understand it, was that it ought to go into the Aberdeen Proving Ground up in northeast Maryland, for a lot of reasons. There are a lot of existing facilities there that can be refurbished. There is infrastructure in place that would provide logistical support. There is ample room for expansion, a lot of compatible units for interface, and so forth.

Now, there was funding for that, but it was dropped in conference on one of the appropriation bills. Is it going to be included in the supplemental? I mean, it seems to me this is something we obviously need to move on. I gather that it is cost effective because it would consolidate all of these various training activities that are located in a lot of different places and establish a proper center with a high level of training.

Should we expect to see that in a supplemental, or would this not be a particularly opportune time to try to move this Center for Antiterrorism and Security Training forward?

Ambassador TAYLOR. If I may, Senator Sarbanes, certainly the CAST, the Center for Antiterrorism and Security Training has been a high priority and remains a high priority for the Department for two reasons; one, as you mentioned, the ability to consolidate training of our agents and, most especially, our antiterrorism assistance program where we train foreign police, law enforcement, and security organizations in the latest techniques of antiterrorism and combating terrorism, has been a key part of the President's war on terrorism for capacity building, improving the capability of our partners to work with us on antiterrorism.

I am not at a point where I am allowed to speak on what the President may put forth in the supplemental, except to say that it is a priority for our Department and we will continue to work hard to try to bring it online, because we believe it is cost effective and important to our future.

Senator SARBANES. Mr. Chairman, let me just note that when Ambassador Taylor says he does not know what the President will put forward and whether it is a high priority for the Department, I mean, the only intervening institution in this decisionmaking process is the Office of Management and Budget, and I have to say, because we seemed to encounter the same problem on a lot of homeland security measures as well, where they seem to be moving up from the operating agencies and then somehow they get swallowed up somewhere into the dark as they are trying to make their way forward, that it seems like we need some new thinking, perhaps, at OMB about the urgency of some of these matters and about moving things forward. They seem to be the only ones who have not broken out of the old cast of thinking in terms of addressing the situation. You all are not expected to comment on that. I just wanted to put that on the record.

Could I make one final point? I have some concern—I think Senator Lugar expressed it earlier—that we do these things in a way, and I think we have to provide some imagination and innovation in order to do this, where we get the heightened security without transmitting some message that we are in a complete bunker mentality, and that the nation that was founded on freedom and liberty does not present an image of a closed society. I think we have to be careful. We even have a problem around the Capitol, doing it here, to be honest about it.

And in that regard I have one experience that I want to communicate, and I hope you all will check back on it. At the American Embassy in London, on Grosvenor Square, at the western end of the square that comes right up toward the embassy and faces the

front of the embassy, the embassy has sealed off the street at the front. London has agreed to do that, so that is blocked off.

They have put up fences into the park itself, into the end of the park, very unattractive fences, if I may say so, but that is to keep people from going to the upper end of the park where they would be right opposite the embassy, across the street from the embassy, so it backs them into the park and gives you kind of a no-man's zone at the upper end of the park.

Unless something has changed since I last saw it, behind that fence, it looks like a trash heap. I mean, it is really a mess. So you have got this ugly looking fence, and you have this area behind the fence, still part of the park, but it has just been allowed to go to pieces. The whole thing looks terrible.

Now, it does not need to look terrible in order to enhance security. In fact, I would think that having this, the vegetation and everything probably harms the security rather than helps it, because it provides a certain amount of concealment.

Anyhow, could someone get back to that embassy and see what they can do about it? They could put up a nice fence and then maintain the area behind the fence, and we would not have this appearance problem.

Ambassador TAYLOR. Senator Sarbanes, if I may respond, just two comments. First, in my first job in the Department as Coordinator for Counterterrorism and in this job as Assistant Secretary for Diplomatic Security, the Secretary has made it very clear that he shares both yours and Senator Lugar's concerns, as well as the committee's concern, about American diplomacy not being conducted from a bunker.

Security is a very, very important part of what we do, but it is not the reason that we are there. We are there to conduct the foreign policy of America, to represent American values, and we can assure you that that is a constant part of what we consider as we try to put forth the security arrangements for our people and facilities.

Second, I am informed that we are presenting a plan to Westminster authorities to improve the image that you've just described for better security this month, and I would be happy to share with your staff what the plan is.

Senator SARBANES. OK. I would be very interested in that.

The CHAIRMAN. That is a major victory of this hearing.

General WILLIAMS. Senator Sarbanes, let me just mention about the aesthetics and the bunker mentality. I commented and responded to the chairman earlier that this has been one of the things that we have paid an awful lot of attention to, and part of helping us get it right from that standpoint, we have an industry advisory panel, people who do this for a living, who advises us. It is a standing panel on these and other matters, on how to capture the security requirements and at the same time ensure that the building looks like a modern office building and suitable, from a representational standpoint, for diplomatic business.

For an example, our new facilities that just opened in East Africa and Tunisia, as you walk into the grand entrance into either one of those facilities, you see a very modern building that looks very much inviting. It looks like other very modern structures in that

country, and we have taken great effort to make certain that the building itself would carry a modern look.

At the same time, we have to, because of windows and other security matters we have to do, we try to blend those in and then put a facade on the building that looks like the rest of the structure, so we are paying attention to that.

Senator SARBANES. Well, it is important, because obviously the embassy is a major statement by the United States in the particular country in which it is located, and lots of people I think form impressions about us from the embassy.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Sarbanes.

I have two questions, one of which addresses priorities. This is a more difficult problem, than it used to be, in that it affects some countries that are perceived as more likely to produce hostility against our embassies.

