

**BUILDING A STRONGER DIPLOMATIC PRESENCE**

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**HEARING**

BEFORE THE

OVERSIGHT OF GOVERNMENT MANAGEMENT,  
THE FEDERAL WORKFORCE, AND THE  
DISTRICT OF COLUMBIA SUBCOMMITTEE

OF THE

COMMITTEE ON  
HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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AUGUST 1, 2007  
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**WEDNESDAY, AUGUST 1, 2007**

U.S. SENATE,  
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT  
MANAGEMENT, THE FEDERAL WORKFORCE,  
AND THE DISTRICT OF COLUMBIA,  
OF THE COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 2:35 p.m., in Room SD-342, Dirksen Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Subcommittee, presiding.  
Present: Senators Akaka and Voinovich.

### **OPENING STATEMENT OF SENATOR AKAKA**

Senator AKAKA. I call this hearing of the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia to order. I want to welcome our witnesses and thank you for being here today.

An agency's greatest asset is its human capital. Today's hearing will examine staffing and resource needs at the Department of State in light of current and future global challenges. It will also examine how to encourage the employment of more Americans by the United Nations and its organizations.

The men and women who serve in the 266 embassies, consulates, and other posts in 172 countries around the world are the face of the United States in the international community. It is these men and women serving overseas who defend and promote America and America's interests on a daily basis.

The same can be said of those Americans who serve in organizations of the United Nations. While the high-level management positions Americans secure at the U.N., the U.N. High Commission on Refugees, the International Atomic Energy Agency, and the U.N. Educational, Scientific, and Cultural Organization are beneficial in helping to bring American perspectives and issues to the U.N., it is the professional staff who design and manage projects. Americans serving in these positions are part of a professional network of employees who bring the culture and traditions of the United States to the international community.

The war on terror has brought new foreign policy challenges to the United States. These challenges cannot be solved through grand gestures and proclamations; they must also be addressed in

the routine work of our men and women who serve at the embassies and consulates of the State Department, in Washington, and within the halls of the U.N. and its organizations. These are the interactions that, at the end of the day, matter most. That is why it is so critical for the State Department to assist Americans who seek employment in the U.N.

Since the end of the Cold War, the world has dissolved into a patchwork of competing interests, threats, and unexpected challenges. The Cold War structure of our institutions, including the State Department, has had to change with the times.

In 2002, following the tragic attacks of September 11, 2001, former Secretary of State Colin Powell created the Diplomatic Readiness Initiative to revitalize the State Department and to bring in 1,158 new skilled, committed, and well-trained Foreign and Civil Service employees. Congress appropriated over \$100 million for the DRI, which enabled the State Department to hire 300 new employees and 1,700 new Foreign Service officers.

On January 18, 2006, Secretary Rice announced her own program, the Transformational Diplomacy Initiative, which called for the global repositioning of Foreign Service positions from Washington, DC, and elsewhere to critical emerging areas including Africa, South and East Asia, and the Middle East. Many of these posts are considered hardship posts, which the State Department defines as locations where the U.S. Government provides differential pay incentives to encourage employees to bid on assignments at these posts and to compensate them for the hardships they encounter there. Such incentives are necessary due to extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions affecting the majority of employees officially stationed there.

However, global repositioning has resulted in a hollowing out of Foreign Service staff, as the State Department has continued to lose more staff than it has hired. To make matters worse, in implementing the global repositioning of positions, Secretary Rice did not obtain funding for additional positions in these critical emerging areas, but instead moved existing positions to them.

According to a report by the Foreign Affairs Council issued on June 1, 2007,<sup>1</sup> between 2001 and 2005, 1,069 new positions and program funding increases were secured through the DRI. But since that time, all of these new positions have been redirected to assignments in Iraq, Afghanistan, and other hardship posts. Roughly 200 existing jobs remain unfilled and an additional 900 training slots necessary to provide language and other skills do not exist. The report adds that in the first 2 years of Secretary Rice's tenure at the State Department, no new net resources have been secured. Therefore, whatever gains the DRI secured at the State Department were quickly eliminated because of the wars in Iraq and Afghanistan.

In fact, in order to meet the ongoing needs in these two countries, Secretary Rice moved 280 mid-level Foreign Service positions

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<sup>1</sup>The Task Force Report from the Foreign Affairs Council entitled "Managing Secretary Rice's State Department: An Independent Assessment," appears in the Appendix on page 199.

from other posts to staff the U.S. embassies in Iraq and Afghanistan.

The Vice President of the American Foreign Service Association has testified that at least 40 percent of State Department diplomats who have served in danger zones suffer from some form of post-traumatic stress disorder, or PTSD. It is important to remember that, unlike members of the military, these unarmed civilian diplomats are not well-prepared to function in active combat zones. Increasingly, service in hardship posts is a requirement for promotion within the Foreign Service, which means that PTSD will likely become a mainstay of the FSO experience over the long term. The State Department must develop more effective means to acknowledge this health risk and to provide the support that the FSOs returning from these posts so greatly require.

Staffing at the State Department is not the only problem we face in our ability to execute U.S. foreign policy. Despite the fact that the United States contributes the largest portion of the U.N. budget, Americans continue to be underrepresented at the United Nations and its specialized agencies. At my request, the GAO surveyed five U.N. organizations last year which comprise roughly 50 percent of total U.N. organizations' professional staff. They found that three of them—the UNHCR, IAEA, and UNESCO—fell short of either formal or informal hiring targets agreed upon by the organizations and their member states while staffing levels for Americans and others. This means that the United States is losing an opportunity to contribute important skills, perspectives, and experience to the U.N.

The September GAO report found that there are barriers keeping Americans from assuming positions at the U.N. A critical finding in that report was that the State Department does not effectively support Americans who seek employment at these organizations and, when it does, tends to emphasize only director-level or higher posts.

As the chairman of the Readiness Subcommittee of the Armed Services Committee and as chairman of the Veterans' Committee, I am committed to ensuring that our men and women in uniform, fighting overseas, and our returning veterans have the training, equipment, and support they need both to accomplish their mission and sustain morale.

We need to devote the same attention to the men and women serving our Nation in a civilian capacity overseas that we do to our service personnel. At the same time, I believe that if we are going to be successful in winning the hearts and minds of the rest of the world, which is so critical in the war on terrorism, we must do a much better job of promoting American participation in international organizations.

I want to thank our witnesses for being here today to discuss this critical issue.

I now would like to move on here. Senator Voinovich is expected to be here, and when he does, I will have him deliver his statement as well.

But I want to welcome the witnesses to this Subcommittee today: Ambassador Heather Hodges, Acting Director General of the U.S. Department of State; and James Warlick, Principal Deputy Assist-

ant Secretary, Bureau of International Organizations at the U.S. Department of State.

And I want you to know that it is the custom to swear in all witnesses. I would ask all of you to stand and raise your right hand and to respond after the swearing in. So will you please rise with me? Do you swear that the testimony you are about to give this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Ambassador Hodges. I do.

Mr. WARLICK. I do.

Senator AKAKA. Thank you. Let the record note that the witnesses responded in the affirmative.

Before the witnesses begin their testimony, let me state for the record, as we deal with a hearing like this, that I understand that our staffs have had some difficulty, and out of that I would tell you that I was greatly disappointed to hear that we had some problems trying to set up this hearing. And I wish to remind everyone that we are here representing the people of this great Nation, and I as the Chairman am holding this hearing to understand the staffing needs of the State Department. And I want you to know that as Chairman of the Federal Workforce Subcommittee, this is not only your problem, it is the country's problem. And so we need to try to get as much information as we can from all corners and to try to use this to deal with the problems that we face.

He is right on time. I will ask Senator Voinovich for his statement. Senator Voinovich and I have been working on human capital, and I look upon him as the hero of human capital.

#### **OPENING STATEMENT OF SENATOR VOINOVICH**

Senator VOINOVICH. Thank you, Senator, and I apologize for being late. I want to thank you for calling this hearing this afternoon on the Department of State's human capital challenges and the hiring of U.S. citizens in U.N. agencies.

As a Member of this Subcommittee, as Senator Akaka said, I have had a longstanding interest in improving government management in general and, in particular, an interest in the management of the Department of State. I know that successful diplomacy requires the support of a well-prepared and well-managed Foreign and Civil Service.

Unfortunately, the downsizing of the 1990s left a gap in experienced personnel, and the change in reality of the State Department's mission after September 11 combined to make this challenge a difficult one. As with other Federal agencies, the State Department is losing seasoned staff to retirement at a time when the need to engage in public diplomacy has never been greater. I have expressed my concerns to Secretary Rice and to Deputy Secretary Negroponte and encouraged them to make leadership and management a top priority. I was really concerned when Bob Zoellick got the job because I did not think he was going to get involved in management. I am hoping that Deputy Secretary Negroponte is paying more attention to management.

This hearing is timely before the loss of Executive Branch leadership due to transition and so we are concerned about what happens in the interim. With a number of workforce initiatives begun by

Secretary Rice and her predecessor, Secretary Powell, it is extremely important that the State Department not lose momentum. And I know Secretary Rice has tried to really pay attention to management, but I do not know of any Secretary of State that has had more to do than she has. I am sure her focus on management is not very great because she has no time for it.

I am aware that priorities in Iraq and Afghanistan have slowed progress, but developing critical skills in management, improving language training, changing leadership culture to emphasize teamwork between the Foreign Service and Civil Service are fundamental no matter who is in charge. In addition, the Federal Government needs to be the employer of first choice by providing meaningful incentives, such as the student loan repayment program, to attract talented staff.

The Subcommittee held a hearing at the beginning of the year devoted to language training in the Federal Government. The need to improve foreign language skills is not an abstraction. It took the tragedy of September 11 to wake up to the fact that we were not prepared for the 21st Century.

To maintain our competitive business edge and keep our country safe, Americans must learn to be global citizens and to communicate effectively with other peoples around the world. I am a strong proponent of the good that can be done through cultural exchange programs and the opportunities for citizens of other countries to visit and learn about our country. And spending time in another country can be life-changing for citizens as well.

The public diplomacy mission of the Department of State is all about connecting to foreign audiences and explaining American values and ideals. Yet GAO, in their 2006 report, notes that 30 percent of officers in language-designated public diplomacy positions in the Muslim world have not attained the level of language proficiency required for their positions, hampering their ability to engage with foreign publics.

Most agree that success in our war against terror will depend on winning the hearts and minds of Muslims throughout the world. Imam Rauf, who visited with me recently, is putting together a coalition of Muslim scholars from all sects to show how the principles of democracy and the West are consistent with Islam. How does the Muslim world deal with modernity and how does modernity deal with the Muslim world?

The State Department is also responsible for protecting and assisting U.S. citizens who are living or traveling abroad. Unfortunately, many Americans saw the problems of understaffing and poor planning firsthand when they tried to comply with the requirement to have a passport for travel in the Western Hemisphere. My office, as well as that of every other Senator and Member of Congress, was inundated with constituents trying to embark on travel plans who were unable to get passports in time. It took extraordinary intervention with the Departments of Homeland Security and the State Department to ease the restriction temporarily. I just saw something on Jim Lehrer the other night, a report that you have got a bunch of young, bright Presidential scholars, 200 of them that you brought in, and you are working to get that backlog down.

What is dismaying is that this situation could have and should have been anticipated. In other words, we should have known something about this. So it brings me back to concerns I have raised with the Secretary and Deputy Secretary about the need for a continued focus on management. The State Department is comprised of both the Civil Service and Foreign Service, and many of the jobs they fill are interchangeable. Many complain that the State Department is failing to use or retain civil servants because there is no clear development plan for the Civil Service cadre, and there is also no clear plan for integrating civil servants with overseas posts when needed.

Currently, there are many civil servants who would volunteer to serve overseas, but there is no way to do that while continuing on an upward career path. I think this is a missed opportunity when many other key posts are understaffed.

I have been told that public diplomacy officers in turn are burdened with administrative duties, such as budget, personnel, and internal reporting that compete with their public diplomacy responsibilities. I know the State Department is making an effort to change this, and I am anxious to hear what is being done to help turn this situation around.

Finally, I want to say a word about our panel on the hiring of U.S. citizens to fill positions in U.N. agencies. First of all, I do not think we have been aggressive enough. We should be encouraging people to apply. Ensuring that professional merit is the standard by which candidates are chosen should also be a goal, and we have talked to Ban Ki-moon about this. If you want people to apply then this cannot be a patronage operation. They have got to believe, "If I come in here and I do a good job, I can move up the ranks in this organization."

We need to provide whatever support and leverage we can to help Ban Ki-moon institute the management reforms that he would like to make in the United Nations. I happen to believe that the Secretary General is a decent man, understands what needs to be done, and has got somebody working on management that I think is terrific.

So, Mr. Chairman, again, I apologize to you and to the witnesses for being late, and I look forward to hearing the witnesses' testimony. Thank you for being here.

Senator AKAKA. Thank you very much, Senator Voinovich. We have been working on human capital for many years, and we will continue to work on it here.

At this time, I would like to call on Ambassador Hodges for your statement.

**TESTIMONY OF AMBASSADOR HEATHER M. HODGES,<sup>1</sup> ACTING  
DIRECTOR GENERAL, FOREIGN SERVICE, AND DIRECTOR OF  
HUMAN RESOURCES, U.S. DEPARTMENT OF STATE**

Ambassador HODGES. Mr. Chairman, Senator Voinovich, thank you for this opportunity to testify before you today and address the State Department's efforts to develop, position, and support our dedicated corps of Foreign Service, Civil Service, and locally em-

<sup>1</sup>The prepared statement of Ambassador Hodges appears in the Appendix on page 43.

ployed staff to effectively meet the challenges of our worldwide mission.

The changes we have seen in terms of the Department of State's staffing requirements in the post-September 11 world are nothing less than staggering. The number of State Department positions overseas that are designated "unaccompanied" or "limited unaccompanied" for reasons of hardship or danger has almost quadrupled since 2001, from less than 200 to more than 750 today.

Since 2001, we have opened and staffed new embassies in Podgorica, Montenegro, and Dili, Timor Leste, and set up dozens of provincial reconstruction teams under the most challenging circumstances in Afghanistan and Iraq, while still maintaining operational readiness at our other 265 missions worldwide.

We have also enhanced interagency cooperation by increasing the number of political military advisors to military commanders in the field, expanding details to other national security agencies, and developing the U.S. Government's capacity to participate in reconstruction and stabilization efforts.

Sustaining the State Department's high standards for foreign language capability has also become challenging. Since 2001, the number of language-designated positions in the State Department has doubled. Language-designated positions and critical needs languages, including Arabic, Chinese, and Farsi, which are often the hardest to teach, have increased by 170 percent.

Over three rounds of global repositioning, the Secretary has approved the realignment and creation of 285 positions, including the establishment of new American Presence Posts, by reallocating positions and implementing other management reforms. The regions of East Asia Pacific and South Central Asia have been allotted the most new positions, with our missions in India and China receiving the largest staffing increases. We have effectively repositioned one-tenth of our political, economic, and public diplomacy officers overseas through the global repositioning process.

The State Department has also increased training to meet the needs of transformational diplomacy. The Foreign Service has expanded its foreign language training capacity to increase the number of critical needs language speakers and raise the proficiency of existing foreign language speakers. The State Department enrollments in Arabic language courses, for example, have nearly quadrupled since 2001, with roughly 450 enrollments in the various types of Arabic courses in fiscal year 2006.

We also announced a special initiative this summer to encourage State Department employees to learn Arabic. Under this program, Foreign Service generalists and specialists can curtail their current jobs to begin full-time Arabic training.

Within the Bureau of Human Resources, we have adapted our recruitment intake and assignments processes to maintain operational readiness in the face of global challenges. We have adapted our intake process to meet the State Department's transformational diplomacy agenda and retain our ability to attract the best and brightest foreign affairs professionals. Registration is currently underway for the first test offering in September 2007 as part of a redesigned Foreign Service intake process.

In addition to changing the way we recruit and hire Foreign Service officers, we also made substantial changes to the assignments process in 2006 and 2007. We changed the order in which assignments are made, tightened the so-called "Fair share" rules, requiring more of our personnel to serve at hardship posts, limited Foreign Service officers to 5 consecutive years of service in Washington, DC, and eliminated fourth-year extensions at posts with less than 15 percent differential. I am pleased to report that the process has worked well. As of July 31, we have also successfully filled 93 percent of our summer 2007 openings in Iraq, including those in Baghdad and in the Provincial Reconstruction Teams, and nearly all of our unaccompanied positions worldwide have all been staffed with volunteers.

This year, we also introduced a country-specific assignments cycle for Iraq. This new cycle will ensure that we once again fully staff our mission in Iraq in 2008.

Our new assignments procedures have been successful because of our dedicated men and women who, in the finest tradition of the Foreign Service and the State Department in general, are committed to serving the needs of America. One of our ongoing challenges is staffing overseas positions, and one of our top legislative priorities is to implement a new pay-for-performance system within the Foreign Service that will establish a single, worldwide pay scale for Foreign Service members and eliminate an 18.6-percent disparity for FS-01 and below officers serving overseas.

The State Department has included the Foreign Service pay reform provisions in its fiscal year 2008 and 2009 authorization bill request, which was sent to Congress in May 2007. We look forward to working with Congress to pass this important piece of legislation, which will go a long way to help the State Department staff our most difficult posts overseas. We are doing all we can to meet the challenges of staffing our missions in a post-September 11 world and are proud of our success to date. We also acknowledge that, despite our best efforts, the State Department's staffing needs to exceed our current resources.

The State Department is dealing with a deficit of mid-level Foreign Service generalists due to hiring shortages in the 1990s. At the FS-02 level, we have 210 more positions than officers. In addition, the State Department has only been able to set aside 500 positions for long-term training, a mere 5 percent of our Foreign Service position base. As a result, we have been forced to leave some overseas positions vacant for long periods, or we have had to waive language requirements in order to fill positions.

To address our staffing needs, the State Department requested 254 new positions in the fiscal year 2008 budget to cover training, surge, and rotational requirements. The President's budget submission has requested new positions for the last 3 years, but Congress has not appropriated any new positions outside of the earmarked consular and security positions since 2004.

Our Foreign Service corps of approximately 11,500, while made up of the most talented and capable foreign affairs professionals this country has to offer, is too small to handle the United States of America's increasingly critical and growing mission of diplomatic engagement. To put this number in perspective, our entire corps of

Foreign Service generalists and specialists is about the size of one army division.

We are hard at work around the world with about 67 percent of Foreign Service employees serving overseas and 68 percent of those assigned to hardship posts. We are proud of our committed, capable Department of State employees who make sacrifices every day to serve the American people, and we are committed to supporting and enabling them to effectively carry out the State Department's mission.

Mr. Chairman, I thank you for the opportunity to address you today.

Senator AKAKA. Thank you very much for your testimony, Ambassador. And now we will hear from Mr. Warlick.

**TESTIMONY OF JAMES B. WARLICK,<sup>1</sup> PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATIONS, U.S. DEPARTMENT OF STATE**

Mr. WARLICK. Mr. Chairman, Senator Voinovich, I am pleased to have the opportunity to discuss the Department of State's efforts to recruit U.S. citizens for positions at U.N.'s organizations. We place high priority on increasing the number of Americans at all levels in international organizations. Americans bring to the work environment well-honed skills, high levels of education, and relevant experience in their fields of expertise. They are also accustomed to working in a culture where ethics, efficiency, and effectiveness are prized, and accountability is expected. A strong American presence in international organizations is in our Nation's best interests because it translates into influence and a greater likelihood of achieving our policy goals.

Our highest priority is placing American citizens in policy and senior-level positions in the U.N. system. We have worked closely with new U.N. Secretary General Ban Ki-moon and his staff to identify the most talented Americans and place them in positions of responsibility. We were particularly pleased that the Secretary General selected Ambassador Lynn Pascoe to serve as Under Secretary General for Political Affairs and Josette Sheeran to be the new Executive Director of the World Food Program. The appointments of Nancy Graham as Director of Air Navigation for the International Civil Aviation Organization and Craig Johnstone as Deputy U.N. High Commissioner for Refugees were other achievements.

We have also provided assistance to Americans who have been successful in obtaining entry in mid-level positions. For example, a Foreign Service officer recently obtained an administrative officer position in the U.N. Office at Geneva, and an American was selected as an examinations officer in the U.N. Secretariat.

We are seeking to increase the overall number of Americans in international organizations. As of the end of 2005, there were roughly 2,200 Americans serving in professional positions in the U.N. system, representing 8.2 percent of the professional workforce. This is down from the year 2000 when Americans held 8.8 percent of the professional positions.

<sup>1</sup>The prepared statement of Mr. Warlick appears in the Appendix on page 52.

But these numbers do not tell the whole story. We are targeting particular jobs, agencies, and programs where the presence of American citizens can make especially important contributions. For example, there has been a major interagency effort to increase the number of Americans at the International Atomic Energy Agency, and we have had some success. However, increasing the number of Americans, regardless of grade level, is not an easy task. Many challenges are not primarily within the control of the United States, including restrictions on the number of positions open to external candidates, stiff competition from nationals of other countries, many of whom are multilingual, and limited job opportunities for spouses—a problem for many American families that are used to two incomes and spouses who want to work.

To achieve our goal of increasing American representation in the U.N. system, we are working in different ways.