Now, I suppose given the war on terrorism, we are not really dealing with nation states, but rather we are dealing with individuals who may be from many countries, and who set up a resident cell, or who come in to the country really to do their dirty work, so it could be a country that is relatively placid that is visited by these people who threaten our embassies.

I am not certain how you focus on priorities, yet there must be some sense of which embassies are most vulnerable. I just want some assurance that this is a part of the consideration.

General WILLIAMS. Yes, Senator, we do. In fact, our diplomatic security side of State makes a vulnerability analysis on what is the most vulnerable and they feed this back to us, and we operate from that list. That sets the priority, and we go out and we purchase—we tie everything to that priority list, so what is considered to be No. 1 is what we work from, all the way down through the entire list.

Ambassador TAYLOR. Every country also, Senator, General Williams is correct, every country performs security to a certain level, so while their facilities may be somewhat more vulnerable or less vulnerable than others, they have other things in their security kit bag in terms of local relationships, surveillance detection, working with intelligence and security services, that helps provide the outer rings of security that are so necessary in places that once we did not think were as vulnerable as we found in 1998 in Africa, when we were expecting attacks in one place and they occurred somewhere else. So this is a part of how we do security on a day-to-day basis around the world.

The CHAIRMAN. Now, on another note one of the joys of embassies or consulates or American studies in the past were libraries, containing displays with pictures or artifacts of our country. One of the great values of these places were their accessibility, where you could walk in or go by on these same streets that were abutting the traffic, and see some very attractive aspects, pictorially or otherwise, of our country that might intrigue visitors.

How do we do that now? How do persons, young persons, old persons, anybody who is interested in our country, find this resource behind all the barriers? Do we advertise that it exists and make it less formidable, so somebody might walk in? I am just curious

as to your perception of how we meet this mission. Or have we just decided that in a dangerous world, that's just the way it goes and we really cannot do that sort of thing anymore?

General WILLIAMS. First of all, for the new facilities, Senator Lugar, that we are putting up, they are well advertised, in terms of——

The CHAIRMAN. All the features they might have for the local people?

General WILLIAMS. That is correct, and also in terms of ensuring that our embassies have the right type of art and representation of America, we work with—and of course we have an arts in embassies dimension in our business, and also we have a lot of civilian groups that work with us, and we allow them to donate the art.

For an example, when we get about halfway through with the construction of a building, we bring in those who want to donate art, those who want to participate and help with us, and they come together and put in place some wonderful pieces. And I hope through your travels you will have an opportunity to visit some of the new embassies we are putting up now, and you will see nice sculpture, you will see nice representation of America.

For an example, even in East Africa we have on one floor, which represents sort of the Old West, you can look and you can see representation through murals and paintings and art that would give you an impression that you are in the Western part of the United States, so all of that makes a big difference as well.

The CHAIRMAN. Well, general, on that point—now, I have not been into all of these places, but I have been into several and I have seen just what you are talking about, and it is very exciting. What is not clear to me is how an ordinary citizen off the street is going to see the same thing.

You know, I have an American passport and some people know who I am, so I can go in there. But I am also concerned that the same things that I am seeing, that I am excited about are there as a part of the experience, is no longer available. This is not your problem precisely. You are talking about buildings and security. Although, it is your problem in a way, so that you plan building security with this consideration and in such a way that our overall mission, or one part of it, is achieved.

Ambassador TAYLOR. If I might, Senator Lugar, I agree with you, it is a challenge, and former Under Secretary Char Pierce in her efforts to reach out through public diplomacy has begun to build partnerships with many countries overseas to try to balance using the Internet, using other display techniques that can be done more securely and still allow that kind of face of America to be presented to citizens around the world, so it is a challenge.

The notion that we would have cultural centers out there as they once were, where people could come in and go, is a very difficult thing to do in today's security environment, but we are working with public diplomacy to allow them to do the outreach so important to what they do, but to do it securely, and allowing American values and a better understanding of America to get to people around the world so they really do learn who we are.

The CHAIRMAN. In the same way, this committee is preoccupied as Senator Sarbanes has pointed out, with the security issues. We

have spent productive time with professionals like yourself. We are in the public diplomacy area, and you may be doing better in security than we are doing in public diplomacy, although this is arguable. Both are very tough challenges, but nevertheless, they are both important, and trying to determine how to do these things simultaneously is a challenge.

Now, let me ask finally: you have identified 260 buildings in the discussion here today. Is this number likely to go up or down? We witness new nations being formed from time to time, of course, and some do not have full ambassadorships, but they are still important facilities in terms of security. In your long term projections, does the Secretary or anybody else give you any direction as to whether American diplomacy is going to expand architecturally or physically? Are we assuming that 260 is it, and then we can amend it plus or minus 5 or 10, if necessary?

General WILLIAMS. Well, in our long range plan, Mr. Chairman, we are looking at 260 as sort of being where we are going to be pegged. Obviously, we may have a plus-up of one or two here and there, but I think for the purpose of putting a strategic plan in place on sort of where State will be, I think it has been accepted that it is 260.

The CHAIRMAN. Let me ask the question this way. A country the size of China, for example, may still be expanding dynamically. We do not know precisely what the population trends will be there, or anywhere else. It is a very big place, a billion people more or less, and becoming more and more sophisticated as the wealth of the country grows, along with the infrastructure of their cities in various locations.

We have a fine embassy there, and you have illustrated where we are headed there, with some other outposts. But it may be discovered in the fullness of time that we will need more facilities if we are to have an impact there, whether it is in public diplomacy or in processing of visas, or all of the regular things.

I can see that in China, or in India, or some countries that have very, very large populations, that ties with the United States will expand and we want that to be the case in term of a peaceful world.

That does not all have to be done in buildings, but still those are big countries geographically. I am just curious, from the standpoint of long range planning, whether people are considering this sort of situation.

General WILLIAMS. Well, from the standpoint, Senator, of looking at presence, in our plan we ask our political and economic people who are making forecasts about what the presence in a particular location should be, they give us the footing that we need in order to project the facilities, so we take our lead from the presence input that is provided to us by those in DOS who are making those projections. So we can capture it in the plan, because in our plan for each project we talk about the importance and the significance of that particular location to do the U.S. Government's diplomatic activities.

So to pick up and expand in a situation like you just mentioned, China is growing, Mexico is growing, we know that they are out there and something could happen. We would first try to solve the

problem through some regionalization, or something of that nature, so that we would not have a major task of standing up another consulate, or a large embassy.

The CHAIRMAN. Very well. Now, the flip side of this is that you are now into the cost-sharing business, and the number of agencies inside these places have been expanding over the course of time. New missions have been founded by other agencies of government, and then they have found you, so let us say they are prepared to pay the rent, but at the same time there may be more of them.

In terms of the planning, you can do this on the back of the State Department, for instance, but is there any coordination, in which you ask Treasury or the FBI, or USTA or others, questions as to what their missions may encompass, so that as you are building these places they include a ball park estimate of what uses they may have?

General WILLIAMS. Yes, Senator. In fact, the protocols for our planning, the front end part of planning is to go to the source, that is, go to the post. We send a planning team out to the post and sit down with the post. We start first with the authorized number of spaces for all elements and then have them try to think 6 years ahead with us and say—now, with cost sharing we have to add, understanding you have to pay for it—so that we can get this right.

So we come away with a sign-off by all. We require them to sign off on exactly what they think the prediction would be, and then we size the building from that information and we build in every new facility at 10 percent growth, so as to allow 20 or 30 additional seats in each building for unpredicted growth.

Mr. FORD. I would like to comment a little bit in this area. We are doing another piece of work for the House, looking at the process the general mentioned about the other agencies establishing a disciplined process, and we are going to be issuing a report later next month which indicates that there is an issue here about how well they are doing in that area.

The CHAIRMAN. I see.

Mr. FORD. I know from talking to General Williams he is concerned that the numbers of the EBCs from all of these other parties are good numbers, because he has to build to that size, and he does not want to have to be in a position where we build an embassy that is going to be full the day we open and there is no room to grow, and that has unfortunately happened in a couple of cases.

So I think you are touching on an important point. We are going to be making some recommendations to OMB and the State Department to try to get the other agencies, which seem to be where a lot of the problems are, to take it more seriously and have a more rigorous process to make sure they give the general good numbers to build against.

The CHAIRMAN. Right, and this is a study now the House Foreign Affairs Committee has requested?

Mr. FORD. It is actually the House Government Reform, Congressman Shays' subcommittee.

The CHAIRMAN. Government Reform. Well, hopefully you and the Congressman will share your findings with our leaders. I appreciate knowing that Congressman Shays is interested in this issue.

He has visited a good number of these places, sometimes with some of us. We appreciate that information.

Senator Sarbanes, do you have any additional questions?

Senator SARBANES. Ambassador Taylor, who has the responsibility to try to address the security situation of Americans overseas, not our government personnel? It seems to me in the situation we now find ourselves through this terrorism threat that the most vulnerable of all are Americans overseas. Now, they may want to do a high profile thing in the United States, but at least that is here, but we have literally millions of Americans overseas, business people, students, religious people, and many of them are located in areas where they are almost there alone, so to speak. Does that come under your jurisdiction?

Ambassador TAYLOR. It is a shared responsibility between us and our consular affairs people, and American Citizens Services. I think you know we have a very extensive Web system of getting consular notices out, warning notices out to Americans when Americans register, when they arrive in a certain country, so we know where they are and we know how to get messages out to them about threats. And that has been certainly a growing business since 9/11, although it was very large even before 9/11.

The other thing we have that is probably the most effective public-private partnership is our Overseas Security Advisory Council, which has membership from more than 2,500 business, church denominations, universities, and it is growing at a rate of about 10 to 12 new entities every week that have joined OSAC, we call it. And OSAC is essentially an information exchange where private industry shares information among themselves as well as with us on threats to Americans throughout the world, and through that partnership we have been able to reach out literally to tens of thousands of Americans across the world.

When we had the unfortunate assassination of the missionary in Sidon, Lebanon, it was through OSAC that we called in all of the missionary groups and spent a half-day seminar talking about soft targets and how we can help, or how they can work with us to help their missionaries as they are out around the world. So it is shared responsibility between OSAC, our Office of Citizens Services, and we take it very seriously in getting to American citizens as they travel the information they need to protect themselves.

Senator SARBANES. Has the GAO looked at any aspect of this?

Mr. FORD. Not recently. Several years ago we did some work on the travel advisory system that the State Department put out. I can tell you that I believe the current level of effort that the Department undertakes to notify Americans is much better than it was, say, 10 years ago. You can pick up the Washington Post and look at the travel section on Sunday. There is almost always an advisory section in there that often comes from the State Department.

The Ambassador mentioned OSAC, which is a new organization. I think it has only been in existence for a couple of years. Well, the predecessor to that, it was my recollection was that it only covered the business community, but I could be wrong. But I think overall the Department has definitely made much more of a conscious effort overseas.

I know whenever we go into an embassy, the consular affairs section, that is a major part of what they are now focused on, is trying to find ways to keep the American community in that country informed about what is going on, so we have not assessed it in detail, but if I look back from where it was before, I think the State Department has done a much better job in this area.

Senator SARBANES. Now, you do not have the power to order Americans out of a country, do you?

Ambassador TAYLOR. No, sir. An American citizen, no, sir.