First, we have increased the resources devoted to this effort. In 2002, there were only two positions assigned to this area, while now we have six positions—four of which are fully dedicated. One position concentrates solely on identifying and placing Americans in senior- and policy-level jobs. Also, in recent years, we have provided higher levels of funding for travel, displays, and materials related to outreach events.

Second, the State Department has increased and broadened its outreach efforts. We have reached a much wider source of potential candidates because OPM's USAJobs website has a link to our employment-in-international-organizations website, as do other organizations. We have continued to compile an international vacancy announcement list with a dissemination list that keeps growing. We have regularly sent officers from Washington to meet with international organization officials to press for an increase in hiring Americans at all levels, to supplement the message being sent routinely by our Ambassadors.

We have participated in more career fairs than in the past and are now trying to better target our audiences. Also, we have been broadening our outreach geographically by participating in outreach events outside the Washington area, such as in Arizona, California, Illinois, New York, North Carolina, and Texas.

To help ensure that Americans are hired at the entry level at the United Nations for the last several years the State Department has funded the costs for holding the U.N.'s National Competitive Recruitment Exam in locations other than in New York—for example, in California and Illinois. We also recognize the value of junior professional officers, and the State Department has continued its funding for these positions. For example, there were 15 junior professional officers funded in 2006, which was increased to 17 in 2007.

I should note that Secretary Rice, her senior staff, and others throughout the government have worked actively to place Americans in positions in the U.N. American citizen employment is a U.S. Government priority.

Third, we have been seeking better coordination and collaboration within the U.S. Government. We created an interagency task force as a forum for identifying issues, seeking out best practices, and disseminating information. We have met individually with U.S. Government agencies to examine American employment issues in

international organizations. In addition, in 2006, Secretary Rice sent a letter to heads of U.S. Government agencies urging them to assist and encourage details and transfers of their employees to international organizations.

We acknowledge that more can be done to place American citizens in U.N. jobs, and we welcome GAO's report, issued in September 2006, on additional efforts needed to increase U.S. employees at U.N. agencies. We agree with each of the report's recommendations and are in the process of implementing them. For example, we updated all informational documents on our international organization employment website in 2007. We began researching Internet-based options for compiling a roster of potential candidates. And, we initiated a study to identify the fields of expertise most often advertised by international organizations in order to better target our recruitment efforts.

The Department of State is committed to placing more U.S. citizens in international organizations at all levels. We are continuing our efforts to place more Americans in important posts and will continue to engage senior officials, our missions, U.S. Government agencies, and international organizations themselves toward this end. We will persist in seeking to implement better, more cost-effective, and efficient mechanisms to recruit and place Americans in the U.N. system.

Thank you very much for your attention.

Senator AKAKA. Thank you very much, Mr. Warlick.

Ambassador Hodges, it is clear that PTSD is a serious problem for FSOs returning from hardship posts, and I would tell you that many people do not realize this and how tough it is to serve there.

What kinds of practices does the State Department have in place to support Foreign and Civil Service employees who develop PTSD as a result of assignments in those hardship posts such as Iraq and Afghanistan?

Ambassador HODGES. Well, sir, we have instituted a seminar that is now required for all people who are returning from service in Iraq and Afghanistan and actually many of the other unaccompanied posts if the people so desire who have been under stressful conditions. We have, as I say, recently made this a required course so that people do not see it as a stigma to go to it, and when they show up at a course as if they have some problem.

Also, we have recently done a survey of people who have served in unaccompanied posts and only recently have compiled the information available from that survey. And from that our Medical Division finds that we are sure that perhaps 2 percent of these employees have PTSD, and it is possible that another 15 percent have PTSD, although, obviously, it is impossible to diagnose from a survey whether or not people have PTSD. But we are taking this very seriously, and the Medical Division is going to be putting together a unit, we hope, to look at this problem, to be able to work with the military, who have far more expertise than we do in this issue, and we also want to become more and more aware of the problem because we know, as you said, that this is something that we are going to live with for many years to come.

Senator AKAKA. At this time do you have follow-up support? The reason I ask is we know that, for instance, PTSD does not come immediately.

Ambassador HODGES. Exactly.

Senator AKAKA. It may be a year or so.

Ambassador HODGES. Right.

Senator AKAKA. Do you deal with that follow-up support?

Ambassador HODGES. Well, I think we have to do more, and it is exactly right that just a follow-on course or seminar when somebody is just back from service is not enough. We have to make sure that these people are aware of the resources we have within our Medical Division. Also, overseas in some posts we have regional medical centers, doctors who are there who travel around to the other posts, so they are always available to people who have gone on to other assignments. But also our Family Liaison Office does work with members of families and is also available to people who want to go to them.

But, again, we know we have to do more.

Senator AKAKA. In fiscal year 2008, the State Department requested \$398 billion plus an additional \$1.88 billion for Iraq. The Administration granted none of the positions requested in either fiscal year 2006 or fiscal year 2007 for training and transformational diplomacy.

Can you comment on this case?

Ambassador HODGES. As I mentioned in my testimony, we have in many cases tried to fold the training into assignments of people going overseas. We would like to have more positions in order to give our people more training before they go. Sometimes we have had to waive language requirements. Sometimes we have shortened language training. But we have done our best to meet the needs of the priority positions.

Senator AKAKA. George Staples, the recently retired Director General at the State Department, has said that the current situation in which FSOs are being required to serve in unaccompanied hardship posts is not simply a result of Iraq and Afghanistan but a new norm that will become what he saw as standard practice. If this is indeed the case, do you think the State Department will have difficulty retaining qualified personnel and attracting new personnel?

Ambassador HODGES. It is true that now the median differential of all our positions worldwide is 15 percent, and some of those differentials go much higher than that. Also, there are over 750 unaccompanied or limited-accompanied positions around the world where, for safety reasons particularly or security in general, we do not allow family members to come. And yes, it is very possible that this will not change, that it could go up, it will change from post to post over time, but it is likely that this will not change.

But it is interesting. Ambassador Staples would go out to greet all of our new entry-level officers, our new specialists, and over the year that he was Director General, I think his message got grimmer and grimmer. And yet it seems as if we see that these people who are coming into the Foreign Service are very energetic. They are eager to serve their country. This is very definitely a post-

September 11 generation that is signing up for the Foreign Service, and we are really very pleased by that.

Also, I might mention our attrition rate is one of the lowest in the Federal Government, and we actually have a lower attrition rate at the entry level and the mid-levels than we have had for many years.

Senator AKAKA. That is good to hear. We will have another round. I will ask Senator Voinovich for any of his questions.

Senator VOINOVICH. I listened to your testimony, and I would like you to share with me as candidly as you can what it is that we have not done that makes it difficult for you to do your job.

Ambassador HODGES. That is a leading, question, sir.

Senator VOINOVICH. Well, we always have you folks here, and we always give you a hard time about lots of stuff.

Ambassador HODGES. Right.

Senator VOINOVICH. But so often I have found that one of the reasons why we have the problems is because we are not doing the job that we are supposed to be doing. So I am going to give you an opportunity, and Mr. Warlick, to share with us some of your frustrations about some of the things that are going on and how Congress could do a better job of doing our job so you can do yours.

Ambassador HODGES. Obviously, we need positions and we have requested positions every year, and we need to have them in order to provide sufficient training for our people and also to be able to meet emergency needs as well, because when we find that we have new position needs in a particular area, we have to shift in a way because we just do not have enough people. So if we have a need here, we have to move somebody from somewhere else in order to meet that need. We simply need more people, and we need those funded positions.

Senator VOINOVICH. Do you know how many people you would need in order to get the job done reasonably? Do you have any idea of what the cost would be?

Ambassador HODGES. I am going to refer you to some of the reports of NGOs. The Foreign Affairs Council, when they will be testifying after us, they have come up with a recommendation of something like 1,100 or possibly more. CSIS is doing a study on the Embassy of the Future, and although I do not have that data, I understand that their numbers will be very similar, or even more than that. And that would allow for training for positions and things like that.

If I could finish answering your original question, also I referred to the issue of payment for locality pay overseas, the pay for performance and reforms there, that really is a disincentive to officers to go overseas to discover that when you leave Washington, DC, you are going to actually take a cut in pay. People do go overseas. They do serve their country. But this would be very helpful to us.

Senator VOINOVICH. Well, the question I have is in your budget request did you ask for locality pay over the last couple of years and not get it?

Ambassador HODGES. Right.

Senator VOINOVICH. How about pay for performance?

Ambassador HODGES. The seniors have pay for performance, but—

Senator VOINOVICH. I know you have pay for performance for the SES—

Ambassador HODGES. Right, but that is what we would like to do, is have that for the 01s and below.

Senator VOINOVICH. You do performance evaluation on—

Ambassador HODGES. Oh, yes, very rigorously. And we have promotion panels every year for every level. That is, in a way, just by promoting people, we do a measurement of performance.

Senator VOINOVICH. But it is not connected with pay for performance?

Ambassador HODGES. At the moment, below 01 level, no.

Senator VOINOVICH. Several years ago, I had dinner with an Ambassador and his wife, and I talked to her about Senator Akaka's and our efforts to try and move toward pay for performance. But the example she gave me—and, Senator, you might be interested. She said, "We have 15 people that work for us: five are super hitters, five are really pretty good, and five, they are okay. But," she said, "Senator, they all get the same pay." And she said that it is not the best kind of environment for people to work in.

Would you care to comment at all on whether or not this kind of a set-up, the current set-up has an effect on attracting people to come to work for the State Department?

Ambassador HODGES. To be honest, I don't think that as people come to take the examination to enter the State Department and when they are showing an interest in being in the Foreign Service or civil servants or whatever, I don't think that is a factor in deciding to join the Department of State. I think later on, though, it is a factor when people are deciding which assignments to take because they are here, they have their families in school, and then they discover that if they go overseas—especially people who are the mid-level whose salaries are lower, and then they go overseas and they actually take a pay cut.

Senator VOINOVICH. Well, what we have to understand is that we want to be the employer of choice, and the real issue is that the competition is very keen out there for these people. Everybody wants them and it seems to me that pay for performance would be attractive to someone coming to work for the State Department.

I am very pleased because the word I got as I traveled around is that you are not losing a lot of people eligible for retirement. In other words, you have got folks that are capable of retiring or taking an early out and they are sticking around.

Ambassador HODGES. When I spoke I was referring in particular to the entry-level retention rate and to the mid-level retention rate. The senior-level retention rate—the retirement rate has gone up in the past couple of years, but we believe that has to do with the baby boomers and people who have reached their time in class within the service. And that is something that we already have factored into our workforce planning model. The statistics are not really anything different from what we expected.

Senator VOINOVICH. What you need are more positions and more money. As I mentioned in my opening statement, this is a war for the hearts and minds of people. I had a wonderful conversation with General Jones, who was in charge of Central Command overseas and NATO forces. And if you look at the money we are spend-

ing in the Defense Department and took some of that money and put it in the State Department for some of these diplomacy programs, in this new environment that we have, we would be far better off. And when I think about, Senator Akaka, is we have spent close to \$600 billion now in Iraq, and I think about how some of that money could have been better used in the State Department. I think there are people in this Administration thinking about it, but time is running out. The challenge that we have is to figure out how to take the resources we have and allocate them in the most effective way, understanding that the enemy is entirely different than those we have confronted in the past.

Right now, for example, you are worried about folks going to places where in the past the State Department did not have to worry about it. You could bring your family. But now with this growing al Qaeda threat in various parts of the world, the State Department is, "Hey, you had better leave your family at home because we are frightened that maybe something might happen to them." Or staff might say, "I do not want my family to come with me because God only knows what is going to happen to me."

We really have to have some new thinking if we are going to to win the hearts and minds of others and get the job done.

Senator AKAKA. Well, thank you very much, Senator Voinovich.

I have further questions for you, Ambassador. Steve Kashkett, State Department Vice President of the American Foreign Service Association, recently stated that Foreign Service officers fear that the Administration is working to transform the Foreign Service into the civilian equivalent of the Military Rapid Action Force instead of one characterized by the activist diplomats in the style of George Kennan. Do you agree with this characterization? And if so, why? And what can be done to create more of a balanced workforce in the Foreign Service?

Ambassador HODGES. No, sir, I think that you have to look at the Foreign Service and our missions around the world, the multiple jobs that we do, it is absolutely incredible. And so to say that we are being transformed into one thing or another would be misleading.

We do great things, and some of our people are in Iraq and Afghanistan, and some of them love being there. They love this opportunity to bring democracy to these countries. They love being in PRTs. Other people are in Africa where they also see opportunities to transform countries, to help these countries be—to support them in their democratic endeavors, or in Latin America, but also in European countries, Western European countries. Our people have a wide variety of roles. We do a lot of multilateral diplomacy. We work with the European Union, and our work with the European Union has to do with the rest of the world.

There are just so many things that we are involved in that depend on the country and the nature of the job that you are going to in the individual countries.

So I think that we are meeting our priorities as the—the Department of State is meeting the priorities that we have as the U.S. Government. And so, sometimes we are doing something that you could characterize as seeming, as support for what the military is doing, or whatever. But we are doing many things.

Senator AKAKA. Mr. Warlick, how does the State Department determine whether a position at the U.N. is important enough to warrant recruiting efforts?

Mr. WARLICK. We have placed the highest priority on policy-level and senior-level positions. The policy-level positions are at the Under Secretary General and Assistant Secretary General levels or the equivalent. Policy and senior-level positions also may be considered the Office Director equivalent.

We have placed our highest priority on those positions because we believe that they will allow Americans to exercise the most influence in the U.N. system. But our efforts have not been to the exclusion of junior- and mid-level positions. We consider those a priority as well, and we do seek for Americans to apply for and fill as many positions as possible throughout the U.N. system.

I would like to add that there are particular programs in agencies within the U.N. system that are of higher priority to us than others, and we will work most closely with those agencies to ensure that Americans are hired, in particular to higher-level positions.

Senator AKAKA. In those cases, in those positions, is there a process or a way in which the Department of State assists U.S. applicants to move into U.N. organizations?

Mr. WARLICK. Well, the process happens in many different ways. Sometimes there are American citizens that apply directly to the United Nations, and we are never aware of their candidacies. We wish that we were aware of such Americans because we would like to be in a position to support them.

There are other American citizens who do come to us directly and ask for our assistance, and we do, to the extent possible, try to provide assistance to them. Sometimes this is done by providing factual assistance on the application process. Sometimes it is done by endorsing their applications for employment in particular organizations.

Senator AKAKA. In its report, the GAO states that IAEA has difficulty attracting qualified U.S. applicants, allegedly because the pool of American nuclear specialists is decreasing. Do you think this contention is valid? Or is it that there are other barriers which dissuade Americans from applying for positions?

Mr. WARLICK. I think the contention is true, but there are many factors, including some less known ones, that contribute to the IAEA's ability to attract Americans.

First of all, I would say that we would like to see more Americans in positions in the International Atomic Energy Agency (IAEA). There have been many efforts made by U.S. agencies to encourage Americans to apply for jobs in IAEA; and IAEA has actually hired more Americans into positions. I would say that the contention by the GAO is, in fact, correct. We do have available a limited pool of nuclear scientists and people with those sorts of technical capabilities. There are very good employment opportunities for that pool within the United States, and there are other factors involved, too. These include the extent to which those scientists and other people with technical capabilities can speak other languages and the extent to which they are willing to relocate, which often involves the availability of job opportunities for their spouses.

So all this needs to be taken into account to understand why Americans representation in IAEA still needs to be improved.

I would say, though, with IAEA, we have engaged very actively with the senior leadership because of the importance of the work of that organization.

Senator AKAKA. Thank you. Senator Voinovich, do you have any further questions?

Senator VOINOVICH. Yes, I do.

We had testimony in regard to the fiasco dealing with passports. Do you have any idea when the State Department will be able to handle its workload timely?

Ambassador HODGES. You mentioned the passports before. I was looking to see if I had brought a fact sheet with me that I believe Members of Congress are going to be receiving from Assistant Secretary Bergner today or tomorrow. But we are making tremendous progress. Certainly, as you have noted, we have put PMFs to work, the entry-level officers, some people who had come back for training courses. We have put people to work at various passport agencies, and they are making considerable progress. And I would say that we are optimistic that we will be able to meet the commitments made to you through Assistant Secretary Hardy that we will be fairly caught up with the backlog by September.

Senator VOINOVICH. All right. But what you are doing in a way is you are robbing Peter to pay Paul.

Ambassador HODGES. I hope not for long. The people that we have taken out of training will be put back in training, and then they will be able to go off to their overseas positions.

Senator VOINOVICH. Has anybody taken the telescope out and looked at what the future looks like? Because there are going to be new broader requirements, that is we are going to start requiring identification for ground and pedestrian transportation. How is that going to impact passport processing?

It would seem to me that there needs to be better coordination between the Department of Homeland Security and the State Department. You are the ones that have got the job to do, and I would hope that someone is looking down the road to see whether what DHS requires is realistic, so you can plan and we do not end up with another one of these fiascos.

I want to thank the State Department for their cooperation in getting the Visa Waiver Program through with the 9/11 bill. But it seems to me that there are some inconsistencies in whether and for what reasons countries are rejected. Has anyone looked at that, to your knowledge, or is this outside of your frame of reference?

Ambassador HODGES. Actually, I would prefer to have the Bureau of Consular Affairs answer that question. I am sure that this is something, though, that is ongoing review with regard to the various countries.

Senator VOINOVICH. Well, I would like to have something on that. I would like to know what kind of training individuals are given in the various embassies. There are supposed to be objective standards in place, and I think there may be some variation from one place to another. Those people have an enormous amount of power in terms of who comes and who does not come.

Ambassador HODGES. The standards would be the same throughout the world, and basically you are talking about non-immigrant visas, obviously. Unfortunately, the burden of proof is in the—the applicant who has to be able to prove that they have every intention of returning to their—

Senator VOINOVICH. I am telling you from my experience, since I have been in the Senate and the calls I get, that there are some differences about how the Visa Waiver program is being administered, and I would like to know what standards are used, what training is provided, and if anybody ever goes back and audits the results.

Ambassador HODGES. OK.

Senator VOINOVICH. Mr. Warlick, what is the difference in pay for entry level positions? You have an ambitious young person who wants to do something internationally, should they go to the State Department or to the United Nations?

Mr. WARLICK. U.N. salaries will vary depending on the cost of living of an individual's work location. But U.N. system salaries are good. They are based on those in the U.S. Civil Service, to which a differential has been given which ranges from 10 to 20 percent. Also, U.N. benefits overall, are competitive with those provided for the U.S. Civil Service.

Senator VOINOVICH. Have you noted any new programs, policies, or, let's put it this way: Do applicants feel more comfortable about applying now with Secretary General Ban Ki-moon, or is it about the same as before. He is operating more transparently, for example, providing greater financial disclosure than was done by the previous Secretary General.

Mr. WARLICK. Right.

Senator VOINOVICH. I just wonder, has that filtered out that the U.N. may be a better place to work than it was maybe 5 years ago?

Mr. WARLICK. I think it is too early to identify those sorts of trends, but we are very encouraged by the new Secretary General and his interest in working with us on this very issue. The message that he has communicated to his staff, that ethics and accountability are important, we hope over time will translate into more Americans into positions at all levels in the U.N. system. And more broadly speaking, his effort to enhance transparency and accountability in the U.N. system is very welcome. We would hope that Americans will see that and see it as a place where they would want to work.

Senator VOINOVICH. How much of an impediment is the problem of the cost of living in New York and the issue of spouses finding a job? Is that a big barrier?

Mr. WARLICK. We have not quantified the spousal employment problem but it does exist. In many places overseas American spouses cannot easily find employment. And that does deter applicants from applying. The U.N. provides a post differential based in part on cost-of-living, which helps ensure that organizations in higher cost-of-living areas will be able to attract employees.

I would add to that, though, that there are very well qualified Americans who apply for U.N. jobs, and we do need to continue to encourage the United Nations to look seriously at American applicants.

You had posed to Ambassador Hodges, earlier, a question on what can you do. First of all, thank you very much for this hearing. In recent memory, this is the first time, I believe, that the State Department has testified on American citizen employment in the United Nations. The fact that we are doing this today does shine a spotlight on the importance of this issue for Congress.

Second, you and many of your colleagues in the House and Senate meet regularly with senior U.N. officials, including the Secretary General himself, on many serious issues. Nevertheless, we would encourage you to include this issue of American citizen employment on your agendas. This is an important area for us and should not be forgotten. And I know you would not do that, but this is a message for your colleagues as well who travel to New York and elsewhere.

And, third, I would say that this issue is beyond the State Department. Many very well qualified applicants for U.N. jobs are not inside the State Department, but are in other agencies where we have technical, professional skills. The Secretary of State has reached out to her counterparts in agencies and has tried to encourage them to details or transfer their staff and, to encourage other qualified Americans to apply for jobs in international organizations, as well. I think an important message from Congress, from you and your colleagues, sir, should be that this should be a priority governmentwide; that it is important for all departments of the U.S. Government to detail and transfer their staff to international organizations.

Senator VOINOVICH. Thank you.

Senator AKAKA. Thank you very much, Senator Voinovich.

I have a number of questions to ask, and I am sure Senator Voinovich has other questions, but we have two more panels. So I want to thank you so much for being here today, and what we will do is submit the questions to you and look forward to your responses to these questions. And, of course, we are doing all of this to try to decide what we need to do to deal with the personnel problems that we expect to face and so we can do this together.