Senator SARBANES. So if they choose to put themselves at risk, they can do so, right?

Ambassador TAYLOR. Yes, sir. We certainly work with people to encourage them to leave.

Senator SARBANES. It is kind of anomalous to hear these reports coming out of Baghdad from press people who are sitting there watching the missiles coming in.

Thanks very much.

The CHAIRMAN. Much like, in a different venue altogether, seeing high rise buildings being built on the road up to the DMZ in South Korea. You wonder whether someone has a different kind of perception than we might have, but there you are.

I think Senator Sarbanes' point is well taken. It is truly remarkable, given the number of Americans who are abroad in all sorts of ways, some of them permanently, others as students, travelers, businesspeople, that the number of security cases is so low that we are able to maintain a staff of just three people down in Colombia, for example. The sheer volume, and as Paul has elicited from you, the fact that you serve of your own volition, is impressive. If you want to go into harm's way, you can go ahead, and hopefully our State Department people, our consular people, are able to rescue you.

Ambassador TAYLOR. Actually, Senator, it is one of those unsung here missions that our consular people do every day.

The CHAIRMAN. Exactly. Which makes the quality of life for all of us, the extension of our freedom much more substantial.

I really congratulate you all on the studies you have done prior to this hearing, and for the specific work in your testimony here. I think the graphics and the details of your studies that you presented were very, very helpful to us, and so we thank each of you for participating, and the hearing is adjourned.

[Whereupon, at 4:25 p.m., the committee adjourned, to reconvene subject to the call of the Chair.]

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## STATEMENT SUBMITTED FOR THE RECORD

### PREPARED STATEMENT OF SENATOR RUSSELL D. FEINGOLD

Mr. Chairman, today's hearing is especially timely. With war in Iraq, we are facing the possibility that these developments will provoke additional attacks on our diplomatic facilities abroad. Last year, as chairman of the African Affairs Subcommittee, I visited the site where our Embassy in Nairobi once stood, and saw the Memorial Park now devoted to the memory of the 212 people, including 12 Americans, who were killed in the August 1998 terrorist attack on the U.S. Embassy in Kenya. I have also visited our Embassy in Tanzania, which was attacked the same day. We have devoted a lot of attention to homeland security over the past 18

months, and rightly so. But our people overseas may also be vulnerable to the designs of international terrorists.

Since the late 1960s, more than 200 U.S. Foreign Service personnel have been killed in the line of duty. Their names are engraved on a plaque in the lobby of the Truman Building. Most of the names have been added since 1983, and the list keeps getting longer. Secretary Powell tells us that more U.S. ambassadors have been killed in the line of duty since World War II than military general officers. We frequently say that our diplomatic personnel are our first line of defense in the fight against global terrorism. Yet nearly 18 years after the Inman Report, we are told that 160 of our 260 overseas posts do not meet security standards. I was recently in our Consulate in Capetown, South Africa, a clearly unsafe facility that has been raising concerns about security for some time. A new consulate is slated to be built. But that is little comfort to those who are working there now. A diplomatic career entails inherent risks. Diplomats must get out and mix with societies abroad in order to do their jobs. We cannot isolate them inside fortresses around the clock. But we owe it to them to keep those occupational risks to a reasonable minimum by providing safe and secure places in which to live and work. We can clearly do better, and we must do better. It shouldn't take 20 years to give our people the security that they deserve.

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## RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD

RESPONSES OF HON. FRANCIS X. TAYLOR, ASSISTANT SECRETARY OF STATE FOR DIPLOMATIC SECURITY TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* Does the Department disagree with anything presented by GAO in its testimony? In particular, does the Department agree with the statistics that the GAO presented with regard to the percentage of posts that don't meet the various security standards?

Answer. The Department believes the GAO presentation was a fair and accurate portrayal of the security situation at our embassies and consulates abroad. The information used to prepare the GAO report was drawn, for the most part, from DS and OBO files and data, supplemented with trips to posts overseas by GAO personnel. The statistics were accurate insofar as they represent our primary facility in each city. At many of our posts there are multiple small office locations that also do not meet security standards, which must necessarily be collocated with any newly constructed U.S. Embassy or Consulate.

*Question.* What are the primary reasons that current security standards have not been met?

Answer. When the Department builds new facilities every effort is made to meet security standards. Congress wisely included a waiver clause in the Secure Embassy Construction and Counterterrorism Act of 1990 (Title VI of Appendix G of P.L. 106-113 or SECCA, which for new construction requires all U.S. agencies in country be collocated and be provided 100 feet of setback) Since the enactment of SECCA, the Secretary has only approved seven waiver requests. In three cases, Luanda, Sao Paulo, and Belfast, security factors and national Security considerations led to decisions to build on sites or acquire a building that did not allow for a full 100 feet of setback. In the remaining four cases the Secretary agreed to requests by the Director of Peace Corps to allow its offices to remain off compound, in accordance with a "Sense of Congress" that recommends he do so when permitted by security considerations.

Where we have not built new facilities, it is for the most part not possible to fully meet security standards. Old buildings usually cannot be retrofitted to meet modern seismic or blast protection standards. Setback is not available in downtown settings where our facilities are traditionally located. Where we have been able to secure permission to install perimeter barriers and anti-ram protection, we have. But the majority of our facilities cannot be made to meet security standards unless they are replaced.

*Question.* After the Africa bombings in 1998, the Department talked about moving away from a "threat list"—with different levels of threat assigned to each post—because the attacks in Africa made it clear that the terrorists had exploited a vulnerability. That is, the terrorists figured out that we didn't regard posts like those in East Africa as high threat posts. Given the recent attacks on U.S. personnel—such as those attacks on military personnel in Kuwait, or the assassination of Mr. Foley

in Jordan—it seems obvious that the terrorists are looking not only at hard targets but softer targets such as personal residences. We also have a lot of facilities, like AID missions or former U.S. Information Service buildings, which are not collocated on Embassy compounds.