I want to thank both of you for your valuable testimony this afternoon, and I look forward to working with each of you to ensure that the State Department is well prepared for the challenges ahead. And there are many of them dealing with personnel. So with that, again, I want to thank you very much for being here.

Ambassador HODGES. And thank you for having us. I second what Mr. Warlick has said. It has been very important for us to be here, and we look forward to working with you and answering any questions you have.

Senator AKAKA. Yes, and we look forward to our staffs also trying to get information we will need to deal with this. Thank you very much.

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

Senator AKAKA. Thank you. Now I ask the second panel of witnesses to come forward: Jess Ford, Director, International Affairs and Trade, U.S. Government Accountability Office, and Thomas Melito, Director, International Affairs and Trade Team, U.S. Government Accountability Office.

As you know, it is the custom of the Subcommittee to swear in all witnesses, and I would like to, therefore, ask you to stand and raise your right hand. Do you solemnly swear that the testimony you are about to give this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. FORD. Yes.

Mr. MELITO. Yes.

Senator AKAKA. Thank you. Let the record note that the witnesses responded in the affirmative.

We would like to now hear your statements. I want you to know that your full statements will be placed in the record, and we look forward to your 5-minute statement to the Committee. So will you please begin, Mr. Ford?

**TESTIMONY OF JESS T. FORD,<sup>1</sup> DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. FORD. Mr. Chairman, Members of the Subcommittee, I am pleased to be here today to discuss GAO's work on the Department of State's human capital issues.

In recent years, State has undertaken several broad initiatives to ensure that it has enough qualified staff in the right places to carry out its mission. These efforts have included the State Department's Diplomatic Readiness Initiative, designed to hire a reserve of Foreign Service officers and civil servant employees, to support training opportunities for staff, and to enhance the State Department's response to crises and emerging priorities, and also to fill skill gaps.

In addition, the State Department is currently implementing its Transformation Diplomacy Initiative, which involves, among other things, repositioning overseas staff from locations such as Europe to emerging critical areas, including Asia and the Middle East. Today I will discuss the State Department's progress in addressing staffing shortfalls since the implementation of the Diplomatic Readiness Initiative and filling gaps in language proficiency of Foreign Service officers and other staff.

GAO has reported on a number of human capital issues that have hampered the State Department's ability to carry out the President's foreign policy priorities and objectives. My statement today is based primarily on a report we issued in August of last year.

The State Department has made some progress in addressing staffing shortfalls since implementing the Diplomatic Readiness Initiative in 2002. However, the initiative did not fully meet its goals, and staffing shortfalls remain a problem. Without ensuring that the right people with the right skills are in the right places, these gaps will continue to compromise the State Department's ability to carry out foreign policy objectives.

From 2002 to 2004, the Diplomatic Readiness Initiative enabled the State Department to hire in excess of a thousand employees above attrition to respond to emerging crises. However, according to the State Department, much of this increase was absorbed by

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<sup>1</sup>The prepared statement of Mr. Ford appears in the Appendix on page 59.

the demand of personnel for problems in Iraq and Afghanistan, and thus, the desired crises and training reserve was not achieved.

In addition, the State Department has placed an increased focus on foreign language training in certain critical areas, which means that staff who would otherwise be working are instead attending language training. State Department officials recently informed us they now estimate that the State Department needs as many as a thousand new positions to address staffing shortfalls and to support foreign language training needs.

In an effort to address staffing shortfalls at historically hard-to-fill posts, many of which are of significant strategic importance to the United States, the State Department had implemented a number of incentives, including offering extra pay to officers who serve an additional year at these posts and allowing employees to negotiate shorter tours of duty. More recently, State has made service in a hardship post a prerequisite for promotions, and since we issued our report, the State Department has increased its service requirements of staff at hardship posts and has also taken a number of additional measures to ensure that all Iraqi positions are filled. However, State has not evaluated the effectiveness of these incentives, and it continues to have difficulty attracting qualified mid-level applicants for many of these positions.

According to State Department officials, mid-level positions at many posts continue to be staffed by junior officers who lack experience and have minimal guidance. The State Department has not traditionally assigned its employees to particular posts based on risks and priorities, but instead has basically assigned people based on their expressed levels of interest. We recommended that the State Department consider using its authority to direct staff to accept assignments as necessary to ensure that critical gaps are filled. After our report was issued, the State Department Director General publicly indicate the State Department would consider using directed assignments, if necessary.

The State Department has made some progress in increasing its foreign language capabilities, but significant language challenges remain. The State Department has significantly increased the number of worldwide positions requiring language proficiency and has enhanced efforts to recruit individuals proficient in certain languages. However, State continues to have difficulties filling language-designated positions. Gaps in language proficiency can compromise the State Department's ability to execute critical duties, including reaching out to foreign audiences central to the war on terror.

In April of this year, we testified that inadequate language skills hampered public diplomacy officers' ability to cultivate personal relationships and explain U.S. foreign policy. Moreover, officials at one high visa fraud post stated that consular officers sometimes adjudicate visas without fully understanding everything that the applicants can tell them because of their language deficiencies.

The State Department officials told us that some language gaps have worsened in recent years due to the State Department's relocation of some staff positions to critical posts that requires super-hard languages, primarily Arabic. We reported that almost 30 percent of the staff filling language-designated positions worldwide

were deficient in the language requirements. An example that we cited in our report was in Cairo, Egypt, where 59 percent of the language-designated positions were filled with people who did not meet the requirement.

Moreover, some officers we met with who did meet the language proficiency requirements questioned whether the requirements are adequate. For example, officials in Yemen and China stated that speaking and reading proficiency levels designated for their positions were not high enough for the staff to effectively carry out their roles and responsibilities.

Additionally, several factors, including the short length of some tours and limitations on consecutive tours at the same post hinders officers' ability to enhance and maintain their skills. The State Department officials informed us that the State Department has recently implemented a new initiative that would provide additional language incentive pay for staff if they choose to be reassigned to a posting that would utilize their existing Arabic language skills. In addition, in response to our recommendations, the State Department is taking action to enhance its language proficiency of staff mainly through a focus on training.

This concludes my opening statement, and I would be happy to answer any of your questions.

Senator AKAKA. Thank you very much, Mr. Ford. Mr. Melito.

**TESTIMONY OF THOMAS MELITO,<sup>1</sup> DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE TEAM, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. MELITO. Mr. Chairman and Members of the Subcommittee, I am pleased to appear today to discuss ways to improve the representation of American professionals at U.N. organizations.

The U.S. Congress has been concerned that insufficient progress has been made to improve U.S. representation. The equitable representation of Americans is a priority because the United States is the largest financial contributor to most of these U.N. organizations, and according to the Department of State, Americans bring desirable skills that can have a significant impact on operational effectiveness.

My testimony is based on a report that we issued in September 2006 that analyzed U.S. employment at five U.N. organizations. My statement today discusses three topics: One, U.S. representation status and employment trends; two, factors affecting these organizations' ability to meet U.S. representation targets; and, three, the State Department's efforts to improve U.S. representation.

In the first main finding, our analysis showed that the United States was underrepresented in three of the five U.N. organizations we reviewed. Based on U.N. agencies' formal or informal targets, U.S. citizens were underrepresented at IAEA, UNESCO, and UNHCR, and equitably represented at the U.N. Secretariat, though close to the lower end of its target range. UNDP had not established a target for U.S. representation, although U.S. citizens filled about 11 percent of the agency's professional positions. Furthermore, the Secretariat, IAEA, UNESCO, and UNHCR will need to

<sup>1</sup>The prepared statement of Mr. Melito appears in the Appendix on page 82.

increase their hiring of Americans from recent levels to meet their minimum targets for U.S. representation in the year 2010 given projected staff levels and separations.

I will now turn to the second main finding. While the U.N. agencies we reviewed faced some common barriers to recruiting and retaining professional staff, including Americans, they also faced distinct challenges. Many of these constraints were outside of the U.S. Government's control. Barriers common to U.N. agencies included non-transparent human resource practices, a limited number of positions open to external candidates, lengthy hiring processes, and required staff mobility and rotation policies. These barriers combined with distinct agency-specific factors to impede recruitment and retention. For example, candidates serving in professional positions funded by their member governments were more likely to be hired by the Secretariat than those who took the Secretariat's entry-level exam. However, the United States has not funded such positions at the Secretariat.

I will now turn to the third main finding. The State Department has increased its efforts to support the goal of achieving equitable U.S. representation at U.N. organizations. The State Department has targeted its efforts to recruit U.S. candidates for senior and policymaking U.N. positions. Although we cannot directly link the State Department's efforts to U.N. hiring decisions, U.S. representation in senior and policy positions has shown some improvement in recent years in most of the five U.N. organizations we reviewed.

The State Department has also undertaken several efforts to improve overall U.S. representation, including adding staff to its U.N. employment office and increasing coordination with other U.S. agencies that work with U.N. organizations. For positions below the senior level, State focused on disseminating information on U.N. vacancies through its websites, attending career fairs, and by other means. Despite these efforts, U.S. representation in entry- and mid-level positions tended to decline in recent years in most of the U.N. organizations we reviewed.

In light of the issues I just discussed, our 2006 report recommended that the Secretary of State undertake three actions: First, provide more consistent and comprehensive information about U.N. employment on the State and U.S. mission websites and work with U.S. agencies to expand the U.N. employment information on their websites; second, expand recruitment to better target Americans for entry- and mid-level U.N. positions; and, third, evaluate the feasibility of both maintaining a roster of qualified candidates for high-priority positions and also of funding positions (such as Junior Professional Officers) where there are representation concerns.

In commenting on a draft of the September 2006 report, State agreed to implement all of our recommendations. In July 2007, State officials said they had begun to take some actions to implement our recommendations such as outreaching to new groups and conducting a preliminary analysis on the cost of maintaining a roster.

Mr. Chairman, this completes my prepared statement. I will be happy to address any questions you or Senator Voinovich may have. Thank you.

Senator AKAKA. Thank you very much, Mr. Melito.

Mr. Ford, Executive Order 11552, dated August 24, 1970, gives the State Department responsibility for efforts to increase and improve participation by U.S. citizens in international organizations through transfers and details. Do you believe that Federal Government employees are given ample opportunity, support, and encouragement for efforts to pursue employment at U.N. agencies? And if they are not, then why not?

Mr. FORD. Senator, I am going to turn that over to my colleague to my left. He is the expert on the U.N. I am the State Department guy.

Senator AKAKA. Fine. Mr. Melito.

Mr. MELITO. Thank you, Mr. Chairman. There is an Executive order from 1970 which calls for U.S. agencies to facilitate their own employees to work at U.N. agencies. And in May 2006, the Secretary of State sent a memorandum out to reinforce this Executive order. But in our discussions with the State Department and with other agencies, it is very difficult to actually implement this.

First of all, there is very limited information about these opportunities, and that is one of the things we highlighted. We wanted more information on different agencies' websites. And in our follow-up work, we found that actually two agencies—the Department of Justice and the Nuclear Regulatory Commission—have actually dropped information about U.N. jobs on their websites since our report came out last year.

The other thing is when a particular employee leaves and goes to the United Nations, his seniority may not carry over with him; when he returns, he might not get sufficient credit for the experience he has there; so it is not clear that U.N. employment is rewarded. We highlight in the report that there should be more emphasis on U.N. employment and there should be more recognition of its importance.

Senator AKAKA. Yes. Mr. Ford, the number of unaccompanied, danger-pay positions at overseas posts has increased four-fold since September 11, 2001. The risks to embassy employees has, therefore, increased significantly. Do you think this will negatively affect recruitment for the Foreign Service?

Mr. FORD. Well, certainly we have not studied a direct correlation between unaccompanied posts and the State Department's recruitment efforts. I can say that it is an issue at the State Department with regard to the assignment process. They are concerned about having enough qualified people bid for these positions because these positions, as you mentioned, they are unaccompanied. If you have a spouse, there is an issue of whether or not you are going to be separated from your spouse; or in some cases, if you are allowed to bring your spouse, whether there is an opportunity for the spouse to get employment in a highly difficult location.

So I know it is a matter of concern for the State Department, but I have not seen any data that would show whether or not it is affecting their recruitment of individuals in terms of having a difficult time attracting the right kind of people.

Senator AKAKA. Thank you.

Mr. Ford, GAO reported that State continues to have significant gaps in foreign language proficiency and that this adversely affects

the State Department's diplomatic readiness and its ability to execute critical duties, including reaching out to foreign audiences central to the war on terror. In what areas were the language gaps the worst?

Mr. FORD. The areas where they have the largest shortfall are in management positions; in their public diplomacy area, they had shortfalls in that area; their specialists, their foreign affairs specialists, we found many of their positions did not have people with the right skill sets.

Those were the ones where they seemed to have the most difficulty. The effect of this, although it is somewhat anecdotal, but we got lots of comments about—particularly in the public diplomacy area. Most of the State Department people in the public diplomacy business have indicated to us that in order for them to be effective in a foreign environment, they have to have some fairly high-level language capability. And we found in many cases we had people in positions that they could not speak the language at the required level and, therefore, they could not be as effective as they ought to be for carrying out that role and responsibility.

Senator AKAKA. Mr. Melito, when the Department of State recruits candidates for employment at the U.N., the Department of State does not have any authority in the hiring process at the U.N. Given that the Department of State is not the employing body, what distinct challenges does that present? And what recommendations do we have to address them?

Mr. MELITO. This is a question of awareness as much as anything else. The efforts of the State Department in this realm are to reach out to universities and different professional organizations, in order to make them aware of the U.N. opportunities that exist and to facilitate the application process. And this is probably successful in some realms, although we pointed out areas where they can do better.

But ultimately the U.N. is making the hiring decision, and that is the U.S. policy. They should be basing their hiring decisions on the best qualified candidate regardless of which country they come from. And the United States is against individual countries' actively intervening with the hiring decision. They want to make sure the best candidates are brought forward. But the United States can do a better job of making the individual applicants aware of these opportunities and facilitating the application process.

We pointed out in the report that they could do this better. They have not reached out to a particular professional organization of international affairs schools, for example. We met with them, and they said they would like to have their students know about U.N. jobs. And the State Department said it will be reaching out to them, but has not yet.

Senator AKAKA. Thank you very much. Senator Voinovich.

Senator VOINOVICH. Mr. Melito, are you familiar with Lynn Pascoe?

Mr. MELITO. No. I am sorry, sir.

Senator VOINOVICH. He went over to the U.N. to take on a new job. You cannot answer this question, then. I was wondering what his background was. Was he with the State Department and then went over there? Does anybody know?

Ms. DERRICK. He was with the State Department.

Mr. MELITO. That is actually a State Department person, I think.

Ms. DERRICK. He was an Ambassador at the State Department.

Senator VOINOVICH. If you want people to go over to the United Nations at mid-level positions from the State Department do you think that some type of incentive is needed? For example, agreeing give credit for U.N. work when they return to the State Department?

Mr. MELITO. The incentives should work for both the employee and also the agency. On the employee side, yes, it is recognition by everyone that this is important—important for their agency, important for the U.S. Government, so we value it and we recognize that. So when you return, your career has not stalled but, in fact, has benefited from U.N. employment.

But it is also difficult for the agency because the way it currently stands, often the position has to be held open, so it ends up actually being a slot that they have to maintain on their rolls while it is not being filled. So it is expensive for them as well, and there probably needs to be some consideration of that as well.

Senator VOINOVICH. Is there any consideration for some of these “high-level positions”? For example, Christopher Burnham went to the U.N. and he started to do some transformation efforts, but he let everybody know he was leaving at the end of the year. Is there any consideration made when we are encouraging people to go to the U.N. to also get some long-term commitments so they can really make a difference?

Mr. MELITO. As part of my work, I looked at a number of different U.N. topics, and I have met with senior-level U.N. officials that are Americans that have had long careers. So that does happen.

It really depends on the type of position and also, obviously, the circumstances of the individual. In that case, Mr. Burnham had intended it to be a short-term position, but others want to stay longer.

Senator VOINOVICH. And overall—I asked the question of the previous witness—how do U.N. pay and benefits compare with what the State Department offers?

Mr. MELITO. It is very difficult to do an apples-to-apples comparison, and what we highlight in our report is that if you only look at salary, the U.N. probably does not look like a good deal for many Americans. But the benefits package of the U.N. can sometimes be extraordinarily generous. The difficulty is that it is not transparent. Factors such as education benefits only pertain if you are overseas at a U.N. agency. So if you are working in Geneva, you may get very generous education benefits, including for your children’s college education. But if you are posted in New York, you will not get that because you are in your home country.

So we were looking for some way of making this more transparent so that an American can get a sense of what his benefits would be, maybe through some kind of a web-based calculator.

I will point out that since our report was issued, the State Department has added more information on benefits, and it is actually very useful. But it would require you to do some work to really understand you benefits.

Senator VOINOVICH. It could be improved, then.

Mr. MELITO. Right.

Senator VOINOVICH. In other words, so that people really can make the comparison.

Mr. MELITO. We met with over a hundred Americans who are currently working at the U.N. These people have already decided to work there. But one of the things we heard many times was that they were surprised, after they were hired, how generous some of these fringe benefits were. So you see these are people who actually decided anyway, but we do not know about the people who did not decide to work at the U.N. because they did not know about the benefits.

Senator VOINOVICH. Well, if I were the State Department, I would get some of those people out doing some recruiting.

Mr. MELITO. Yes.

Senator VOINOVICH. Mr. Ford, you state that the incentives for attracting mid-level staff to hardship posts has not been evaluated and that certain data were not available when you did your review. Have you or will you be reviewing the questions the State Department plans to ask in their quality-of-life surveys so that you get the best information that is available in regard to whether these incentives are working or not working?

Mr. FORD. We have not been asked to do that. The recommendation in our report was designed for them to collect information, and perhaps that survey would be a vehicle for them to do so, so that they could better determine what incentives work best and which ones do not work so well, and then they could make appropriate adjustments.

Right now, as far as we can tell, most of the incentives are financial, which are probably helpful, but there may be other incentives. I mentioned the spousal issue, length of the tour of duty, how long you are going to be in a place, things like that. We believe they need to more systematically analyze those situations so that they can come up with the best set of options that would be available to try to make sure they get the right people in the right place.

Senator VOINOVICH. Maybe Senator Akaka and I could send a letter to the State Department suggesting that they discuss the results of the survey with GAO so that we can find out really whether these incentives are working or not.

Because of problems in filling positions, some mid-level staff with less experience are taking some of the jobs that senior people should be having. From a quality point of view in terms of delivering services, has there been any examples of this being a problem? Have you seen that at all?

Mr. FORD. Well, we talked to a lot of senior management in the State Department—Ambassadors, DCMs, the senior people at many of the embassies we visited—and if you have a junior person in a stretch position, in a higher-level position, they do not have the level of experience, because they do not have enough supervisors at the mid-level at the embassy, they are not getting the experience and supervision that they need.

So I think the senior management in many cases would say, you are not getting the same quality—not that the individuals are not quality people, but that they just do not have enough experience

yet, they have not been in this position long enough to know how to deal with certain situations.

So, there are some risks. I mean, we cited an example in our report in China where there is a fairly high level of visa fraud in China. We had very junior people in mid-level positions who are responsible for adjudicating visas. And so there is a concern about whether they have enough experience to do that job effectively.

But I want to make it clear we are not saying that, the individuals in junior levels of the Foreign Service are not quality people. As far as we can tell, they are attracting and recruiting quality people. It is just a case of experience.

Senator VOINOVICH. But they need experience.

Mr. FORD. They need experience.

Senator VOINOVICH. Just a final question, Senator Akaka, and that would be this: If the State Department has not had additional authorized positions since 2004, is there any way under the sun that the State Department will be able to get the job done that we are asking them to do—and it has grown more significant as time has gone on, as we have heard—without getting the thousand new people that they need to get the job done?

Mr. FORD. Well, let me say a couple things here.

First, with regard to the thousand people they say they need, we have not really validated that number from a GAO point of view as to if that is what they really need. That is what they told us they need. But I will say that over our track record of looking at their skill sets and their shortages over the last 5 years, they have had a gap at the mid-level. They recognize they have a gap. They think that by 2010 they will be able to fill all the mid-level positions so that experience issue that I just referred to earlier will be taken care of. But it is clear that they have gaps in some critical positions, and those gaps, in my view, need to be filled. But I cannot tell you whether it is 1,000 people or 800 or what the appropriate number is. We have not studied that.

Senator VOINOVICH. Maybe you should. Thank you.

Senator AKAKA. Well, thank you. Thank you very much, Senator Voinovich.

I want to thank the both of you for your testimony, and without question, your testimony will be helpful to this Subcommittee, and we look forward to working with you in the future. So thank you very much for being here.

Mr. FORD. Thank you.

Mr. MELITO. Thank you.

Senator AKAKA. Now I ask our third and final panel of witnesses to come forward: John Naland, President of the American Foreign Service Association; Ambassador Thomas Boyatt, President and CEO of the Foreign Affairs Council; and Deborah Derrick, Executive Director, Better World Campaign, United Nations Foundation.

Thank you very much for standing, and raise your right hand. Do you solemnly swear that the testimony you are about to give this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. NALAND. Yes.

Mr. BOYATT. Yes.

Ms. DERRICK. Yes.