*a.* Please describe how you assess the threats at each post.

Answer. From a macro perspective: Upon the receipt of threat information, the U.S. Embassy or Consulate's Emergency Action Committee (EAC) will convene immediately to discuss the credibility of the information and implement the necessary security measures to combat the threat. The DS Regional Security Officer (RSO) and all other post security and counterterrorism elements are represented in the EAC, which is usually chaired by the Ambassador or Deputy Chief of Mission (DCM). In Washington, DC, all significant threats are discussed twice a day (and once on Saturday) via the secure video meetings convened by the NSC's Counterterrorism Security Group (CSG). All key agencies of the Intelligence Community are represented and contribute in this meeting on a daily basis. Diplomatic Security chairs for the Department of State.

From a micro perspective: The responsible DS intelligence analyst will (1) consider the source of the threat, (2) the logic of the threat, (3) the tactical tendencies of the group responsible for the threat, (4) the targeting patterns of the group, (5) the geographic capability of the group, and (6) the vulnerabilities of the intended target. The threat will either be assessed as (a) credible, (b) not credible, or (c) insufficient data to determine credibility. If (c) then the DS analyst will try to acquire more information by going back to the agency or post that acquired the initial threat information. The responsible DS analyst will discuss the threat with other DS analysts and officers, State Department officials, and the Intelligence community to obtain different opinions of the threat and the group responsible. This process helps the analyst produce a more accurate assessment of the threat. Assessing terrorist threats is still an art and not a science. As in art, threats can sometimes be interpreted differently.

*b.* What is being done with regard to providing security at residences? What further steps are you contemplating?

Answer. Over the past year, security coverage at both official facilities and residences has been expanded beyond that envisioned after the 1998 bombings of the U.S. Embassies in Nairobi and Dar es Salaam. These security increases are related to crime factors as well as the ongoing war on terrorism.

In FY 2002, DS provided $66,053,100 primarily for static residential guards, residential foot patrols, mobile patrols, and residential security upgrades to include application of Shatter Resistant Window Film (SRWF) at residences. The FY 2003 projection is at least $84,094,400, a significant increase in protection and resources. Program improvements to provide greater security to official USG personnel under Chief of Mission authority include: (a) Providing additional funding to support increased levels of police presence at official facilities and residences; (b) Expanded Surveillance Detection assets to high profile residences, route analysis, schools, Embassy social events, residential compounds and Embassy clustered residences; (c) Increase the level of static guard coverage at residences in conjunction with more effective mobile patrols; (d) Encourage posts to develop appropriate housing pools to maximize available security resources.

*Question.* In 1999, Congress enacted the Secure Embassy Construction and Counterterrorism Act of 1990 (Title VI of Appendix G of P.L. 106-113). Section 606(a)(2) required that all U.S. agencies in country be co-located on the compound. Section 606(a)(3) required that there be 100-foot setback from the perimeter at each newly acquired facility. Congress provided some flexibility in the statute by allowing the Secretary of State to waive the restrictions if he can certify that security considerations permit the waiver.

*a.* Please describe the process for implementing these requirements. Are these standards still appropriate? Should they be strengthened? Or are they too restrictive?

Answer. Every request for a waiver is carefully weighed. The tenant organization requesting the waiver submits the request to the post and to Diplomatic Security. The request for a waiver must first be supported by the head of agency resident at post, and then be vetted and have the support of the Chief of Mission and the Regional Security Officer. If granted, documentation explaining the request along with CON and RSO concurrence is forwarded to DS. The Physical Security Programs office reviews all the factors and makes a written recommendation in the form of a decision memorandum. The Chief Operating Officer of OBO, General Williams, is consulted if it is a State Department property, and then the DS Deputy

Assistant Secretary for Countermeasures reviews the submission. The Assistant Secretary is then requested to decide, factoring in essentials such as the security factors, threat, national security requirements, and local conditions. If it is delegable, the Assistant Secretary approves or disapproves the request. If it is non-delegable, he makes a recommendation to the Secretary. The requirement is appropriate.

*b.* What factors led you to recommend a waiver (in those cases not delegable) or agree on a waiver (in those cases delegable)? In what cases have waivers been appropriate?

Answer. In non-delegable cases, I have only recommended one waiver. This was for relocation of Consulate General Belfast to a newly acquired building. The Department will not be able to replace all its facilities with newly constructed buildings, even if funding for 160 new embassy compounds is provided. Alternate execution strategies such as acquiring already constructed facilities and enhancing their security must also be utilized. In this case, the combination of overall security, local conditions, and a realization that this facility was likely to be the best available led to the recommendation.

In delegable cases, where no new construction was taking place, the A/S for DS authorized waivers based on the type of operation, i.e. American presence post, a consular agency, or CDC office, the security provided, and local security and threat conditions. The waivers were appropriate in all cases.

*c.* Of the waivers granted for AID and Public Diplomacy facilities in CY2002, please provide information on the amount of setback that will be provided at each facility.

Answer. USAID, Office of Public Diplomacy, and CDC waivers of Setback—2002. (Dates listed below are dates the waivers were signed by DS.)

*Kinshasa*

Waivers of setback and collocation were granted by the Acting Assistant Secretary on 08/21/02. The waivers permitted the new CDC office to be located in the Mobil Oil Building and the expansion of the already existing USAID office in that building. The 10-story building has commercial office space on the first, second, and third floors. The fourth through 10 floors are apartments. The building has the following setback:

- South side—60 feet;
- West side—35 feet;
- North side—zero to 70 feet; and
- East side—five feet.

*Minsk*

Waivers of setback and collocation were granted by the Assistant Secretary on 02/04/02. The Public Diplomacy Office is located on the ground and first floors of a three-story commercial office building. Setback from the exterior of the building to the perimeter is more than 100 feet on two sides and approximately 60 feet on the other two sides.

*Sarajevo*

Waivers of setback and collocation were granted by the Acting Assistant Secretary on 06/17/02. The waivers allow the relocation of the CPA and GSO offices to space on the first through fourth floors and a portion of the fifth floor of the USAID NAB, a 12-story office building leased in its entirety by USAID. Following renovation, USAID occupies the sixth through 12th floors.

Original acquisition of the USAID building was approved 11/12/99 with the setback from the property perimeter as follows:

- North side (river)—five feet;
- East side—105 feet;
- South side—52.5 feet; and
- West side—100 feet.

*Tirana*

Waivers of setback and collocation were granted by the Assistant Secretary on 01/02/02. The waivers allow temporary relocation of the USAID offices to the second floor of the nine-story Sheraton Hotel until completion of the Embassy Annex on the Embassy compound. The hotel building has setback from the property perimeter as follows:

- North side—65.7 feet;
- East side—360 feet;

- South side—425 feet; and
- West side—360 feet.

*Question.* General Taylor, in your written testimony, you describe the effort to respond to threats against personnel in our State Department facilities domestically and abroad. I understand that you get numerous threats at post every day.

*a.* Has the volume and nature of threats to our overseas personnel changed significantly since the September 11th terrorist attacks? What is the volume today?

Answer. Since 9/11, there has been in increase in the volume of threats directed at overseas U.S. diplomatic facilities and personnel. Such increases are normally seen after major terrorist attacks and controversial U.S. foreign policy or military actions. Similar increases were noted after the 1991 Operation Desert Storm, 1998 East African Embassy bombings and the 2000 attack on the USS *Cole.* The current military action in Iraq will also most likely generate an increase in terrorist threats.

The nature of the threat against overseas U.S. diplomatic interests has not significantly changed. The threat scenarios still primarily involve attacks on our facilities either with standoff weapons or vehicular suicide attacks. However, since the attack in Bali we have noticed an increase in terrorist threat reporting concerning plots and interest in "soft" U.S. targets. Many of these reports involve al-Qaeda. As we harden security around our facilities and principal officers, it is logical that terrorists would look for softer U.S. diplomatic targets. It is not yet clear whether this is an emerging trend or simply a temporary tactical shift. Terrorists still believe that they acquire more political capital by attacking a U.S. Embassy or assassinating or kidnapping a principal officer than by attacking soft targets. Attacks on soft targets may simply be a holding action designed to demonstrate that the group is still active and to inspire local sympathizers and supporters.

*b.* Does the Department have the resources to investigate such a volume of threats? And if the volume should increase significantly?

Answer. The Diplomatic Security Service is adequately staffed and prepared to respond to the current volume of threats and has the capacity to absorb an increase in threat related investigative activity for a short period of time. However, our current resources do not provide us with the flexibility to respond effectively to a sustained period of increased threats requiring an investigative response. Such a situation will tax DS personnel and force reallocation of resources from other critical programs impacting on both Department and national security priorities.

*c.* How do the various entities in a mission—Diplomatic Security, FBI, CIA, and others—coordinate within a post and with Washington to investigate a threat?

Answer. The Chief of Mission (CON) is ultimately responsible for security at post. His primary security advisor is the RSO. The Emergency Action Committee (EAC) is an organization established at a Foreign Service Post by the CON or principal officer, for the purpose of planning and coordinating the post's response to contingencies such as threats. The RSO, CIA and FBI are just three of the many members of an EAC. The RSO submits a cable to Washington on EAC meetings. In Washington, DC, all significant threats are discussed daily (except Sunday) via the secure video meetings convened by the NSC's Counterterrorism Security Group (CSG). All key agencies of the Intelligence Community are represented and contribute in this meeting on a daily basis. Diplomatic Security chairs for the Department of State.

*Question.* The most recent semi-annual report of the Inspector General (covering April to September 2002) contains a summary discussion of the review of the 28 missions it inspected in this period. The unclassified part of the report says this:

> "Of all the findings the most prevalent pertained to emergency preparedness. U.S. Missions are required to review Emergency Action Plans on an annual basis and to submit a fully revised plan every three to five years . . . the inspections determined that more than half of the missions had not conducted the required review and testing of their emergency procedures. The importance of these findings cannot be overstated. As noted by survivors of the most recent large vehicle bomb attacks against the U.S. Consulate in Karachi, Pakistan, the lack of personnel injury was attributed to the instinctive response by staff as a result of frequent emergency procedure drills. The deficiencies noted in all emergency procedure programs are easily correctable, usually requiring little if any additional resources."

The report also asserts that in the area of physical security, the "most common deficiency was the lack of current technical and physical security surveys. These re-

views are essential to ensuring the currency of the mission's physical, technical, and procedural defenses."

*a.* Do you agree or disagree with these conclusions?

Answer. The Bureau of Diplomatic Security agrees with the conclusion that a well formulated Emergency Action Plan (EAP) that all members of the Emergency Action Committee (EAC) contribute to and participate in can indeed prepare a mission for emergency situations. Additionally, the annual review for accurate information and full participation drills are a key element in emergency preparedness of a post.

*b.* If you agree, what is DS doing to remind ambassadors and regional security officers of the importance of security drills and of conducting regular surveys?