Senator AKAKA. Thank you very much. Let the record note that the witnesses responded in the affirmative.

Thank you very much for being here, and now I would like Mr. Naland to begin with your testimony. By the way, I will just repeat and say that your full statements will be entered into the record.  
Mr. Naland.

**TESTIMONY OF JOHN K. NALAND,<sup>1</sup> PRESIDENT, AMERICAN  
FOREIGN SERVICE ASSOCIATION**

Mr. NALAND. Mr. Chairman, Senator Voinovich, thank you very much for inviting us here today. This is a critical topic, and I am absolutely delighted that you are shining some light on it.

In fact, the previous speakers and your own questions have elicited so much of the information that I will just leave my comments in the record and just make a few comments off the top of my head.

There are three issues I see: Shortages. We had Ambassador Hodges saying that there is a deficit of over 200 people at the mid-level of the Foreign Service. Then we had Mr. Ford of the GAO saying that we have mid-level positions being filled by entry-level officers. Well, even I can figure out that math. The Foreign Service is playing musical chairs with more chairs than people. And so when everyone sits down, there are going to be empty chairs. It is just as simple as that.

The President's budget request for the last 2 years asked for additional people above attrition. The Congress was unable to fund them. The budget request going through this year asks for 254 additional positions. And so we ask you to talk to your colleagues about the importance of filling these positions.

The next issue I would cover is training. I am a 21-year veteran of the Foreign Service, but I also am an Army veteran, and I just had the honor last summer as a Foreign Service officer of graduating from the U.S. Army War College at Carlisle, and I am just amazed at how much more training Army officers get than Foreign Service officers. If you take General Jones or General Petraeus or Admiral Mullen, and if you compare their resumes to Under Secretary for Political Affairs Nick Burns or whatever, I think you will see that the flag-level officers have gotten [Government funded] MBAs, have gotten PhDs, have been to the Command and General Staff College, have been to the Army War College. And the Foreign Service folks, they hire us, usually we are pretty good, we report for duty, and they say, "Well, good luck. Go ahead."

Yes, we do get language training, but we just do not get the kind of ongoing professional training that the uniformed military does. And, again, that is obviously no criticism of the uniformed military. I just wish we were not the Cinderella service and that we had some of those opportunities.

Finally, I would mention the overseas pay disparity, which you two obviously are very conversant with. Foreign Service members, when they transfer overseas, currently take an 18.69-percent cut in base pay. Next year, if there is another budget increase and another locality pay allocation, it will probably go to 20 percent. And that just makes no sense to me.

<sup>1</sup>The prepared statement of Mr. Naland appears in the Appendix on page 101.

Now, no, there is not attrition yet, and, no, people have not stopped applying for the Foreign Service. But at some point it is just going to catch up to us. For the last century, the Congress has had allowances that put incentives to overseas service in the Foreign Service, and those allowances are being eroded by the pay disparity.

Now, there are two versions of how to fix this. One is backed by the Administration. The other is backed by many of the majority members of the U.S. Congress. And the Foreign Service union does not care which solution the wise members agree to. We would just like to see it fixed.

So in 4 minutes, I will save the time for questions. I just want to thank you very much for having us here today.

Senator AKAKA. Thank you very much, Mr. Naland. Ambassador Boyatt.

**TESTIMONY OF THOMAS D. BOYATT,<sup>1</sup> AMBASSADOR  
(RETIRED), PRESIDENT, FOREIGN AFFAIRS COUNCIL**

Mr. BOYATT. Thank you very much, Mr. Chairman, Senator Voinovich, for affording me and, through me, the Foreign Affairs Council, the opportunity to comment on strengthening American diplomacy, which is exactly what our organization is committed to.

In a deeper sense, and on behalf of all of those who think, as I do, and as the Foreign Affairs Council does, that management is important, thank you for focusing the attention of the Senate and the American people on the reality that the management of the people who make and implement foreign policy is just as important as the foreign policies themselves. The problem in this town is that—and certainly in the foreign affairs area—we get seized with policy and everybody forgets about the management, and we have paid for that over the years.

As you know, Mr. Chairman, the Foreign Affairs Council has just published its third biennial assessment of the stewardship of the Secretary of State as a leader and as a manager. We have sent copies of this report to every Senator and every Representative and to all the relevant staffs, and particularly to your staff. An awful lot of work went into compiling this report, which deals with matters with which you are seized, and I would respectfully request that our report be made a part of and incorporated in the record of these proceedings.<sup>2</sup>

Senator AKAKA. Without objection, we will put it in the record.

Mr. BOYATT. Thank you.

I, like Mr. Naland, who set a very high standard for brevity, will simply thank you for putting my remarks in the record. I just want to hit three or four points.

I want you to understand who the Foreign Affairs Council is. We are an umbrella group of the CEOs of 11 organizations plus myself. All of us are concerned with the processes of diplomacy, concerned about the people who carry out diplomacy, and concerned about the leadership at the State Department in an administrative sense. We do not deal with policy.

<sup>1</sup>The prepared statement of Mr. Boyatt appears in the Appendix on page 108.

<sup>2</sup>Copy of the "Third Biennial Assessment of the Stewardship of the Secretary of State" appears in the Appendix on page 199.

Among the members of our constituent organizations are virtually all serving members of the Foreign Service, a large number of retirees; I believe every retired Ambassador, either from the professional career or from the private sector who have become Ambassadors are members of our organization. We bring a great deal of experience to the party. The 12 members of the council itself among them have something like 400 or 500 years of Foreign Service, State Department, and diplomatic experience, and the members of our constituent organizations, that number runs into the hundreds of thousands.

I would also like to make the point—a historical point here. This morning's proceedings have concentrated on what has happened more or less since 2000, with first the Diplomatic Readiness Initiative and then the vacuuming up of all of these positions by the needs of Afghanistan and Iraq and so on. I would just like for the record to point out that the hollowing out of the Foreign Service began after the collapse of the Soviet Union in the last year of the first Bush Administration, when Secretary Baker decided not to seek extra personnel to staff the 12 new embassies or 14 new embassies that resulted from the collapse of the Soviet Union. That was taken out of our hide.

Following that, I think the United States went into a mini-isolationist era, and during the 8 years of the Clinton Administration, we lost 30 percent of our people and 30 percent of the resources, roughly. That was readdressed somewhat by the Diplomatic Readiness Initiative, but today we are right back where we were in 1999–2000. And, therefore, I repeat, the principal finding of our report is that the State Department is at least 1,100 positions short, and if we do not get these positions, three things are going to happen: One, the gap that exists in unfilled positions is going to remain, and that gap at any given moment is somewhere between 200 and 400. If you consider that our 6,300 officers are spread over the entire world. First of all, half of them serve in Washington and New York. The remaining 3,000 are spread over 266 posts, some of which are large posts. A gap of 200 to 400 is huge. It is 10 percent or maybe 20 percent, or maybe more, of our officers overseas. So the result of that is that there are an awful lot of jobs that are not being done today.

If we do not get the training float, the result is going to be a failure of the Diplomatic Readiness Initiative. Our GAO colleagues made it very clear that we are not fulfilling language requirements as they exist today without adding personnel to the Diplomatic Readiness Initiative. If you add that requirement, you need at least the 900 positions that we call a “training float” to train transformational diplomats. If you do not train transformational diplomats, transformational diplomacy will fail.

And, finally, there is the issue of the militarization of foreign policy, which has been published and commented on extensively in the media. The situation today is that the United States is engaged in an existential struggle against Islamic fundamentalism and a plethora of new challenges that arise from globalization. We are confronting these challenges with a structure that was designed for the Cold War and with a deficit of about 20 percent in our personnel. The result of that is that whenever a new job comes along,

such as reconstruction and stabilization, the job goes to the institution which has the people and has the resources. And what is that institution? It is the Defense Department. It is the military. And today, as we meet here, there are Special Forces soldiers doing public diplomacy all over the underdeveloped world. Why are they doing that? Because we do not have enough people to do it.

There is economic development going on under the aegis of the military as a result of the CERF program, Commanders Emergency Reconstruction Funds, in the hundreds of millions of dollars. Why is that happening in the military and not in our development institutions? Because they do not have the people.

So what I say to you is that these three conditions are going to remain: Inability to do the job at hand, inability to do transformational diplomacy because of language deficits, and a continuation of the militarization of diplomacy if we do not get these 1,000 positions and get them in the proximate future.

The judgments that we made in the Foreign Affairs Council are about to be ratified by a CSIS study, as I think you mentioned, Mr. Chairman, or perhaps it was Senator Voinovich. They are coming to the same conclusion we did. They will conclude that we are 1,650 positions short. The Secretary's own Transformational Diplomacy Advisory Council is going to recommend 1,000 or maybe it is 1,200 new positions now and a doubling of the diplomatic cadres over the next 10 years.

There is a lot of consensus on what the problem is, and there is a lot of consensus on what the solution is. And I can tell you that all of us who are seized with this are just delighted, fervently delighted, that you and this Subcommittee are taking on these challenges, because they are serious.

Thank you, sir.

Senator AKAKA. Thank you very much, Mr. Ambassador.

Now we will hear from Ms. Derrick.

**TESTIMONY OF DEBORAH DERRICK,<sup>1</sup> EXECUTIVE DIRECTOR,  
BETTER WORLD CAMPAIGN**

Ms. DERRICK. Thank you very much, Mr. Chairman, Senator Voinovich. I would like to echo the comments earlier of my great pleasure that you are holding this hearing. I think it is really critical information, and I say that not just as an employee of the Better World Campaign and United Nations Foundation, but as the spouse of a Foreign Service officer. So I think it is critical that we make sure the State Department gets the resources it needs to do the job effectively.

Before I launch into a longer exposition, I would like to say that in general I would say my message is that on the U.N., on the employment of Americans at the United Nations basically, with all due respect to what the State Department said and what the GAO said, it seems to me that the United States is failing to develop a farm team, that they have limited resources and in putting those resources in, they are making the judgment that they get the most bang for the buck by putting it into the higher-level positions appointees that they have, but the people that I know on a more in-

<sup>1</sup>The prepared statement of Ms. Derrick appears in the Appendix on page 112.

formal basis that I talk to who have applied for positions within the U.N. system are basically left to their own devices to interpret and figure out whether they should go to the U.N., what are the benefits, how to get in, how to apply, and how to find the jobs.

The Better World Campaign aims to help support the U.N. and its causes, and especially to strengthen the U.S.-U.N. relationship. It is a privilege to work on such a mission and to be here today to speak with you.

The underrepresentation of Americans at the United Nations undermines America's global vision and its ability to conduct diplomacy in this key institution. The U.N. is increasingly being asked to tackle the biggest problems in the world—from nuclear proliferation to global warming; from Darfur to Iraq. Having too few Americans in the U.N. means that the United States is operating at a strategic disadvantage when it seeks to enact policies or reforms at the U.N. It means that we do, and will, lack a cadre of experienced civil servants who know how the U.N. works. It forces the United States to use its biggest guns and bluntest instruments to get its way there—whether that is threatening to walk out of negotiations or standing alone in blocking budgets.

In short, underrepresentation of Americans within the U.N. system eliminates tools from the U.S. national security tool kit at a time when we need all the tools we can get. So I commend you again for having this hearing and for the useful and enlightening GAO report.

The GAO largely suggested that State Department operations and U.N. structural barriers lay behind American underrepresentation. I think the GAO missed one key point, though, and that is that this shortfall comes back to longstanding and inconsistent U.S. investments of all kinds in the U.N. and, indeed, in the multilateral system. And I know, Senator Voinovich, that you recognized that some of that underinvestment comes back purely to dollars and resources and not so much—I know the political winds go up and down with the United Nations, but it is also just a question of resources. And so an OECD report from last year noted that the proportion of U.S. foreign assistance funding going through multilateral agencies altogether, not just the U.N., plummeted from 26 to 8 percent in recent years. Thus, at the beginning of 2007, the United States was behind in its dues or in arrears in virtually every major international treaty organization that it belonged to. That includes the U.N., NATO, World Health Organization, OECD, and the IAEA.

There is nothing particularly new in shortfalls for the U.N. I work for an institution that was founded by Ted Turner when he became alarmed that the United States was \$1 billion in arrears at the U.N., and for a time the United States climbed back into better standing, but at the moment, we are sliding back towards owing \$1 billion. And, once again, I think this is more a matter of resources than it is current distrust with Ban Ki-moon of the United Nations, because Ambassador Khalilzad has a good working relationship with Ban Ki-moon and, in fact, has recently asked the United Nations to take on a bigger role in Iraq.

Rather than working to influence the U.N. with an inside game, the United States does not pay its dues on time and in full and

does not work, I think, sufficiently to place American civil servants within the U.N. system. The United States tends to have to rely on, as I said, more blunt mechanisms like threats of withholding funding or public criticism to get its way at the United Nations. And this is not the best way, in my opinion, to influence friends and thwart enemies.

The GAO report noted that the State Department has recently increased the number of employees helping Americans to find their way into the U.N. system. I believe, though, that a couple of the political appointees recently assigned to this work have now moved on. Further, there was a general attrition of personnel dedicated to this task during the 1990s and the early 2000s. So the State Department's efforts to place Americans in the U.N. system waxes and wanes over time, and this means that the United States lacks a long-term plan for strategically placing Americans in the U.N. system.

I would also say that GAO's suggestion that most of the barriers to getting Americans into the U.N. are outside of the U.S. Government's control, I would say that I do not completely agree with that because other countries with smaller GDPs manage to find a way around these same barriers. European countries are successfully putting people in, especially by sponsoring junior professional officer (JPO) and associate expert positions. And, in fact, if you look at a list of the countries that sponsor JPO and associate expert positions—this includes Austria, the United Kingdom, Canada, and Switzerland—the United States' lack of participation is striking.

There are also a few barriers to U.S. representation at the U.N. that were not highlighted in the GAO report, such as language, general pressure to recruit more nationals from developing countries, and—in the State Department—a relative lack of expertise in technical areas where there are more jobs accessible to U.S. personnel. But, again, I would be remiss if I failed to note the overall effect of underfunding and underresourcing of the U.S. State Department.

So I think that there are a couple things that could be done above and beyond what the GAO has recommended. First, I would say we need greater resources for diplomacy in the State Department. Within the State Department, I would recommend that—or we would recommend that the International Organizations Bureau get more personnel dedicated to this effort and specifically to head Americans into non-Secretariat and more technical positions, like the WHO, FAO, or IAEA. And I believe we would recommend that we go beyond GAO's recommendation to study the potential value of funding junior professional officers and associate expert positions. The data is in. It is sitting there in the GAO report. These mechanisms work, and they work to get personnel into the system. The Congress itself could enact legislation to expand the use of these positions, and I think that would be an excellent way of getting more Americans into the system.

I would also encourage the United States to look at getting a roster of candidates for peacekeeping operations positions, and at this point I would like to thank you for the opportunity to testify today and would be happy to take your questions.

Senator AKAKA. Thank you very much for your testimonies.

Mr. Ambassador, as CEO and as President of the Foreign Affairs Council, let me ask you this question: Do you believe that the Foreign Service has become politicized? And if so, why?

Mr. BOYATT. I don't. I mean, we can always argue about the number of politically appointed ambassadors versus the number of ambassadors from the career. But, I think that the Foreign Service does what it has always done. It serves the administration in power, and as a career service, it must do that. And my observation—and I have been, as you might imagine, very close to the Foreign Service in a variety of ways—is that at the working levels it is not very politicized. At the political levels, it is politicized.

With respect to ambassadors, I think the percentage is roughly what it has been for the last 50 years or so—one-third from the outside and two-thirds from the inside.

Senator AKAKA. Thank you. Ms. Derrick, you mentioned Ted Turner.

Ms. DERRICK. Right.

Senator AKAKA. Quite a man. I just wanted you to know that I was very impressed with him.

The IAEA does not have formal staffing targets for Americans. In light of the GAO's findings regarding staffing at the U.N. agency, do you believe such targets should be made formal for all of the U.N. agencies?

Ms. DERRICK. I am not sure that it is necessary in all of the U.N. agencies. I think that it is probably more advantageous to actually work on getting the personnel in rather than changing the rules of the game within the U.N.'s individual agencies themselves.

For example, when I was talking with someone informally in preparation for this hearing, a guy who had worked in and around the IAEA for years, he said that the IO Bureau—and, again, this comes back to resources—had a woeful lack of understanding of the technical needs, the technical personnel needs in the nuclear industry. He said the mission in Vienna was pretty well abreast of it, but back here in Washington, DC, in the agency that might be able to advertise positions or notify people of positions in the United States, they did not have as much expertise as they needed to be able to pull on the appropriate people with the United States in this area. So I would recommend that instead.

Senator AKAKA. Mr. Naland, do you believe that the Administration is moving toward a more military type diplomatic corps at the State Department, one which encourages a willingness to follow orders without question?

Mr. NALAND. No, sir. The Secretary of State has always had the legal authority to direct the assignment of Foreign Service members. I met with Secretary Rice last Thursday at her invitation, which I really appreciated, and she stated that she wants to avoid direct assignment of Foreign Service members to Iraq, but if she needs to, she will do it.

So I believe the Foreign Service—I really believe the word “service” in there. It is like the uniformed military in many respects. We do what we are told by the administration in power under the laws passed by the Congress, and that is the way it is set up to be, and I think that is how it is going to continue.

I don't know if that was responsive to your question, but—

Senator AKAKA. Thank you. Yes, thank you so much for your response. I will call on Senator Voinovich for your questions. Thank you so much.

Senator VOINOVICH [presiding]. You are welcome.

Mr. Boyatt, you represent quite an impressive organization.

Mr. BOYATT. It impresses me, too, sir.

Senator VOINOVICH. I have been very concerned about management at the State Department and expressed my concerns to Secretary Rice. As I mentioned earlier, I was not real happy about Bob Zoellick going in there because I thought we needed somebody that would concentrate on management.

You are retired, right?

Mr. BOYATT. Yes, sir.

Senator VOINOVICH. Would you like to comment on the difference between the Powell-Armitage-Rice—

Mr. BOYATT. Sure. I do not mind. I will try to be diplomatic.

Senator VOINOVICH. Well, I expect you would.

[Laughter.]

Mr. BOYATT. It is just a historical reality that 9 times out of 10, as the Secretary of State, we get either an academic or a lawyer. It is also a reality that those are the two most management-challenged professions in the United States. As you know, they are sole practitioners who get ahead in life not by managing large numbers of people but by being brilliant or winning cases or publishing monographs, small-unit warfare.

And so we traditionally have a deficit on the management side in the State Department and the Foreign Service. And when somebody like Secretary Powell came along, who understands and manages the State Department with a chief executive officer, himself, and a chief operating officer, Rich Armitage, and a chief management officer, Grant Green, they were extraordinarily successful. And they have already become part of a Foreign Service legend, which is—the only great managers that we have had before Colin Powell were George Marshall, and that was 60 years ago, and George Shultz. And now there is a third. And I hope that Secretary Rice will become the fourth, but it is going to require a lot of action in the personnel area in these next 2 years. We have to build these numbers back up, or the job is not going to get done.

So I had the same reaction to Bob Zoellick that you did. I wanted to see somebody in that position who was a manager and not another policy wonk. I will tell you, quite frankly, that the Foreign Affairs Council has been considering supporting legislation that was put forward some years ago by Congressman Rogers to require by law that there be an additional Deputy Secretary position for Management. If something like that were to come along, I personally would support it, and I would urge the Foreign Affairs Council to do so likewise, because I think you are going to have to institutionalize—the only way we are going to consistently get managers at the State Department is to institutionalize the situation.

Senator VOINOVICH. Well, I am interested in that. As you know, I am a member of the Foreign Relations Committee.

Mr. BOYATT. Yes, sir.

Senator VOINOVICH. I am trying to get a CMO for the Homeland Security Department and also at the Defense Department. The De-

fense Department has had operations and management functions on GAO's high-risk list since 1990, 14 of them in total. And we just do not pay enough attention to management around here.

Mr. BOYATT. True.

Senator VOINOVICH. I would also suggest that you do everything you can to impress upon Secretary Rice how important it is to get these people on board that are needed. The problem is that the Federal Government does not have enough money. What we are doing is producing budgets that are not balanced, a higher national debt, and the American people have got to know we are not taking in enough money to provide the resources that we need to get the job done in our respective agencies. That is one of the reasons why I think we need to disengage in Iraq and make some of that money available.

Think about all of the money that we have spent there and how much difference that would make in the State Department for you to do the job they are supposed to do and USAID and some of the things that I think will make much more of a difference. I mean, I do not think that people get it that this is a different war that we are in, and they just do not understand this. We are dealing with this like we did other wars, and it is not the same.

So I would encourage your organization to do what you can, and if I were you, I would also somehow get this issue into the next presidential campaign.

Mr. BOYATT. Well, right now we are trying to raise the money to do a zero-based budget approach to the 150 accounts, to forget everything that exists today except the mission and then to determine how many people and how much money it takes to do that mission and build it up from the bottom. And if we achieve funding for that, it will be aimed at telling both candidates from each party what really needs to be done in the foreign affairs side to win this war that we are talking about.

Senator VOINOVICH. Well, I would welcome it, and if you are interested in somebody that is passionate about this, I am.

Mr. BOYATT. We are interested.

Senator VOINOVICH. Mr. Naland, you were talking about this whole issue of locality pay. I hear this everywhere I go around the world, that when, you leave Washington you lose 18.5 percent of pay and you projected it to go to 20 percent.

Mr. NALAND. Yes, sir.

Senator VOINOVICH. I am also a big booster of pay for performance, and I am proud of the fact that TSA has pay for performance. The Defense Department in their civilian workforce we have 160,000 people today that are under pay from performance.

Without dealing with this locality pay, how successful do you think pay for performance is going to be?

Mr. NALAND. Just a month ago, I got off a State Department promotion panel—I was on there before I became the union president, obviously—and we rank order everyone in the competition group from A to Z. And so in the Foreign Service we have been doing this forever, and so I can easily say how in the Foreign Service we could go to a pay-for-performance system in a heartbeat, with having the promotion panels do the rank ordering, not some manager who likes someone or whatever, but—

Senator VOINOVICH. You are worried about the arbitrariness that would occur.

Mr. NALAND. Well, I am not, but other members are. But in the Foreign Service, we have a decades-long tradition of having these promotion panels rank ordering people, and so we are good to go on it. We could do it tomorrow. It is just my understanding is pay for performance has been rolled out with DHS and DOD. Some of your colleagues—

Senator VOINOVICH. No, DHS, forget it. It is gone. We are trying to preserve it in the Defense Department. But the question I am asking you is: If we do not deal with this differential, isn't that going to kind of throw a monkey into the wrench—or a wrench into—it will foul it up.

[Laughter.]

Mr. NALAND. Our original goal was to get the overseas pay disparity fixed, and Secretary Powell worked that issue through the White House and never got it out of the White House. Secretary Rice was able to get it out of the White House, but only with the White House saying, well, this should be a pay-for-performance system. So that is kind of where we stand now.

If you had done State Department pay for performance 7 years ago before DHS or DOD ever were in the mix, it could have passed, and we would be doing it.

So I am all for it. I can see how it would work in the Foreign Service because we have been doing this for decades, rank ordering people. It is just finding—getting the Congress to agree with whatever mechanism, and as I said, we will take whatever mechanism. If you can convince your colleagues pay for performance, I am all for it.

Senator VOINOVICH. Do you think that the State Department has the flexibilities it needs to get people to come to work for it?

Mr. NALAND. Yes, sir. We have people, tens of thousands of people lined up to take the Foreign Service exam. As I think Ambassador Hodges mentioned, instead of giving it once a year, now the State Department is going to give it four times a year. And so under Secretary Powell and now under Secretary Rice, there have been great strides made. There are these polls, which I sometimes question, where young people say that the Foreign Service is compared to Disney and everything, it is one of their top dream jobs. I do not think they know what they would be getting into, but sure, there are plenty of people wanting to come in. So it is very heartening.

Senator VOINOVICH. You are saying that is not the problem.

Mr. NALAND. Good people are coming in.

Senator VOINOVICH. Ms. Derrick, on the U.N., I have spent a lot of time talking to—you have got this Under Secretary General for Management, Alicia Barcena, from Mexico I think.

Ms. DERRICK. Mexico, yes.

Senator VOINOVICH. Took over for Christopher Burnham, and there was a lot of concern that his replacement was not a U.S. citizen, but she has made a commitment there. What do you think of her so far?

Ms. DERRICK. I think she is doing quite a good job, and I am encouraged by the overall direction that Secretary General Ban is taking the United Nations.

Senator VOINOVICH. I agree with you and I would comment again about entry-level positions. We are doing fine filling top-level positions, but other countries do a much better job of getting people into entry-level jobs and having them work their way up in the organization.

Ms. DERRICK. That is right.

Senator VOINOVICH. We have failed in that area. Would you agree with that?

Ms. DERRICK. Yes, I would. As the GAO report notes, there are a couple of sections within the U.N. where particular sections of either the Department of Energy in the IAEA's case or the Bureau of Population, Refugees, and Migration (PRM)—has a junior professional officer program where they place junior personnel—this is like the entry-level professional program. And the report from GAO notes that 65 percent—in the Secretariat's case, 65 percent of the people who are put into those positions end up getting hired on a permanent basis. So this is a surefire way of getting people in. But the United States has declined to participate in this in the Secretariat. So this is just unexplainable, except for resources.

Senator VOINOVICH. Well, I think you ought to keep working with this Administration, but I think you also ought to look to the new Administration to try and get them to pay attention. One of the things that gets me is we are a billion—we will be a billion dollars behind in our dues to the United Nations. We are asking them to do peacekeeping.

Ms. DERRICK. In Darfur.

Senator VOINOVICH. I know there has been a lot of controversy about the U.N., but I think more and more Americans are realizing that it is fundamental to some of the things that we want to get done with North Korea, Iran, Palestine.

Ms. DERRICK. The hot spots.

Senator VOINOVICH. You name it.

Ms. DERRICK. Right.

Senator VOINOVICH. And it seems to me that the U.N. is going to become more important in the future for us in multilateral efforts rather than the unilateral approach taken in the first couple of years of this Administration.

So I think I would just encourage your organization to communicate the four things that you would do that you think really would make a difference in getting the job done, and I would be glad to share that with Secretary Rice.

Ms. DERRICK. Okay. I would be delighted to provide that.

Senator VOINOVICH. Would you agree that our public diplomacy is probably at the lowest level that we have seen it? And if you do, do you believe that because we have not put the resources into the State Department and these international organizations, that that is part of the problem that we are experiencing? That we do not have the right people or the right knowledge and skills at the right place at the right time. And as a result our public diplomacy is declining? Do any of you want to comment on that as a kind of finale to this hearing?

Mr. NALAND. Yes, sir. I think the State Department and the Foreign Service will be fully employed for the next 5 to 10 years rebuilding some of America's standing in the world, and to do so we need public diplomacy officers who speak the languages and speak them well. I mean, today we are worried about Arabic. Ten years from now, people will be screaming, "Why don't you have Chinese speakers?" So I think we need the resources, including the non-sexy training float, to provide the training so people can go out and give America's message in the language of the host country.

Senator VOINOVICH. To win this, "war for hearts and minds of people," we have to get serious about the State Department, hire people that have the language skills needed, and maintain embassies that are fully staffed. This would make a big difference.

Mr. NALAND. Yes, sir. And then a lot of the overstretched uniformed military people could go back to doing traditional military jobs or go back to a CONUS post with their family.

Mr. BOYATT. I agree with Mr. Naland with respect to resources. Just two additional comments.

One, there is the issue of policies. There are some policies that are never going to be—they are going to make the United States unpopular in certain parts of the world. Until those policies change, no amount of public diplomacy is going to change our standing in those particular spots. But the challenge is there, and the assessment that we did of the Under Secretary for Public Diplomacy's office in our report was very positive. With what they have, they are making a lot of progress, and it is strongly supported by the PD officers inside that organization. But there are just not enough of them.

And one additional comment. The solution is not to re-establish an independent USIA. It is to keep structurally the situation where it is and to get more people doing it. And my prejudice here is that of an ambassador. When you are in charge of a country team, the fewer people that you have reporting back in direct stovepipes to Washington, the easier it is to manage that country team. And I think that having public diplomacy—

Senator VOINOVICH. In other words, what you are saying is that there is more cooperation between the embassy and the USAID working as a team rather than reporting back to Washington.

Mr. BOYATT. Yes.

Senator VOINOVICH. It should be a strategic plan, here it is, USAID doing this stuff, and you fit it into the State Department's diplomatic initiatives.

Mr. BOYATT. Exactly, yes. But above all, resources.

Ms. DERRICK. And I would say if there is a silver lining on all of this, it is that there seems to be a great and growing interest in people committing themselves to the causes that are extant in the Foreign Service and the United Nations. A colleague of mine who works in the U.N. office here in Washington, DC, said that they had two positions posted recently. They had 700 Americans applying for those two positions.

Senator VOINOVICH. Well, you know what? Maybe if they get it we will make some progress. We are at a critical time right now, and we have to get our act together and resources into diplomacy. If we do not, we are in real deep trouble in terms of the future of

our country and our national security and our relationship with the rest of the world.

Mr. BOYATT. Yes, sir.

Mr. NALAND. Thank you, sir.

Senator VOINOVICH. I really thank you for being here today, and I publicly thank Senator Akaka. The two of us have been partners. We have spent almost 9 years on human capital and know how important it is. I am around for at least another 3 years. And Senator Akaka just got re-elected so we are going to stay on this. You can be assured that, this is not just a one-time shot.

Mr. BOYATT. So the Foreign Affairs Council is going to stay on it, also.

Senator VOINOVICH. Okay.

Mr. BOYATT. We look forward to working with you.

Senator VOINOVICH. Thank you very much.

The meeting is adjourned.

[Whereupon, at 5:03 p.m., the Subcommittee was adjourned.]



**A P P E N D I X**

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**STATEMENT  
OF  
AMBASSADOR HEATHER M. HODGES**

**ACTING DIRECTOR GENERAL OF THE FOREIGN SERVICE AND  
DIRECTOR OF HUMAN RESOURCES  
DEPARTMENT OF STATE**

**BEFORE  
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT  
MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT  
OF COLUMBIA  
SENATE COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS**

**HEARING  
ON  
BUILDING A STRONGER DIPLOMATIC PRESENCE TO MEET THE  
CHALLENGES OF A POST 9-11 WORLD**

**AUGUST 1, 2007**

Mr. Chairman and Members of the Subcommittee, thank you for this opportunity to testify before you today and address the Department's efforts to develop, position, and support our dedicated corps of Foreign Service, Civil Service and Locally Employed employees to effectively meet the challenges of our worldwide mission.

### **The Changing Environment**

The changes we have seen in terms of the Department of State's staffing requirements in the post 9/11 world are nothing less than staggering. The number of State Department positions overseas that are designated "unaccompanied" or "limited accompanied" for reasons of hardship or danger has almost quadrupled since 2001, from less than 200 in 2001 to more than 750 today. Many of these positions are one-year assignments, rather than the usual two to three years, putting strain on the entire assignments system since they must be filled each year. Whether Baghdad, Karachi or Riyadh, they also create more disruption for employees and families who are forced to endure extended separations and move more frequently.

Since 2001, we have established new embassies and dozens of Provincial Reconstruction Teams under the most challenging circumstances in Afghanistan and Iraq, while still maintaining operational readiness at our other 265 missions worldwide. We have also opened and staffed new embassies in Podgorica and Dili.

Sustaining the Department's high standards for foreign language capability, always a crucial component of our diplomatic readiness has also become more challenging. New policy priorities and the increasing need for Department personnel to effectively engage foreign media and non-traditional public and private foreign audiences require our employees to enhance their levels of language proficiency, particularly in "superhard" languages such as Arabic and Chinese. Since 2001, the number of language-designated positions in the Department has doubled. Language-designated positions in critical needs languages, including Arabic, Chinese, Farsi, and Korean, which are often the hardest to teach, have increased by 170 percent. The staffing challenges associated with meeting these language requirements are significant. To ensure uninterrupted

language capabilities at a one-year Arabic post, for example, requires three officers: one at post, one in the first year of training, and one in the second year of training

In January 2006, Secretary Rice acknowledged these challenges, and others, when she outlined her vision for transformational diplomacy and the type of diplomatic presence that would be required to implement U.S. foreign policy objectives in the 21<sup>st</sup> Century in her speech at Georgetown University. She said:

*In extraordinary times like those of today, when the very terrain of history is shifting beneath our feet, we must transform old diplomatic institutions to serve new diplomatic purposes. This kind of challenge is sweeping and difficult but it is not unprecedented; America has done this kind of work before.*

In response to Secretary Rice's call to action and to address our changing staffing needs, the Department acted swiftly to reposition personnel resources; increase foreign language, leadership, and public diplomacy training; and adapt our Foreign Service assignments and intake procedures. We are also pursuing legislative action that would close the pay gap for FS-01 and below officers serving overseas and, thus, remove disincentive to overseas service.

### **Global Repositioning**

To address these needs, and using the resources at hand, the Department has shifted personnel resources to areas of the world where our employees can most effectively address emerging policy priorities and challenges. Secretary Rice intended that this process of global repositioning serve as a "down payment" toward Congressional approval of new funding to meet the full cost of addressing the challenges of transformational diplomacy. Over two years of global repositioning and three rounds, the Secretary has approved the realignment or creation of 285 positions, including the establishment of new American Presence Posts (APPs). We achieved these shifts by reallocating positions (both overseas and domestic), and implementing other management reforms to underwrite the overseas support costs of the new positions. The regions of East Asia Pacific and South Central Asia have been allotted the most new positions, with our

missions in India and China receiving the largest staffing increases. We have also added new positions to work on counterterrorism, as well as additional Political Advisor positions to allow State personnel to work more closely with their military counterparts at regional commands and other locations. We have effectively repositioned one-tenth of all of our political, economic and public diplomacy officers overseas through the global repositioning process – a major move in just two years.

#### **Training for Transformational Diplomacy**

The Department also increased training to meet the needs of transformational diplomacy. The Foreign Service Institute (FSI) has expanded its foreign language training capacity to increase the number of critical needs language speakers and raise the proficiency of existing foreign language speakers. State enrollments in Arabic language courses, for example, have nearly quadrupled since 2001, with roughly 450 enrollments in the various types of Arabic courses in Fiscal Year 2006. To date in Fiscal Year 2007, there have already been 306 enrollments of State employees in Arabic language training courses, including full-time FSI courses, the Tunis field training course, online distance learning courses, and early morning language courses. FSI is increasingly utilizing distance learning and similar delivery methods in addition to traditional classroom-based training to reach a broader audience of State Department employees. FSI is also expanding on-line and Early Morning language programs, as well as conducting greater numbers of domestic and overseas immersion training events.

We also announced a special initiative this summer to encourage State Department employees to learn Arabic. Under this program, Foreign Service Generalists and Specialists can curtail from their current jobs to begin full-time Arabic training to bolster existing proficiency or start from scratch to learn Arabic. The initiative reflects our goal to produce a larger cadre of employees proficient in Arabic and the priority we place on staffing Arabic language-designated positions with qualified personnel.

In addition to language training, State Department employees also participate in Area Studies training. The Area studies courses, together with foreign language proficiency, ensure that our

personnel are prepared for life abroad and truly understand the cultural and historical facets of the country where they will be serving. The Department has also instituted mandatory leadership training as a requirement for promotion and career development, and in the last 6 years more than 9,000 Department employees have completed that training. This ongoing focus on leadership, designed to benefit employees at various points in their careers, is a strong step forward to ensure that our personnel around the world are being guided by trained, capable leaders.

#### **Adapting our Recruitment, Intake and Assignments Policies**

Within the Bureau of Human Resources, we have adapted our recruitment, intake, and assignments processes to maintain operational readiness in the face of new global challenges.

The Department's recruiters have responded to the need for more critical needs language speakers by specifically targeting schools and organizations to attract candidates who speak Arabic, Chinese, Urdu, Farsi, Russian and other critical needs languages. In addition, our seventeen Diplomats in Residence and our Washington-based recruiters hold individual counseling sessions with critical needs language speakers. Since 2004, the Department has also awarded bonus points to Foreign Service candidates who demonstrate critical needs language proficiency. These bonus points materially increase the chance of receiving a job offer for candidates who have passed the written examination and oral assessment.

We have also adapted our intake process to meet the Department's transformational diplomacy agenda and retain our ability to attract the best and brightest foreign affairs professionals. After a comprehensive study of the old Foreign Service intake process, we redesigned our testing process to make it more comprehensive, more flexible, and more competitive. The new system, which we launched in July introduces new measures to broaden our view of candidates, speed up the processing and hiring timeline, and compete more effectively to secure sought-after candidates with international experience, demonstrated leadership abilities, and foreign language skills. Registration is underway for the first test offering in September 2007 as part of the redesigned Foreign Service intake process.

In addition to changing the way we recruit and hire Foreign Service officers, the Human Resources Bureau made substantial changes to the assignments process in 2006 and 2007. We changed the order in which assignments to posts are made, tightened the “Fair Share rules” requiring more of our personnel to serve at hardship posts, limited Foreign Service Officers to five consecutive years of service in Washington, D.C., and eliminated fourth year extensions at posts with less than 15 percent differential. I am pleased to report that the process has worked well. As of July 30, we have successfully filled 90 percent of our summer 2007 openings in Iraq, including those in Baghdad and in the Provincial Reconstruction Teams, and nearly all of our unaccompanied positions worldwide – all with volunteers.

In order to continue to effectively meet the challenge we face in staffing Embassy Baghdad and the Iraq PRTs with qualified officers, we have introduced this year a country-specific assignments cycle for Iraq. This new cycle will ensure that we once again fully staff our mission in Iraq in 2008 -- with full access to our best and brightest -- before any other Foreign Service staffing decisions are made. We will also continue to draw on qualified Civil Service employees and Eligible Family members who have volunteered to fill Foreign Service positions in Iraq, Afghanistan, and other hardship posts around the world.

Our new assignments procedures have been successful because of our dedicated men and women who, in the finest tradition of the Foreign Service and the Department in general, are committed to serving the needs of America. The Secretary and I are grateful and proud of their service. We recognize that many are serving in dangerous and difficult posts and that all, regardless of location, are advancing our nation’s interests.

#### **Foreign Service Compensation Reform**

One of our ongoing challenges in staffing overseas positions and one of our top legislative priorities is to implement a new pay for performance system within the foreign service that will establish a single worldwide pay scale for Foreign Service members and eliminate a disparity for officers that transfer overseas due to the application of locality pay for positions within the

continental United States. Domestic locality pay began in 1994 (4.23 percent) and has grown by over 1 percent each to year to 18.6 percent in 2007. The Department worked throughout 2006 to develop a legislative proposal that had the support of AFSA, the other foreign affairs agencies, and OMB. Despite our best efforts to garner support on the Hill, however, the 109<sup>th</sup> Congress did not pass the provisions that would have allowed the Department to implement Foreign Service pay modernization.

We have attacked this issue with renewed vigor in 2007. The State Department has included the Foreign Service pay reform provisions in its FY 08 and 09 authorization bill request, which was sent to Congress in May 2007. Those provisions would implement Foreign Service pay reform by placing Foreign Service members at the FS-01 level and below under a pay-for-performance system (as is the case for members of the Senior Foreign Service and introducing a worldwide salary rate (based on the Washington, D.C. locality rate). We look forward to working with Congress to pass this important piece of legislation. Pay for performance reform will improve the effectiveness of the Foreign Service and a single global pay scale would go a long way to helping the Department to staff our most difficult posts overseas.

#### **Personnel Needs**

We are doing all we that we can to meet the challenges of staffing our missions in a post 9/11 world and effectively carry out the Department's critical foreign policy mission. We are proud of our success to date, but we also acknowledge that, despite our best efforts, the Department's staffing needs exceed our current resources. The recent reports from GAO, the Foreign Affairs Council, CSIS, and other groups have highlighted the Department's need for an adequate supply of mid-level Foreign Service officers and the need for an adequate training float.

The Department is dealing with a deficit of mid-level Foreign Service Generalists due to hiring shortages in the 1990s. The deficit is particularly acute at the FS-02 level where we have 210 more positions, mostly in the Public Diplomacy and Management cones, than officers. While our planning models show that the overall mid-level deficit could be eliminated by September 2010, there will likely still a deficit of 75 02-level officers.

At this point, the Department has been able to set aside the 500 positions for long-term training. This amounts to 5 percent of our Foreign Service position base. Our military colleagues typically set aside 10-15 percent for training, surge, and rotational needs. As a result, in recent years and still today, we have been forced to leave some overseas positions vacant for long periods to allow more employees to receive critical training. In some cases, however, we have waived foreign language requirements in order to fill positions – an outcome that disadvantages both the employee and the mission. Our management and leadership training – while broadly implemented – is still only a few weeks for each employee at the midlevel because we cannot afford longer absences from offices. To address this need, the Department requested 254 new positions in the FY 2008 budget for the Secretary's Transformational Diplomacy initiative covering training, surge, and rotational requirements.

Coming on the heels of Secretary Powell's Diplomatic Readiness Initiative (DRI), some may question these resource needs. It is important to remember, however, that the analysis and justification to support DRI took place in a pre-9/11 environment. The Department enthusiastically welcomed the 1,100 DRI new hires from 2002-2004 and immediately put their skills and expertise to work around the world. While we had planned to use some DRI positions to begin to build a training float, the Department's policy priorities forced us to respond to immediate operational needs by diverting some DRI positions to new or enhanced overseas missions. Also, the requested DRI complement was not fully funded by Congress as government wide resources were being diverted elsewhere post-9/11.

For each of the past three years, the President's budget submission has included a request for new State Department positions. As stated earlier, our Fiscal Year 2008 budget request included 254 new positions for training and personnel enhancements, operational readiness, and reconstruction and stabilization efforts. Congress has not appropriated any new positions, outside of earmarked consular and security positions, since 2004. The bottom line is that our Foreign Service corps of approximately 11,500 – while made up of the most talented and capable foreign affairs professionals this country has to offer – is too small to handle the United States of America's increasingly critical and growing mission of diplomatic engagement. To put the

number of 11,500 in perspective, our entire corps of Foreign Service Generalists and Specialists, responsible for advocating and implementing U.S. foreign policy interests around the globe, is about the size of one Army division. Our small diplomatic corps is hard at work in Washington and around the world. About 67 percent of career, full-time Foreign Service employees are serving overseas, with about 68 percent of those assigned to hardship posts. We are proud of our committed, capable Department of State employees who make sacrifices everyday to serve the American people and are committed to supporting and enabling them to effectively carry out the Department's mission.