Answer. In January of 2001, the Department at the request of the Bureau of Diplomatic Security changed the 12 FAH 1, Emergency Plans Handbook (EPH), Section H-060 Drills, to reflect new guidance to missions for types and frequency of drills. To reinforce this and other changes to the EPH, Diplomatic Security provides all outgoing Ambassadors, Regional Security Officers (RSO), Assistant Regional Security Officers (ARSO) and Post Security Officers (PSO) with briefings and training on general EAP preparations, changes in the EPH and post specific needs and requirements for emergency preparedness. Additionally, DS reminds the EAC Chairperson and RSC via State cables when their specific EAP is due/overdue for revision. As major changes are made to the EPH, State notification cables are sent to all posts advising of the changes and compliance requirements. The post Emergency Action Committee (SAC) is responsible for ensuring that periodic drills are conducted and reported per 12 FAH-1 Section H-063. The EPH is considered a living document and changes are made to it as security procedures change, generally due to a heightened threat environment. The EPH changes will in turn require each individual post EAC to assess the new guidance and make appropriate changes to their EAP.

*Question.* The Bureau of Diplomatic Security oversees the anti-terrorism assistance program. The funding for this program has increased significantly in recent years, especially since September 11, 2001. The request for Fiscal Year 2004 is $106.4 million, an increase of over $40 million compared to the FY 2003 request. The Congressional Budget Presentation indicates that a recent program assessment concluded that it is "moderately effective."

*a.* The number of people in the Office of Anti-Terrorism Assistance is the same in the request for FY 2004 (15) as in FY 2000, when the program was funded at a level of $31 million. Is this number of staff sufficient to manage these kinds of budgetary increases? If so, why?

*b.* Please provide information about the program assessment which found the program "moderately effective." What problems, if any, did the report identify?

Answer.

*a.* The overall number of individuals supporting Antiterrorism Assistance (ATA) programs has grown dramatically with budget gains, to more than 90 individuals, through increases in the number of contractors employed by ATA. Although there are many advantages to the utilization of contractors for the kinds of programs ATA operates, additional full time, State Department employees in supervisory positions would enhance overall program management. ATA is seeking reorganization for additional supervisory positions through the Department of State personnel system.

*b.* The rating referred to in the question above came from the Office of Management and Budget's Program Assessment Rating Tool (PART). Introduced for the first time in the President's FY 2004 budget presentation, PART is an element of an ongoing effort to assess the effectiveness of federal programs and to hold agencies accountable for accomplishing results. The PART evaluation considers four critical areas of assessment: purpose and design, strategic planning, management, and results and accountability. Scores in each of these areas are combined to achieve an overall qualitative rating that ranges from Effective, to Moderately Effective, to Adequate, to Ineffective. Programs that do not have acceptable performance measures or have not yet collected performance data generally receive a rating of Results Not Demonstrated. OMB completed reviews for 234 programs for this year as a representative sample of government programs. More than half of all programs reviewed (50.4 percent) received the Results Not Demonstrated rating. 5.1 percent were judged Ineffective; 14.5 percent Adequate; 24.0 percent Moderately Effective; and just 6.0 percent Effective. Although the Antiterrorism Assistance Program's overall rating of 78 percent was comparatively favorable to other State Department and US Government

programs, the PART review indicated that ATA has not fully satisfied the requirement for "measurable long-term outcome goals." ATA has numerous anecdotal success stories of course graduates from many different countries using their training to free American hostages or identify the perpetrators of a terrorist bombing. However, ATA is now also developing objective country-by-country measures of effectiveness that will enable it to better calibrate national progress and returns on training and equipment investment.

*Question.* General Taylor, you indicated that there are RSOs in 157 countries. We have posts in 186 countries. Who performs the functions of a security officer in the remaining 29 countries? Is such coverage adequate? If so, why?

Answer. Security is a major concern at each post and we believe coverage is adequate because Regional Security Officers and Post Security Officers are assigned to every location in the world. Of the remaining countries (29), 15 have no American presence and 14 are smaller facilities such as those in the South Pacific (Micronesia, Solomon Islands, Marshall Islands) and Caribbean (St. Johns, St. George's). An American Post Security Officer who is overseen by a nearby RSO provides the security function. The RSO will visit the post quarterly and is always available for guidance. DS will continually monitor each security situation and workload to assign an RSO when needed, but a more effective use of assets has been a second officer at a larger, busier post.

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RESPONSES OF MAJ. GEN. CHARLES E. WILLIAMS (RET.), OBO DIRECTOR AND COO, DEPARTMENT OF STATE, TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* General Williams outlined an ambitious program to construct over 160 new Embassy compounds worldwide over the next 12 years. Even a dozen years is, however, a long period of time given the security threat.

*a.* Is there a way to complete 160 projects on a faster schedule?

Answer. As General Williams indicated in his testimony on March 20, 2003, OBO currently has the capacity to manage $1.8 billion in NEC projects on an annual basis. At that funding level the job could be completed less than 12 years.

If additional funds were made available, OBO would be prepared to make the appropriate adjustments in its staffing levels and management structures to accommodate an even more aggressive schedule for constructing New Embassy Compounds.

As was also noted in the testimony, the Department's major new initiative, the Capital Security Cost Sharing Program, establishes the mechanism to allocate the costs of an accelerated program throughout agencies at our overseas missions. At present, other agencies contribute only to the operating costs of our facilities, but contribute nothing for the capital cost of the long-term facilities they use. The initiation of this Program was announced in the President's Budget for Fiscal Year 2004, with actual allocations to other agencies to commence in FY2005. The full implementation of this program plus the current level of appropriations funds would allow OBO to accelerate the program from 26 years to 12.

*b.* Are there any other legislative impediments that stand in the way of your doing your job quickly and efficiently that Congress should consider?