Mr. Chairman, I thank you for the opportunity to address you today and I would be happy to answer your questions.

Principal Deputy Assistant Secretary for International Organization Affairs

James B. Warlick

Statement to the Senate Committee on Homeland Security and

Governmental Affairs

Subcommittee on Oversight of Government Management, the Federal

Workforce, and the District of Columbia,

August 1, 2007

Mr. Chairman and Members of the Subcommittee,

I am pleased to have the opportunity to discuss the Department of State's efforts to recruit U.S. citizens for positions at United Nations (UN) organizations. We place high priority on increasing the number of Americans at all levels in international organizations. Americans bring to the work environment well-honed skills, high levels of education, and relevant experience in their fields of expertise. They are also accustomed to working in a culture where ethics, efficiency and effectiveness are prized and accountability is expected. A strong American presence in international organizations is in our nation's best interests because it translates into influence and a greater likelihood of achieving our policy goals.

Our highest priority is placing American citizens in policy and senior-level positions in the UN system. We have worked closely with new UN Secretary General Ban Ki-moon and his staff to identify the most talented Americans and place them in positions of responsibility. We were particularly pleased that the Secretary General selected Ambassador Lynn Pascoe to serve as Under Secretary General for Political Affairs and Josette Sheeran to be the new Executive Director of the World Food Program. The appointments of Nancy Graham as Director of Air Navigation for the International Civil Aviation Organization (ICAO) and Craig Johnstone as Deputy UN High Commissioner for Refugees (UNHCR) were other achievements.

We have also provided assistance to Americans who have been successful in obtaining entry and mid-level positions. For example, a Foreign Service Officer recently obtained an Administrative Officer position in the UN Office at Geneva, and an American was selected as an Examinations Officer in the UN Secretariat.

We are seeking to increase the overall number of Americans in international organizations. As of the end of 2005, there were roughly 2,200 Americans serving in professional positions in the UN system, representing 8.2 percent of the professional work force. This is down from 2000 when Americans held 8.8% of the professional positions. But these numbers don't tell the whole story. We are targeting particular jobs and particular agencies and programs where the presence of American citizens can make especially important contributions. For example, there has been a major interagency effort to increase the number of Americans at the International Atomic Energy Agency (IAEA), and we've had some success.

However, increasing the number of Americans, regardless of grade level, is not an easy task. Many challenges are not primarily within the control of the United States—including restrictions on the number of positions open to external candidates, stiff competition from nationals of other countries, many of whom are multilingual, and limited job opportunities for spouses—a problem for many American families that are used to two incomes and spouses who want to work.

To achieve our goal of increasing American representation in the UN system, we are working in different ways. First, we have increased the resources devoted to this effort. In 2002, there were only two positions assigned to this area, while now we have six positions, four of which are fully dedicated. One position concentrates solely on identifying and placing Americans in senior and policy level jobs. Also, in recent years, we have provided higher levels of funding for travel, displays, and materials related to outreach events.

Second, the Department has increased and broadened its outreach efforts. We have reached a much wider source of potential candidates because OPM's USAJobs website has a link to our employment-in-international organizations website, as do other organizations. We have continued to compile an International Vacancy Announcement list, with a dissemination list that keeps growing. We have regularly sent officers from Washington to meet with international organization officials to press for an increase in hiring Americans at all levels, to supplement the message being sent routinely by our ambassadors. We have participated in more career fairs than in the past, and are now trying to better target our audiences. Also, we have been broadening our outreach geographically by participating

in outreach events outside the Washington area (such as in Arizona, California, Illinois, New York, North Carolina, and Texas). To help ensure that Americans are hired at the entry level at the UN, for the last several years the Department has funded the costs for holding the UN's National Competitive Recruitment Exam in locations other than New York (i.e., in California and Illinois). We also recognize the value of Junior Professional Officers (JPOs), and the Department has continued its funding for these positions. For example, there were 15 JPOs funded in 2006, which was increased to 17 in 2007.

I should note that Secretary Rice, her senior staff, and others throughout the Government have worked actively to place Americans in positions in the UN. American citizen employment is a U.S. Government priority.

Third, we have been seeking better coordination and collaboration within the U.S. Government. We created an interagency task force as a forum for identifying issues, seeking out best practices, and disseminating information. We have met individually with U.S. Government agencies to examine American employment issues in international organizations. In

addition, in 2006, Secretary Rice sent a letter to heads of U.S. Government agencies urging them to assist and encourage details and transfers of their employees to international organizations.

We acknowledge that more can be done to place American citizens in UN jobs and we welcome GAO's report, issued in September 2006, on additional efforts needed to increase U.S. employees at UN agencies. We agree with each of the report's recommendations and are in the process of implementing them. For example, we updated all informational documents on our international organization employment website in 2007; we began researching internet-based options for compiling a roster of potential candidates; and we initiated a study to identify the fields of expertise most often advertised by international organizations in order to better target our recruitment efforts.

The Department of State is committed to placing more U.S. citizens in international organizations at all levels. We are continuing our efforts to place more Americans in important posts and will continue to engage senior officials, our missions, U.S. government agencies, and international organizations themselves toward this end. We will persist in seeking to

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implement better, more cost effective and efficient mechanisms to recruit and place Americans in the UN system.

Thank you for your kind attention, and I now invite your questions.

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

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STATE DEPARTMENT

Staffing and Foreign  
Language Shortfalls Persist  
Despite Initiatives to  
Address Gaps

Statement of Jess Ford, Director  
International Affairs and Trade



August 1, 2007

## STATE DEPARTMENT

## Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps



Highlights of GAO-07-1154T, a testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia; Committee on Homeland Security and Governmental Affairs, U.S. Senate

### Why GAO Did This Study

GAO has reported in recent years on a number of human capital issues that have hampered the Department of State's (State) ability to carry out U.S. foreign policy priorities and objectives, particularly at posts central to the war on terror. In 2002, State implemented the Diplomatic Readiness Initiative (DRI) to address shortfalls in the number and skills of State employees. This testimony addresses State's progress in (1) addressing staffing shortfalls since the implementation of DRI and (2) filling gaps in the language proficiency of Foreign Service officers and other staff. To accomplish these objectives, GAO analyzed staffing and language data and met with State officials.

### What GAO Recommends

We made a number of recommendations in our August 2006 report to the Secretary of State to address staffing gaps and foreign language shortfalls. State generally agreed with our recommendations and has made some progress in implementing them.

[www.gao.gov/cgi-bin/gettrpt?GAO-07-1154T](http://www.gao.gov/cgi-bin/gettrpt?GAO-07-1154T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess T. Ford at (202) 512-4128 or [fordj@gao.gov](mailto:fordj@gao.gov).

### What GAO Found

State has made progress in addressing staffing shortages since implementing the DRI in 2002, however, the initiative did not fully meet its goals, and staffing shortfalls remain a problem. From 2002 to 2004, the DRI enabled State to hire more than 1,000 employees above attrition to respond to emerging crises and allow staff time for critical job training. However, according to State officials, much of this increase was absorbed by the demand for personnel in Iraq and Afghanistan, and the desired crises and training reserve was not achieved. State officials told us that they now estimate they need more than 1,000 new positions to support foreign language training needs and respond to crises and emerging priorities. In an effort to address staffing shortfalls, particularly at critical hardship posts, State has implemented various incentives, including offering extra pay to officers who serve an additional year at these posts and allowing employees to negotiate shorter tours of duty. State has also taken steps to ensure all Iraq positions are staffed. While State has not yet used its authority to direct staff to accept assignments, it has in several cases identified qualified staff and convinced them to accept reassignments. However, despite these and other efforts, mid-level positions at many posts are staffed by inexperienced junior officers with minimal guidance. An experience gap at critical posts can severely compromise the department's diplomatic readiness and its ability to carry out its foreign policy objectives and execute critical post-level duties.

State has made progress in increasing its foreign language capabilities, but significant language gaps remain. State has increased the number of worldwide positions requiring language proficiency since 2001 and has enhanced efforts to recruit individuals proficient in certain languages. However, State continues to have difficulties filling some positions with language proficient staff. State officials told us these gaps have worsened in recent years. In response to our recommendations to enhance the language proficiency of State's staff, officials told us that the department has placed an increased focus on language training in critical areas. State has recently implemented a new initiative that would provide additional pay incentives for staff if they chose to be reassigned to use existing Arabic language skills. Continuing gaps in language proficiency can adversely affect State's diplomatic readiness and ability to execute critical duties. For example, officials at one high visa fraud post we visited stated that consular officers sometimes adjudicate visas without fully understanding everything the applicants tell them during the visa interview. Moreover, we were told that officers at some posts cannot communicate effectively with foreign audiences, hampering their ability to cultivate personal relationships and explain U.S. foreign policy.

August 1, 2007

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss GAO's work on Department of State (State) human capital issues. In recent years, State has undertaken several broad initiatives to ensure it has enough qualified staff in the right places to carry out its mission. These efforts have included State's Diplomatic Readiness Initiative (DRI), designed to hire a reserve of Foreign Service officers (FSO) and civil service employees, support training opportunities for staff, enhance State's ability to respond to crises and emerging priorities, and fill critical skill gaps. In addition, State is currently implementing its Transformational Diplomacy Initiative, which involves, among other things, repositioning overseas staff from locations such as Europe to emergent critical areas, including Asia and the Middle East, and expanding language training efforts.

Today, I will discuss State's progress in (1) addressing staffing shortfalls since the implementation of the Diplomatic Readiness Initiative and (2) filling gaps in the language proficiency of Foreign Service officers and other staff.

GAO has reported on a number of human capital issues that have hampered State's ability to carry out the President's foreign policy priorities and objectives. My statement today is based primarily on our August 2006 report on State human capital issues.<sup>1</sup> Over the course of our work on this report, we examined documentation on State's recruitment efforts; analyzed staffing, vacancy, and assignment data; reviewed the language proficiency data for specific posts, specialties, and grades; and compared the language proficiency of staff in language-designated positions with the requirements for the positions. We met with officials at State's Bureau of Human Resources, Bureau of Consular Affairs, Foreign Service Institute, and six regional bureaus, and also conducted

fieldwork in Abuja and Lagos, Nigeria; Sana'a, Yemen; and Beijing, China—posts of strategic importance to the United States that have recently posed various human capital challenges to State. Furthermore, we recently met with the State Department to follow up on its human capital initiatives. We performed this work in accordance with generally accepted government auditing standards.

### Summary

State has made progress in addressing staffing shortages since implementing the DRI in 2002; however, the initiative did not fully meet its goals, and staffing shortfalls remain a problem. Without ensuring that the right people with the right skills are in the right places, these gaps will continue to compromise State's ability to carry out its foreign policy objectives and execute critical mission functions. From 2002 through 2004, the DRI enabled State to hire more than 1,000 employees above attrition to respond to emerging crises and allow staff time for critical job training. However, according to State officials, much of this increase was absorbed by the demand for personnel in Iraq and Afghanistan; and thus, the desired crises and training reserve was not achieved. In addition, State has placed an increased focus on foreign language training in certain critical areas, which means that staff who would otherwise be working are instead attending language training. According to State officials, outside of the department's consular program and worldwide security upgrade program, State has not received any additional authorized positions since 2004, and officials also told us that they now estimate State needs more than 1,000 new positions to support foreign language training needs and respond to crises and emerging priorities. In an effort to address staffing shortfalls at historically hard to fill hardship posts,<sup>2</sup> many of which are of significant strategic importance to the United States, State has implemented various incentives, including offering extra pay to officers who serve an additional year at these posts and

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<sup>1</sup>GAO: State Department: *Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps*, GAO-06-894 (Washington, D.C.: Aug. 2006).

<sup>2</sup> State defines hardship posts as those locations where the U.S. government provides differential pay incentives—an additional 5 to 35 percent of base salary, depending on the severity or difficulty of the conditions—to encourage employees to bid on assignments to these posts and to compensate them for the hardships they encounter.

allowing employees to negotiate shorter tours of duty. More recently, State made service in a hardship post a prerequisite for promotion to the senior Foreign Service. And, since we issued our report, State has increased its service requirements of staff at hardship posts and has also recently taken additional measures to ensure all Iraq positions are filled. However, State has not evaluated the effectiveness of its hardship incentives, and continues to have difficulty attracting qualified mid-level applicants—or bidders—for some hardship posts. According to State officials, mid-level positions at many posts continue to be staffed by junior officers who lack experience and have minimal guidance. For example, at the time of our last review, the mid-level consular manager positions in Shenyang and Chengdu, China—two locations with high incidences of visa fraud—were held by first tour junior officers. State has not traditionally assigned its limited number of employees to particular posts based on risk and priorities; rather, it has generally assigned staff to posts for which they have expressed an interest. We recommended that State consider using its authority to direct staff to accept assignments, as necessary, to ensure that critical gaps are filled. After our report was issued, State's Director General publicly indicated he would direct assignments when needed. While State has not yet used directed assignments, State officials told us that the department's increased willingness to do so has helped convince some qualified staff to accept critical reassignments.

State has made progress in increasing its foreign language capabilities, but significant language gaps remain. State has significantly increased the number of worldwide positions requiring language proficiency and has enhanced efforts to recruit individuals proficient in certain languages. However, State continues to have difficulties filling language designated positions with language proficient staff. Gaps in language proficiency can compromise State's ability to execute critical duties, including reaching out to foreign audiences central to the war on terror. In April 2007, we testified that inadequate language skills hampered public diplomacy officers' ability to cultivate personal relationships and explain U.S. foreign policy. Moreover, officials at one high visa fraud post stated that consular officers sometimes adjudicate visas without fully understanding everything the applicants tell them during the visa interview. State

officials told us that some language gaps have worsened in recent years due to State's relocation of some staff positions to critical posts that require so-called "superhard" language skills, such as Arabic or Chinese, that staff do not have. We reported that almost 30 percent of the staff filling language designated positions worldwide as of October 2005 did not meet the language proficiency requirements. The percentage was much higher at certain critical posts—for example, 59 percent in Cairo, Egypt; and 60 percent in Sana'a, Yemen. Moreover, some officers we met with who did meet the proficiency requirements questioned whether the requirements are adequate. For example, embassy officials in Yemen and China stated that the speaking and reading proficiency levels designated for their positions were not high enough and that staff in these positions were not sufficiently fluent to effectively perform their jobs. Additionally, several factors—including the short length of some tours and the limitations on consecutive tours at the same post—may hinder officers' ability to enhance and maintain their language skills over time, as well as State's ability to take advantage of those skills and the investment it makes in training. We also reported a perception among some officers that State's current promotion system discourages officers from specializing in any particular region, making the officers reluctant to apply to posts where they could better utilize their language skills. Since our report was issued, State officials informed us that the department has recently implemented a new initiative that would provide additional language incentive pay for staff if they chose to be reassigned to a posting that would utilize their existing Arabic language skills.<sup>3</sup> In addition, in response to our recommendations that State take action to enhance the language proficiency of its staff, State officials told us that the department has placed an increased focus on language training in critical areas and that it is exploring the possibility of longer tours of duty in limited cases.

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<sup>3</sup>Furthermore, additional language pay incentives are being piloted for employees taking advantage of reassignment who have the proficiency in Arabic required of their position.

**Background**

To address staffing shortfalls, in 2002, State implemented the Diplomatic Readiness Initiative, a \$197 million effort designed to hire 1,158<sup>4</sup> new foreign and civil service employees over a 3-year period, support training opportunities for staff, enhance State's ability to respond to crises and emerging priorities, improve State's hiring processes to recruit personnel from more diverse experiences and cultural backgrounds, and fill critical skill gaps. As of June 2007, State had about 20,000 American employees, including Foreign Service officers (FSO). About 67 percent of Foreign Service employees serve overseas; of that number, about 68 percent are assigned to hardship posts. A hardship pay differential is established only for those locations that involve extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions affecting the majority of employees officially stationed or detailed there. Living costs are not considered in differential determinations.<sup>5</sup>

It is more difficult to attract qualified bidders for some hardship posts than for others. In response to severe staffing shortages at such posts, State established the Service Need Differential (SND) program in 2001. Under this program, an employee who accepts a 3-year assignment at a post designated for SND is eligible to receive an additional hardship differential—over and above existing hardship differentials—equal to 15 percent of the employee's base salary.<sup>6</sup> State's geographic bureaus initially identified the posts designated to offer SND in 2001 and may add or remove posts once per year.

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<sup>4</sup>State received funding for 1,069 employees.

<sup>5</sup>State pays an additional 15 to 35 percent of salary for danger pay. The danger pay allowance is designed to provide additional compensation above basic compensation to all U.S. government civilian employees, including chiefs of mission, for service in foreign areas having conditions—such as civil insurrection, civil war, terrorism, or war—that threaten physical harm or imminent danger to employees. These conditions do not include acts characterized chiefly as economic crime.

<sup>6</sup>Chiefs of mission, principal officers, and deputy chiefs of mission are not eligible to receive SND regardless of the length of their tours. Entry-level employees on 2-year tours directed by the Office of Career Development and Assignments (HR/CDA) are also ineligible for SND.

State's Foreign Language Requirements

As of June 2007, State had 3,467 positions—approximately 45 percent of all Foreign Service positions overseas—designated as requiring some level of foreign language proficiency. These positions span about 68 languages. State places the required languages into three categories based on the amount of time it takes to learn them.

- *Category I languages* are world languages, such as Spanish and French that relate closely to English. Fifty-five percent of the language-designated positions require proficiency in a world language.
- *Category II languages*, such as Albanian or Urdu, are languages with significant linguistic or cultural differences from English. State refers to such languages as “hard” languages. Twenty-nine percent of the language-designated positions require proficiency in a hard language.
- *Category III*, the “superhard” languages, include Arabic and Chinese, and are exceptionally difficult for native English speakers to learn. Sixteen percent of the language-designated positions require proficiency in a superhard language.

State's primary approach to meeting its language requirements is through language training, primarily through classes provided at its training arm, the Foreign Service Institute (FSI). In addition, overseas posts offer part-time language training through post language programs funded by the regional bureaus and their posts. Although State's main emphasis is on enhancing staffs foreign language capability through training, it has special mechanisms to recruit personnel with foreign language skills. For example, applicants who pass the oral assessment can raise their ranking by passing a language test in any foreign language used by State. Additional credit is given to candidates who pass a test in languages that State has deemed as critical needs languages.<sup>7</sup> Officers hired under this initiative must serve in a post that requires the language for which they were recruited for their first or second tour.

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<sup>7</sup>State has deemed the following as critical needs languages: Arabic; Chinese; Korean; Russian; Turkic languages (Azerbaijani, Kazakh, Kyrgyz, Turkish, Turkmen, and Uzbek); Indic languages (Urdu, Hindi, Nepali, Bengali, Punjabi); and Iranian languages (Farsi/Persian, Tajiki, Pashto).

**State Has Made Progress in Addressing Staffing Shortfalls but Critical Gaps Remain at Hardship Posts**

Since the implementation of the DRI in 2002, State has increased its number of permanent positions and available staff worldwide for both the foreign and civil service, but these increases were offset somewhat by urgent staffing demands in Iraq and Afghanistan and other factors. State hired most of its new staff through the Diplomatic Readiness Initiative, bringing in more than 1,000 new employees above attrition, thus achieving its numerical hiring goals. These employees were hired primarily to allow staff time for critical job training, to staff overseas posts, and to be available to respond to new emerging priorities. However, according to State's Human Resources officials, the initiative's goals became quickly outdated as new pressures resulted from staffing demands for Iraq and Afghanistan. For example, bureaus have had to give up a total of about 300 positions for Iraq. In addition, State has placed an increased focus on foreign language training in certain critical areas, which means that staff who would otherwise be working are instead attending language training. Outside of the department's consular program and worldwide security upgrade program, State has not received any additional authorized positions since 2004. State officials told us that they now estimate they need more than 1,000 new positions to support foreign language training needs and to respond to crises and emerging priorities.<sup>8</sup>

**Effectiveness of Hardship Incentives Has Not Been Measured**

Beginning in 2001, in an effort to address the growing number of mid-level vacancies at hardship posts, State created a series of incentives—including extra pay and negotiated tour lengths—to attract mid-level employees to hardship posts around the world. For example, the SND Program offers employees an extra 15 percent pay for an additional year of service at the most difficult-to-staff posts. While State has information on the number of officers actually enrolled in the program, it was not able to provide data on the number of eligible officers who were not. State's Director General and officials from

<sup>8</sup>It was beyond the scope of this engagement to assess this estimate.

its Human Resources Bureau said that State has not completed any formal evaluations of the incentives; instead, officials from Human Resources meet informally to discuss how well the incentives are working. Without formal evaluations, State has not been able to systematically measure whether the extra hardship pay incentive has had a significant impact on staffing at hardship posts. Senior officials with whom we spoke in Washington, D.C., and FSOs at hardship posts had mixed views on whether the SND program has been effective. In addition, while it may be too early to assess the effectiveness of more recently implemented initiatives, such as negotiated tour lengths, former and current ambassadors stated that this initiative may not benefit posts. In particular, they noted that although negotiating a shorter tour length might initially attract bidders to hardship posts, such frequent rotations diminish a post's ability to carry out the United States' foreign policy goals. Noting the prevalence of 1-year tours in the Muslim world,<sup>9</sup> a senior official at State said that officers with shorter tours tend to produce less effective work than those with longer ones.

In addition to incentives, State has implemented a new career development program—the Generalist Career Development Program—that stipulates service at a hardship post as a requirement for consideration to promotion to the senior Foreign Service. Officials from Human Resources stated that it was too early to tell whether this new requirement for promotion to the senior Foreign Service will be effective in attracting mid-level officers to hardship posts. Other new requirements include expanded Fair Share<sup>10</sup> rules that require designated FSOs to bid on a minimum of three posts with a 15 percent or higher differential pay incentive in two geographic areas. Further, since we issued our report in 2006, State has shortened the Washington consecutive service limit from 6 years to 5 years, which means that more officers will be spending more time in the field to help fill staffing gaps.

<sup>9</sup>According to State, the Muslim world is comprised of 58 countries and territories with significant Muslim populations, many of which are members of the Organization of the Islamic Conference. These countries have a combined population of 1.5 billion people and are located in Africa, Asia, and Europe.

<sup>10</sup>According to State, an employee is considered Fair Share if he or she has not served at least (1) 20 months at a post with a combined hardship and danger pay differential of 15 percent or greater or (2) 10 months at a post with a 1-year standard tour of duty during the 8 years prior to the employee's upcoming transfer eligibility date. Previously, serving 18 months of service at a post receiving any hardship

State also has created a special assignments cycle for Iraq to ensure that these priority positions are filled to 100 percent as close as possible. In addition, State has negotiated new Iraq staffing incentives, such as allowing 6 months of Iraq service, compared to longer service elsewhere, to fulfill the requirements of the Fair Share rules. State has also recently revised the Iraq Service Recognition Package by (1) increasing language incentive pay for Arabic speakers; (2) allowing, in certain cases, staff who leave their current post of assignment to serve in Iraq to extend service at that post for up to 1 year after returning; and (3) enabling family members to remain at the current post of assignment throughout the duration of the Iraq assignment.

In 2006 we recommended that to enhance staffing levels and skills at hardship posts, the Secretary of State systematically evaluate the effectiveness of State's incentive programs for hardship post assignments, establishing specific indicators of progress and adjusting the use of the incentives based on this analysis. State officials told us that the department has not conducted any such evaluation to date because the large number of factors that staff consider when bidding on assignments makes it problematic to isolate the effects of individual incentives; however, State does plan to add some questions on the impact of incentives to its biannual employee quality-of-life survey.

#### Staffing Gaps for Key Mid-level Positions Persist; Positions Filled by Junior Officers in Stretch Positions

As of our most recent report, State had a combined deficit of 154 officers,<sup>11</sup> with the largest staffing deficits continuing to affect mid-level positions across all career tracks. State officials have said it would take several years for DRI hiring to begin addressing the mid-level staffing shortages because the earliest DRI hires are just now being promoted

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differential, even 5 percent, during the previous 8 years prior to an employee's upcoming transfer exempted staff from consideration as a Fair Share bidder.

<sup>11</sup>The total deficit decreases to 82 when junior grade level 05 and 06 positions are included. We did not include them in this calculation because we were told that these grades were training positions that are not counted against the deficit.

to mid-level. On average, it takes approximately 4.3 years for a junior officer to receive a promotion to mid-level. State expects to eliminate mid-level deficits by 2010.

Although bidding for hardship posts with the smallest pay differentials increased slightly in recent years, it remained about the same for posts with the highest differentials, such as those with 20 and 25 percent. Overall, posts in Africa, the Middle East, and South Asia continue to receive the lowest number of bids, averaging about 4 or 5 bids per position, while posts in Europe and the Western Hemisphere receive the highest bids, averaging 15 and 17, respectively. For example, we reported in 2006 that posts in Bujumbura, Burundi; Lagos and Abuja, Nigeria; Riyadh, Saudi Arabia; and Calcutta, India received, on average, between zero and two bids per mid-level officer position and, in the 2005 assignments cycle, 104 mid-level positions had no bidders at all, including 67 positions in Africa and the Middle East. In addition, consular positions in the posts with the highest hardship differential (25 percent) continued to receive some of the lowest number of bids in 2005—on average, only 2.5 bids per position compared with 18 for nonhardship posts. Low numbers of bids at hardship posts have resulted in positions remaining vacant for long periods of time.

In 2006 we reported that consular and public diplomacy positions were the hardest to fill, with 91 percent of the vacancies in these two tracks at the mid-level. Although State has seen an increase in spending on U.S. public diplomacy programs, several embassy officials stated that they do not have the capacity to effectively utilize increased funds. Moreover, these staffing gaps also limit the amount of training public diplomacy officers receive because many officers are sent to fill a position quickly and never benefit from full training, ultimately limiting the success of their public diplomacy outreach efforts. Further, due to staffing shortages in consular sections around the world, there are fewer staff to implement the new interview requirements and screening procedures for visas, contributing to extensive wait times for applicant visa interviews at consular posts overseas. For example, State's data shows that between September 2006 and February 2007, 53 consular posts reported maximum wait times of 30 or more days in at least 1 month, signaling a significant resource problem for State.

### Many Mid-level Positions Are Staffed by Junior Officers

In order to fill vacancies, primarily at hardship posts, State sometimes allows staff to bid for a position at either a higher grade than their current grade level (called an “upstretch”) or a lower grade (a “downstretch”). Often, upstretch assignments are offered as a reward and career-enhancing opportunity for staff who have demonstrated outstanding performance, and many officers successfully fulfill the duties requested of the higher grade level.<sup>12</sup> In an effort to compensate for mid-level gaps in Iraq, State will consider entry-level employees with extraordinary skills for mid-level positions there if they have a high-level Arabic language ability, prior military experience, or proven performance in crisis management. However, a 2004 report by State’s Inspector General<sup>13</sup> found that in many African posts, for example, there were significant deficiencies in the ability, training, and experience of FSOs serving in upstretch assignments. At hardship posts we visited in early 2006, we found experience gaps and other staffing shortfalls. In particular, we found that the consulate in Lagos was staffed by a mix of officers, including numerous junior officers in stretch positions. Moreover, many officers in stretch positions at hardship posts continue to lack the managerial experience or supervisory guidance needed to effectively perform their job duties. In addition, junior officers in stretch assignments at the various posts we visited stated that, without mid-level officers to guide them, they many times can only turn to senior management, including the ambassador, for assistance. According to a 2004 State Inspector General report, senior staff, including ambassadors, spend more time on operational matters and less time on overall planning, policy, and coordination than should be the case.<sup>14</sup> Many junior officers also stated that although they were filling stretch positions at the mid-level, they were not allowed to receive management training from State due to their lower grade status. One officer told us she requested management training to help her

<sup>12</sup>According to State the rationale for stretch assignments (upstretches and downstretches) is both system- and employee-driven. Upstretches can be career enhancing or accommodate family needs or staffing gaps. Downstretches may happen to accommodate family needs or be the end result after an employee is promoted when in an at-grade position.

<sup>13</sup>*Strengthening Leadership and Staffing at African Hardship Posts*, U.S. Department of State, Office of Inspector General, Memorandum Report ISP-I-04-54, July 2004.

<sup>14</sup>ISP-I-04-54.

manage staff in accordance with her role as acting chief of a key section of the embassy but was denied the opportunity because she was not a tenured mid-level officer.

Senior management at posts we visited shared some of these concerns. A former Deputy Chief of Mission in Nigeria stated that it is extremely difficult for junior officers to work in stretch assignments when there are few mid-level officers to guide them.

Ambassadors at these posts also stated that, although many junior officers entering the Foreign Service are highly qualified, they do not have sufficient training to handle some of the high stress situations they encounter and often end up making mistakes. For example, according to the U.S. Ambassador to Nigeria—the third largest mission in Africa with nearly 800 employees—the embassy had only three senior officers at the time of our visit, and public affairs were handled entirely by first tour junior officers. Also, according to U.S. officials in Beijing, the mid-level consular manager positions in Shenyang and Chengdu, China—two locations with high incidences of visa fraud—were held by first tour junior officers at the time of our visit. Moreover, security officers at one hardship post told us that without mid-level staff, they sometimes lack the resources to adequately perform basic duties, such as accompanying the ambassador on diplomatic travel. Former ambassadors with whom we spoke expressed serious concerns about State's diplomatic readiness and conveyed their belief that a post's ability to carry out critical duties is significantly compromised when the proper staffing levels, and particularly well-trained officers, are not in place.

#### State Is More Willing to Use Directed Assignments

Despite chronic staffing shortages at hardship posts, especially at the mid-level, State has rarely directed FSOs to serve in locations for which they have not bid on a position—including hardship posts or locations of strategic importance to the United States—due to concerns about lowering morale or productivity. According to State officials, State's Global Repositioning Initiative, announced in January 2006, has reallocated a significant number of positions, primarily from Washington and Europe to critical posts in Africa, South Asia, and the Middle East. However, given that there is no guarantee that these

positions will be filled because bidding will continue to be on a voluntary basis under the initiative, we recommended that State consider using its authority to direct staff to accept assignments, as necessary, to fill these critical mid-level gaps. After our report was issued, State's Director General publicly indicated he would direct assignments when needed. While State has not yet used directed assignments, State officials told us that the department's increased willingness to do so has helped convince some qualified staff to accept critical reassignments.

**State Has Made Progress in Increasing Its Foreign Language Capabilities, but Significant Language Gaps Remain**

State has made several efforts to improve its foreign language capabilities, including creating additional language-designated positions and enhancing recruiting efforts. Since 2001, State officials told us they have significantly increased the number of worldwide positions requiring language proficiency. These positions span about 69 languages. State has also enhanced its efforts to recruit and hire FSOs with language skills. For example, State's Office of Recruitment has targeted its recruiting outreach efforts to universities with strong language programs and conferences of language professionals, as well as associations and professional organizations (such as the Arab American Institute) that have members already fluent in critical needs languages. In addition, State offers bonus points on the Foreign Service exam to candidates who demonstrate proficiency in critical needs languages. State then requires these officers to serve in positions that will employ their language skills during their first or second assignment. State has also implemented career development criteria, effective January 1, 2005, that require, among other things, foreign language proficiency as a prerequisite for consideration for promotion. In addition to these requirements, State has developed financial incentives for officers with certain proficiency levels in critical languages. Moreover, State has enhanced its overseas language programs through various initiatives, including expanding its use of overseas language schools and post language programs, increasing the number of weeks of training offered in certain critical

languages, and providing language immersion courses for officers transitioning to new posts.

State Continues to Have Shortages of Staff Proficient in Foreign Languages

State assesses language proficiency based on a scale established by the federal Interagency Language Roundtable. The scale has six levels—0 to 5—with 5 being the most proficient. Proficiency requirements for language-designated positions at State tend to congregate at levels 2 and 3 of the scale. In our 2006 report, we compared the language proficiency of staff in all language-designated positions with the position's requirements and our analysis showed that about 29 percent of all worldwide language-designated positions were filled by individuals who did not meet the position's proficiency requirements.<sup>15</sup> Language deficiencies exist worldwide but were among the greatest in the Middle East, where 37 percent of all language-designated positions were filled by staff without the language skills required of their positions. The skills gap was even greater at some critical posts—for example, 59 percent in Cairo, Egypt, and 60 percent in Sana'a, Yemen. In recent discussions with State officials, they told us these gaps have worsened since we reported on this issue in 2006, primarily because, according to the officials, State has increased the number of worldwide positions requiring language proficiency by over 100 percent since 2001. State has relocated some staff positions to critical posts that require so-called "superhard" language skills, such as Arabic or Chinese, that many staff do not have.

To further illustrate how skill gaps differ among languages of varying levels of difficulty, we analyzed data on superhard, hard, and world-language designated positions. Our analysis showed the greatest deficiencies in positions requiring superhard languages, such as Arabic. Almost 40 percent of superhard language-designated positions worldwide (465 positions) were filled by individuals who did not meet the language requirements of their position; this figure was 30 and 25 percent for hard and world language-designated positions, respectively. Further, the highest percentage—almost 40

percent—of superhard positions filled by officers that did not meet the speaking and reading language requirements were among positions requiring Arabic, Chinese, and Japanese.

Further analysis of Arabic and Chinese, two languages spoken in regions of strategic interest to the United States, showed that the percentage of staff that did not meet language requirements for their positions varied by career tracks. For example, 100 percent of the staff filling positions in the management career track requiring Arabic and 88 percent of the staff filling positions in the management career track requiring Chinese did not meet the language requirements of their positions. In addition, 72 and 75 percent of Foreign Service specialist (staff who perform security, technical, and other support functions) positions requiring Chinese and Arabic, respectively, were filled by staff who did not meet the language requirement. Six of the specialists we met with in Beijing said they did not receive sufficient language training before arriving at post. State officials have acknowledged that Foreign Service specialists have not received the required amount of training, and FSI officials attributed this situation to time constraints. Most specialists only have enough time to participate in FSI's Familiarization and Short-term Training (FAST) language courses designed for beginners with 2 months or less time to devote to training. State's Director General, in a cable issued in January 2006, stated that State has been shortsighted in not providing training to specialists, especially office management specialists, and that required training would be available for specialists in the future.

To enhance the language proficiency of FSOs and other staff, we recommended in our August 2006 report that State systematically evaluate the effectiveness of its efforts to improve the language proficiency of its FSOs and specialists, establishing specific indicators of progress in filling language gaps and adjusting its efforts accordingly. State officials told us the department has placed an increased emphasis on language training and that it has developed targets for eliminating proficiency gaps for individual

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<sup>16</sup>The percentages are for officers and specialists who met both the speaking and writing requirement for their positions.

languages, with a particular focus on critical needs languages such as Arabic and Chinese.

#### Some Question the Adequacy of Their Positions' Language Proficiency Requirements

Some officers whom we met with and who had attained the proficiency requirements for their assignments stated that they were not sufficiently fluent to perform their jobs effectively. For example, consular officers we met with in China who tested at a speaking level of 2 and reading level of 0, the required proficiency level for 50 language-designated, junior officer consular positions at posts requiring Chinese proficiency, said they could ask appropriate questions during consular interviews, but could not always understand the answers. They pointed out that Spanish or French language-designated consular positions require a level 3 speaking and reading language proficiency. Moreover, a survey of junior officers currently serving in China revealed that most officers not interested in serving in China again cited language issues as the primary reason. According to the Deputy Chief of Mission in Sana'a, the level 3 Arabic speaking and reading proficiency requirements for senior officers do not provide staff with the proficiency needed to participate in debates about U.S. foreign policy. He described an instance when he was asked to appear as an embassy spokesperson on an Arabic language media program. The program, which involved a debate format and addressed U.S. politics, was conducted entirely in Arabic. The official said that given his 4+ proficiency in Arabic, he was the only official at the embassy capable of engaging in such a debate. Officials from the Foreign Service Institute explained that language-designated position requirements are set at a level officers can realistically achieve in the limited amount of time available to obtain training.

#### State's Assignment and Promotion System May Hinder Efforts to Improve Its Foreign Language Capability

Several FSOs we met with said they believe State's current assignment and promotion system may hinder officers' abilities to enhance and maintain their language skills over

time and State's ability to take advantage of those skills and the investment it makes in training. For example, State's requirements for tenure stipulate that junior officers work in a variety of regions and jobs to prepare them for careers as generalists, while State's assignment regulations do not allow junior officers and specialists to serve consecutive tours at the same post. As a result, junior officers are often assigned to second tours that do not utilize the language skills they acquired for their first tour. There is also a perception among some officers that spending too much time in one region can lead to being labeled as too narrowly specialized, which could hinder the officers' careers. However, a senior State official asserted that the belief that regional specialization hurts an officer's career is untrue and, further, that State's new career development plan supports regional specialization.

In addition, the short length of some tours, such as 1-year unaccompanied assignments, may not give an officer sufficient time to master a language. According to State's Inspector General, as long as unaccompanied assignments are restricted to 1 year, officers have little incentive to seek extensive language training.<sup>18</sup> In an effort to make better use of the State's training investment, the FSI has encouraged officers and specialists to take FSI courses to refine their language skills and achieve greater facility when dealing with the local community. But officers in both Yemen and China stated that State's assignment system does not allow for sufficient time between assignments to use FSI's continued language training. Compounding this problem, officers stated that their language skills often diminish when a new assignment takes them to a region requiring different language skills.

We recommended that State consider an assignment system that allows for longer tours, consecutive assignments in certain countries, and more regional specialization in certain areas to hone officers' skills in certain superhard languages and better leverage the investment State makes in language training. State has informed us that it has recently implemented a new initiative that would provide additional language pay incentives for staff if they chose to take a reassignment to use existing Arabic language skills. In

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<sup>18</sup>Employees assigned to 1-year unaccompanied posts may extend their tours.

addition, State's new Arabic Opportunities Initiative, announced in June 2007, allows select tenured employees to curtail current assignments to take Arabic language training beginning in September 2007. State has only partially implemented our recommendation that it consider an assignment system that allows for longer tours and consecutive assignments in certain countries. State officials told us that the department is currently exploring the possibility of extending tours of duty of some 1-year posts and allowing family members to accompany employees there.

#### Lack of Foreign Language Capability May Adversely Affect State's Operations

State's foreign language gaps may hinder posts' operations. According to the Assistant Secretaries of State for Education and Cultural Affairs and Democracy, Human Rights, and Labor, deficits in foreign language education negatively affect our national security, diplomacy, law enforcement, intelligence gathering efforts, and cultural understanding by preventing effective communication in foreign media environments, impeding counter-terrorism efforts, and limiting our capacity to work with people and governments in post conflict zones. We found examples of this negative impact involving a variety of officers and specialists serving in language-designated positions without the required foreign language skills.

- *Consular officers:* Officials at one high visa fraud post that we visited stated that, due to language skill deficiencies, consular officers sometimes adjudicate visas without fully understanding everything the applicants tell them during visa interviews.
- *Economic and political officers:* An economic officer in a country with a superhard language had been conducting several important negotiations in English with foreign government officials over a number of months with few results. When the officials began discussing the same issue in the host country language, the whole tenor of the negotiations changed. According

to the officer, one foreign government official who did not understand English, and was therefore silent throughout the initial meetings, had actually been the most valuable source of information yet could only convey that information when the meeting was conducted in his own language. In Beirut, State's Inspector General reported that most of the political and economic officers did not receive the Arabic language training needed to work professionally in Lebanon, limiting opportunities to expand their contacts to the less sophisticated urban areas and into the countryside.

- *Public diplomacy officers:* Officers at many posts cannot communicate effectively with foreign audiences in local languages, hampering their ability to cultivate personal relationships and explain U.S. foreign policy. In April 2007,<sup>17</sup> we testified that many public diplomacy officers in the Muslim world cannot communicate with local audiences as well as their positions require.
- *Management Officers:* According to one ambassador we met with, a senior level embassy official, who did not have sufficient speaking and reading language skills for his position met with a prime minister but was unable to participate fully in the top-secret discussion without an outside translator present. However, because the prime minister would not speak freely with the translator present, the meeting was not productive.
- *Foreign Service specialists:* A regional security officer stated that lack of foreign language capability may hinder intelligence gathering because local informants are reluctant to speak through locally hired interpreters.

**Conclusions**

Despite progress, critical gaps in staffing at hardship posts and shortages of staff with foreign language proficiency in critical languages continue to impact State's diplomatic readiness. State has recently undertaken more aggressive efforts to ensure that all positions in Iraq are filled and, through other actions and incentives, has made efforts to fill staffing gaps, particularly at hardship posts. State has also increased its focus on language training and instituted other measures to enhance its overall language proficiency, particularly in critical languages such as Arabic. But staffing and language gaps remain. Moreover, State has not fully implemented our recommendation that it consider an assignment system that allows for longer tours and consecutive assignments in certain countries to hone critical language skills and better leverage the investment State makes in language training. Because State does not currently have a sufficient level and mix of staffing and language resources to immediately fill all of its gaps in these areas, choices must be made about priorities, given the risk and strategic interests in particular regions and countries. Without ensuring that the right people with the right skills are in the right places, these gaps will continue to compromise State's ability to carry out its foreign policy objectives and execute critical mission functions, including reaching out to foreign audiences in regions of critical importance to the war on terror.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or Members of the Subcommittee may have.

**Contact and Staff Acknowledgements**

For questions regarding this testimony, please call Jess T. Ford, (202) 512-4128 or [fordj@gao.gov](mailto:fordj@gao.gov). Individuals making key contributions to this statement include Michael Courts, Assistant Director; Joe Carney; Martin de Alteriis; Laverne Tharpes; and Melissa Pickworth.

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<sup>11</sup>GAO: *U.S. Public Diplomacy: Strategic Planning Efforts Have Improved, but Agencies Face Significant Implementation Challenges*, GAO-07-795T (Washington, D.C.: April 26, 2007).

**Appendix I: Related GAO Products**

U.S. Public Diplomacy: Strategic Planning Efforts Have Improved, but Agencies Face Significant Implementation Challenges. GAO-07-795T. Washington, D.C.: April, 26, 2007.

Department of State: Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps. GAO-06-894. Washington, D.C.: August 4, 2006.