Answer. The most important consideration is consistency of funding levels. The success of the Capital Security Cost Sharing Program depends on assured, long-term funding. In order to maintain the interest of private industry, funding levels must be maintained over the long term and can not be reduced after a few years.

We believe that the Capital Security Cost Sharing Program is fully justified by our need to relocate U.S. Government employees overseas into secure, safe, and functional facilities as soon as possible. In addition—and as an added benefit—it also has a strong "rightsizing" component: For each overseas employee, agencies and departments would have to pay into the fund for new, secure office space.

*Question.* The Congressional Presentation Document for OBO's Design and Engineering function contains a program increase of $1.2 million for "Increase in Travel (Business Class)". Please elaborate on the nature of this increase. Has there been a change in policy or practice with regard to use of business class travel?

Answer. The cost and amount of TDY travel conducted by OBO's Design and Engineering (DE) division has increased significantly due both to departmental changes in the travel policy and changes in the number of division staff and their roles and functions following OBO's 2001 reorganization.

2002 regulatory changes in departmental travel policy increased the amount of authorized business class travel, increasing DE travel costs. Revisions to Department of State's regulations (Foreign Affairs Manual 6 FAM 147.2-4) require, with narrow exception, that travelers be provided business class air accommodations for all TDY or Permanent Change of Station travel of 14 hours duration or longer.

The number of DE staff traveling and the number of TDY trips accomplished have also dramatically increased. Following the 2001 OBO re-organization of offices and divisions, all OBO design and engineering functions were consolidated in the DE Division. As a result, DE grew by 30 additional staff members previously assigned to other OBO divisions: Security Engineering (15), Design Management (10), and Fire Protection (5), many of whom travel frequently. These increased travel costs could not be absorbed within the current operating budget. In addition, CEO's Standard Embassy Design (SED) strategy also now requires that DE architects and engineers travel to project sites to support the SED planning function. Given the enlarged OBO mission to construct, renovate, and maintain secure and functional facilities in 260 embassies and consulates, DE has also been required to support a greater number security, construction, and maintenance projects worldwide. This, too, has resulted in increased TDY travel.

*Question.* Of the New Embassy Compounds requested in FY 2004, do the costs for the NOB set forth in the budget include land costs?

Answer. Land costs for the New Embassy Compounds requested in the FY 2004 budget are not included. Site acquisition costs for Accra, Ghana; Belgrade, Serbia-Montenegro; Lome, Togo; Panama City, Panama; and Surabaya, Indonesia were included as part of the FY 2003 budget. The sites for the Algiers, Algeria and Berlin, Germany NECs as well as the Abuja, Nigeria and Kingston, Jamaica USAID Buildings are already USG-owned. The decision to buy a new site or utilize an existing USG-owned site in Rangoon, Burma is still under consideration. Site acquisition funds requested in the FY 2004 budget will be used for purchasing sites during FY 2004 for NECs to be built in FY 2005 and beyond. Our FY 2004 request includes $63.2 million for site acquisitions and planning for future NECs.

*Question.* Of the New Embassy Compounds requested in FY 2004, please provide information on the design/construction parameters as to size—that is, whether the post is based on the "small", "medium", or "large" standard design.

Answer. The Standard Embassy Design (SED) allows the Department to take advantage of standardized designs based on staffing requirements of embassies. This reduces the time to construct facilities overseas and their overall cost. There are three SEDs:

- Small <4300 sq. meters
- Medium 4300-7400 sq. meters
- Large >7400 sq. meters

Surabaya, Indonesia is a small SED. Algiers, Algeria and Lome, Togo are medium SEDs. Accra, Ghana; Belgrade, Serbia-Montenegro; and Rangoon, Burma are large SEDs.

Berlin and Panama are considered "Special" Embassies as their size is beyond the parameters of a large SED due to extraordinary security or operational needs.

The USAID buildings for Abuja and Kingston are not considered a part of the SED program. However, based on their size, they would be considered small.

*Question.* General Williams, your presentation indicates that there is a "participating contractor pool for the NECs", which now consists of 14 such contractors. Please explain how contractors are selected and qualify for participation in the pool. What does membership in the pool signify? What are the names of the 14 contractors? Are all such contractors U.S. firms?

Answer. The process starts with contractors responding to an advertised synopsis. The pool consists of prequalified contractors selected on the merits of their technical proposals that demonstrate the contractors' ability to meet established criteria; such as adequate financial resources, record of past performance, and technical capabilities. Several of the companies that are in the 2003 NEC pool are from the 2002 NEC prequalified contractors list, since the prequalification is good for two years. These fiscal year 2002 companies merely had to submit a letter of interest in response to the 2003 NEC program. All of these companies are U.S. firms. The list of firms that have been in the pool over the past several years include:

- Caddell Construction Co.
- J.A. Jones Construction Co.
- Hensel Phelps Construction Co.
- Fluor Intercontinental

- B.L. Harbert Int'l., LLC
- ABB SUSA, Inc.
- HB Zachry Co. (International)
- Perini Corp.
- HITT Constructors
- Jordon Construction
- Parsons
- Dick Pacific
- Carothers Construction/Arkel International (Joint Venture)
- AECON/Leo Daly (Joint Venture)

As new NEC projects come in for FY 2003, they will be advertised so that new firms will be given the opportunity to prequalify, and be added to the pool.

*Question.* To what degree are contractors for NECs subject to competition?

Answer. NECs are competed in both phases of the solicitation process. A technical competition is held in the prequalification phase, and a price/technical competition is held among the list of prequalified firms in the second phase. The result of this two-phase competition action will result in a contract that offers the best value to the U.S. Government.