Overseas Staffing: Rightsizing Approaches Slowly Taking Hold but More Action Needed to Coordinate and Carry Out Efforts. GAO-06-737. Washington, D.C.: June 30, 2006.

U.S. Public Diplomacy: State Department Efforts Lack Certain Communication Elements and Face Persistent Challenges. GAO-06-707T. Washington, D.C.: May 3, 2006.

U.S. Public Diplomacy: State Department Efforts to Engage Muslim Audiences Lack Certain Communication Elements and Face Significant Challenges. GAO-06-535. Washington, D.C.: May 3, 2006.

Border Security: Strengthened Visa Process Would Benefit from Improvements in Staffing and Information Sharing. GAO-05-859. Washington, D.C.: September 13, 2005.

State Department: Improvements Needed to Strengthen U.S. Passport Fraud Detection Efforts. GAO-05-477. Washington, D.C.: May 20, 2005.

State Department: Targets for Hiring, Filling Vacancies Overseas Being Met, but Gaps Remain in Hard-to-Learn Languages. GAO-04-139. Washington, D.C.: November 19, 2003.

Foreign Affairs: Effective Stewardship of Resources Essential to Efficient Operations at State Department, USAID. GAO-03-1009T. Washington, D.C.: September 4, 2003.

State Department: Staffing Shortfalls and Ineffective Assignment System Compromise Diplomatic Readiness at Hardship Posts. GAO-02-626. Washington, D.C.: June 18, 2002.

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United States Government Accountability Office

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Testimony

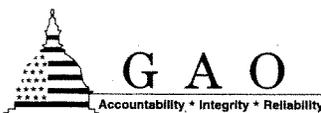
Before the Subcommittee on Oversight of  
Government Management, the Federal  
Workforce, and the District of Columbia,  
Committee on Homeland Security and  
Governmental Affairs, U.S. Senate

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UNITED NATIONS  
ORGANIZATIONS

Enhanced Efforts Needed to  
Increase U.S. Employment  
at UN Agencies

Statement of Thomas Melito, Director  
International Affairs and Trade



August 1, 2007



Highlights of GAO-07-1152T, a testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

UNITED NATIONS ORGANIZATIONS

Enhanced Efforts Needed to Increase U.S. Employment at UN Agencies

Why GAO Did This Study

The U.S. Congress continues to be concerned about the underrepresentation of U.S. professionals in some UN organizations and that insufficient progress has been made to improve U.S. representation. This testimony is based on GAO's September 2006 report that reviewed (1) U.S. representation status and employment trends at five UN organizations, (2) factors affecting these organizations' ability to meet U.S. representation targets, and (3) the U.S. Department of State's (State) efforts to improve U.S. representation and additional steps that can be taken. GAO reviewed five UN organizations that together comprised about 50 percent of UN organizations' total professional staff.

What GAO Recommends

GAO recommended that the Secretary of State provide more UN employment information on State Web sites; expand recruiting to reach qualified Americans; and evaluate the costs and benefits of maintaining a roster of qualified U.S. candidates for high priority positions, and of funding entry-level professional staff where Americans are underrepresented. In commenting on a draft of GAO's 2006 report, State concurred with GAO's recommendations. In July 2007, State officials updated GAO on the actions they have taken in response to these recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1152T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1152T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Thomas Melito at (202) 512-6571 or [melitot@gao.gov](mailto:melitot@gao.gov).

What GAO Found

The United States was underrepresented in three of the five UN agencies we reviewed, and increased hiring of U.S. citizens is needed to meet employment targets. The three agencies where the United States was underrepresented were the International Atomic Energy Agency (IAEA); the UN Educational, Scientific, and Cultural Organization (UNESCO); and the Office of the UN High Commissioner for Refugees (UNHCR). U.S. citizens were equitably represented at the UN Secretariat, though close to the lower end of its target range. The UN Development Program had not established a target for U.S. representation, although U.S. citizens filled about 11 percent of its professional positions. Given projected staff levels, retirements, and separations, IAEA, UNESCO, and UNHCR would need to increase hiring of U.S. citizens to meet their minimum targets for U.S. representation in 2010.

While the five UN agencies faced some common barriers to recruiting and retaining professional staff, including Americans, they also faced distinct challenges. Most of these barriers and challenges were outside of the U.S. government's control. The common barriers included nontransparent human resource practices; limited external hiring; lengthy hiring processes; comparatively low or unclear compensation; required mobility; and limited U.S. government support. UN agencies also faced distinct challenges. For example, at the Secretariat, candidates serving in professional UN positions funded by their governments were more likely to be hired than those who took the entry-level exam; however, the United States had not funded such positions at the Secretariat. Also, IAEA had difficulty recruiting U.S. employees because the number of U.S. nuclear specialists was decreasing.

Since 2001, State has increased its efforts to achieve equitable U.S. representation at UN agencies, and additional options exist. State targeted efforts to recruit U.S. candidates for senior and policymaking UN positions, and although it was difficult to link State's efforts to UN hiring decisions, U.S. representation in these positions improved or displayed no trend in the five UN agencies. U.S. representation in entry-level positions, however, declined or did not show a trend in four of the five UN agencies despite State's increased efforts. Additional options include maintaining a roster of qualified U.S. candidates, expanding marketing and outreach, increasing UN employment information on U.S. agency Web sites; and assessing the costs and benefits of sponsoring entry-level employees at UN agencies.

Estimated Number of U.S. Citizens to be Hired to Meet Geographic Targets			
UN agency	Average number of total staff hired into geographic positions each year, 2001-2005	Average number of U.S. citizens hired into geographic positions each year, 2001-2005	Minimum average number of U.S. citizens to be hired each year to reach geographic target in 2010
IAEA	77	6	16
UNESCO	55	4.5	6
UNHCR	148	10	25

Source: GAO analysis of IAEA, UNESCO, and UNHCR hiring data.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to appear today to discuss ways to improve the representation of American professionals at United Nations (UN) organizations. The U.S. Congress continues to be concerned about the underrepresentation of American professionals employed by some UN organizations and that insufficient progress has been made to improve U.S. representation. The equitable representation of Americans at UN organizations is a priority to Congress in part because the United States is the largest financial contributor to most of these organizations. Moreover, according to the U.S. Department of State (State), Americans bring desirable skills, values, and experience that can have a significant impact on UN organizations' operational effectiveness.

My testimony is based on a report that we issued on September 6, 2006.<sup>1</sup> Today I will discuss (1) U.S. representation status and employment trends at five UN organizations, (2) factors affecting these organizations' ability to meet U.S. representation targets, and (3) State's efforts to improve U.S. representation and additional efforts that can be taken.

In preparing this testimony, we relied on our completed review of U.S. government efforts to increase U.S. employment at UN agencies. To address our objectives, we analyzed employment data for 2001 through 2005 that we obtained from five UN agencies; reviewed UN agency and State documents; and interviewed UN human resources officials, over 100 Americans employed at the five UN agencies, and U.S. officials. We reviewed the following five UN agencies: the International Atomic Energy Agency<sup>2</sup> (IAEA); the UN Secretariat; the UN Development Program (UNDP); the UN Educational, Scientific, and Cultural Organization (UNESCO); and the Office of the UN High Commissioner for Refugees (UNHCR). We selected these agencies because they represented a range of UN agencies with different funding mechanisms and methods for calculating geographic representation. These five agencies together comprised approximately 50 percent of UN organizations' total professional staff. In July 2007, State officials updated us on the actions

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<sup>1</sup>GAO, *United Nations: Additional Efforts Needed to Increase U.S. Employment at UN Agencies*, GAO-06-988 (Washington, D.C.: Sept. 6, 2006).

<sup>2</sup>Technically, the IAEA is an independent international organization that has a relationship agreement with the UN. For the purposes of this report, we refer to the IAEA as a UN agency or organization.

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they have taken in response to our September 2006 recommendations. We conducted our work for the September 2006 report from July 2005 through July 2006 in accordance with generally accepted government auditing standards.

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## Summary

The United States was underrepresented in three of the five UN agencies we reviewed, and increased hiring of U.S. citizens is needed to meet agreed-upon employment targets. Based on UN agencies' formal or informal targets for equitable geographic representation, U.S. citizens were underrepresented at IAEA, UNESCO, and UNHCR, and equitably represented at the UN Secretariat, though close to the lower end of its target range. UNDP had not established a target for U.S. representation, although U.S. citizens filled about 11 percent of the agency's professional positions. Given projected staff levels, retirements, and separations for 2006 to 2010, the Secretariat, IAEA, UNESCO, and UNHCR would need to hire more Americans than they have hired in recent years to meet their minimum targets for equitable U.S. representation in 2010.

While the UN agencies we reviewed faced some common barriers to recruiting and retaining professional staff, including Americans, they also faced distinct challenges. Most of these barriers and challenges were outside of the U.S. government's control. Six barriers common to UN agencies we reviewed included nontransparent human resource practices; a limited number of positions open to external candidates; lengthy hiring processes; comparatively low or unclear compensation; required staff mobility and rotation policies; and limited U.S. government support during Americans' efforts to obtain, or be promoted at, a UN job. These barriers combined with distinct agency-specific factors to impede recruitment and retention. For example, candidates serving in professional positions funded by their member governments were more likely to be hired by the Secretariat than those who took the Secretariat's entry-level exam; however, the United States had not funded such positions at the Secretariat. In addition, IAEA had difficulty attracting U.S. employees because the number of U.S. nuclear specialists was decreasing.

State has increased its efforts to support the goal of achieving equitable U.S. representation at UN organizations, and additional options exist to target professional positions. State has targeted efforts to recruit U.S. candidates for senior and policymaking UN positions, and, although it was difficult to directly link State's efforts to UN hiring decisions, U.S. representation in senior and policymaking positions either improved or did not reflect a trend in each of the five UN agencies we reviewed. State

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also has undertaken several efforts to improve overall U.S. representation, including adding staff to its UN employment office and increasing coordination with other U.S. agencies that work with UN organizations. For positions below the senior level, State focused on "getting the word out" by, for example, disseminating information on UN vacancies through its Web site, attending career fairs and conferences, and other means. Despite these efforts, U.S. representation in entry-level positions declined or did not display a trend in four of the five UN agencies we reviewed. Additional options to target potential pools of candidates for professional positions include: maintaining a roster of qualified American candidates; expanding marketing and outreach activities; increasing UN employment information on U.S. agency Web sites; and conducting an assessment of the costs and benefits of sponsoring Junior Professional Officers (JPO), who are entry-level employees that are financially supported by their home government.

To improve U.S. efforts to increase the employment of Americans at UN agencies, our report made several recommendations. We recommended that the Secretary of State (1) provide more consistent and comprehensive information about UN employment on the State and U.S. mission Web sites and work with U.S. agencies to expand the UN employment information on their Web sites; (2) expand targeted recruiting and outreach to more strategically reach populations of Americans that may be qualified for and interested in entry- and mid-level UN positions; and (3) conduct an evaluation of the costs, benefits, and trade-offs of maintaining a roster of qualified candidates for professional and senior positions determined to be a high priority for U.S. interests and an evaluation of funding JPOs, or other gratis personnel, where Americans are underrepresented or could become underrepresented. In commenting on a draft of this report, State concurred with and agreed to implement all of our recommendations. In July 2007, State officials said they had begun to take some actions to implement our recommendations, such as outreaching to new groups of Americans and completing a preliminary analysis of the cost of maintaining a roster.

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## Background

The United Nations comprises six principal bodies, including the General Assembly and the Secretariat, as well as funds and programs, such as UNDP, and specialized agencies, such as UNESCO. These funds, programs, and specialized agencies have their own governing bodies and budgets, but follow the guidelines of the UN Charter. Article 101 of the UN Charter calls for staff to be recruited on the basis of "the highest standards of efficiency, competence, and integrity" as well as from "as wide a

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geographical basis as possible." Each UN agency has developed its own human resource policies and practices, and staff rules.

Of the five agencies we reviewed, three—the Secretariat, IAEA, and UNESCO—had quantitative formulas that establish targets for equitable geographical representation in designated professional positions. UNHCR had not established a quantitative formula or positions subject to geographic representation, but had agreed to an informal target for equitable U.S. representation. UNDP generally followed the principle of equitable geographic representation, but had not adopted formal or informal targets. Agencies with formal quantitative targets for equitable representation do not apply these targets to all professional positions. Instead, these organizations set aside positions that are subject to geographic representation from among the professional and senior positions performing core agency functions, funded from regular budget resources. Positions that are exempt from being counted geographically include linguist and peacekeeping positions, positions funded by extra-budgetary resources, and short-term positions. In addition, these organizations utilize various nonstaff positions, such as contractors and consultants.

The Department of State is the U.S. agency primarily responsible for leading U.S. efforts toward achieving equitable U.S. employment representation in UN organizations. While State is responsible for promoting and seeking to increase U.S. representation in the UN, the UN entities themselves are ultimately responsible for hiring their employees and achieving equitable representation.

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**U.S. Was Underrepresented in Three of Five UN Agencies and Increased Hiring of Americans Is Necessary to Meet Employment Targets**

U.S. citizens were underrepresented at three of the five UN agencies we reviewed: IAEA, UNESCO, and UNHCR. Given projected staff levels, retirements and separations for 2006-2010, these agencies need to hire more Americans than they have in recent years to meet their minimum targets for equitable U.S. representation in 2010.

**U.S. Citizens Were Underrepresented Relative to Targets at Three UN Agencies**

Relative to UN agencies' formal or informal targets for equitable geographic representation, U.S. citizens were underrepresented at three of the five agencies we reviewed—IAEA, UNESCO, and UNHCR. U.S. citizens were equitably represented at the UN Secretariat, though at the lower end of its target range, while the fifth agency—UNDP—had not established a target for U.S. representation. U.S. citizens filled about 11 percent of UNDP's professional positions. Table 1 provides information on U.S. representation at the five UN agencies as of 2005.

**Table 1: U.S. Representation at Five UN Agencies, 2005**

UN agency	Percentage of total geographic positions targeted for U.S. citizens*	Percentage of geographic positions filled by U.S. citizens*	Percentage of non-geographic positions filled by U.S. citizens*
Secretariat	11.5%-15.6%	12.1%	9.5%
IAEA	12.9%	11.5%	17.1%
UNESCO	6.2%-10.2%	4.1%	1.9%
UNHCR	13%	8.0%	11.1%
UNDP	Not applicable	10.8%	12.6%

Source: GAO analysis of Secretariat, IAEA, UNESCO, UNHCR, and UNDP data.

Note: Geographic targets were an average of 2004 and 2005 data. All other percentages were based on 2005 data.

\*UNHCR and UNDP did not have geographic positions; however, UNHCR had agreed to an informal 13 percent target with the U.S. government. For these agencies, we calculated the percentage of regular professional positions filled by U.S. citizens, which included staff under contracts of longer fixed term (100-series contracts in UNHCR and 100- and 200-series contracts in UNDP).

\*For the Secretariat, IAEA, and UNESCO, nongeographic positions included regular professional positions not subject to geographic distribution, temporary positions, JPOs, and consultants and contractors. UNESCO was unable to provide nationality data for its 572 consultants and contractors, which comprised nearly two thirds of UNESCO's nongeographic staff; hence the U.S. percentage of nongeographic positions did not reflect U.S. citizen employment in this category. For UNHCR and UNDP, nongeographic positions were all other, nonregular professional staff, which included temporary staff (limited fixed term at UNHCR and assignments of limited duration at UNDP), JPOs, and consultants and contractors. Agency-provided data did not differentiate between support and professional level positions for consultants and contractors.

Table 1 also shows that the percentage of U.S. citizens employed in nongeographic positions (or nonregular positions in the case of UNHCR and UNDP) was higher at IAEA, UNHCR, and UNDP and lower at the Secretariat and UNESCO compared to the percentage of geographic (or regular) positions held by U.S. citizens.

As shown in table 2, U.S. citizen representation in geographic positions in "all grades" between 2001 and 2005 had been declining at UNHCR and displayed no clear trend at the other four UN agencies.

**Table 2: Trends in U.S. Representation at Five UN Agencies (covering geographic positions at the Secretariat, IAEA, and UNESCO and regular positions at UNHCR and UNDP)**

UN agency	U.S. equitably represented based on agreed-upon targets <sup>a</sup>	Trend from 2001-2005			
		U.S. citizens in all professional grade levels	U.S. citizens in policy-making and senior-level positions <sup>b</sup>	U.S. citizens in entry-level positions <sup>c</sup>	U.S. citizens in mid-level positions <sup>d</sup>
Secretariat	Yes	No trend	No trend	No trend	No trend
IAEA	No	No trend	Increasing	Decreasing	No trend
UNESCO	No	No trend	No trend	Increasing	No trend
UNHCR	No	Decreasing	No trend	Decreasing	Decreasing
UNDP	Not applicable	No trend	Increasing	Decreasing	No trend

Source: GAO analysis of Secretariat, IAEA, UNESCO, UNHCR, and UNDP data.

Notes:

Trends in U.S. citizen representation refer to the number of U.S. citizens employed as a percentage of agency employment, in the respective grade, over the period 2001 to 2005. Increases or decreases were determined by positive or negative average changes over the period. For more information on our methodology, see GAO-06-988, appendix I.

For the Secretariat, IAEA, and UNESCO, the trend analysis was for U.S. citizens in geographic positions from 2001 to 2005. For UNHCR and UNDP, the trend analysis, also for 2001 to 2005, was for U.S. citizens in regular professional positions since these agencies did not have geographic positions. Regular professional positions for UNHCR and UNDP included staff under contracts of longer fixed term (100-series contracts for UNHCR and 100- and 200-series contracts for UNDP).

<sup>a</sup>The three agencies with geographic targets were the Secretariat, IAEA, and UNESCO. UNHCR did not have geographic positions, although it had agreed to an informal target.

<sup>b</sup>Senior-level positions represent UN position levels D1 and D2, roughly equivalent to U.S. government Senior Executive Service. Policy-making positions represent UN position levels of Deputy or Assistant Director General at IAEA and UNESCO and Under or Assistant Secretary General at the Secretariat, UNHCR, and UNDP.

<sup>c</sup>Represents UN position levels P1 to P3, roughly equivalent to U.S. government grade levels 9 to 12/13.

<sup>d</sup>Represents UN position levels P4 to P5, roughly equivalent to U.S. government grade levels 13 to 15.

U.S. representation in policy-making and senior-level positions increased at two agencies –IAEA and UNDP—and displayed no overall trend at the Secretariat, UNESCO, and UNHCR over the full five years. At the Secretariat, although no trend was indicated, U.S. representation had been decreasing in policy-making and senior-level positions since 2002. At UNESCO, the data for 2001 to 2004 did not reflect a trend, but the overall percentage of Americans increased in 2005, reflecting increased recruiting efforts after the United States rejoined UNESCO in 2003. At UNHCR, the representation of U.S. citizens in these positions grew steadily from 2001 to 2004, but declined in 2005.

**Increased Hiring of Americans Needed to Meet Several UN Agencies' Minimum Targets**

We estimated that each of the four agencies with geographic targets—the Secretariat, IAEA, UNESCO, and UNHCR—would need to hire U.S. citizens in greater numbers than they had in recent years to achieve their minimum targets by 2010, given projected staff levels, retirements, and separations; otherwise, with the exception of UNESCO, U.S. geographic representation will decline further. As shown in table 3, IAEA and UNHCR would need to more than double their current average hiring rate to achieve targets for U.S. representation. The Secretariat could continue to meet its minimum geographic target for U.S. citizens if it increased its annual hiring of U.S. citizens from 20 to 23. UNESCO could achieve its minimum geographic target by increasing its current hiring average of 4.5 Americans to 6 Americans. Although the fifth agency, UNDP, did not have a target, it would have to increase its annual hiring average of U.S. citizens from 17.5 to 26 in order to maintain its current ratio of U.S. regular professional staff to total agency regular professional staff.

**Table 3: Estimated Numbers of U.S. Citizens to be Hired to Meet Geographic and Other Targets for 2006 to 2010**

UN agency	Average annual number of total staff hired into geographic positions each year, 2001-2005*	Average number of U.S. citizens hired into geographic positions each year, 2001-2005*	Percentage of total geographic positions targeted for U.S. citizens*	Minimum average number of U.S. citizens to be hired each year, 2006-2010, to reach geographic target in 2010	Resulting geographic representation in 2010 if agency follows 2001-2005 hiring average for U.S. citizens
Secretariat	170	20	11.5%-15.6%	23	10.9%
IAEA	77	6	12.9%	16	7.1%
UNESCO	55	4.5	6.2%-10.2%	6	5.1%
UNHCR <sup>†</sup>	148	10	13%	25	7.9%
UNDP	153	17.5	Not applicable	26	8.6%

Source: GAO analysis of Secretariat, IAEA, UNESCO, UNHCR, and UNDP data.

\*For UNHCR and UNDP, which did not have geographic positions, we calculated the average number of regular professional U.S. staff hired each year (2001 to 2005), including separations and retirements. Regular professional included staff under contracts of longer fixed term (100-series contracts in UNHCR and 100- and 200-series contracts in UNDP).

†For UNHCR, we used the informal target of 13 percent for U.S. citizens, agreed upon by UNHCR and the U.S. government. For UNDP, we used the target of 11.1 percent, the average U.S. employment from 2001 to 2005.

The minimum average number of U.S. citizens to be hired each year, 25, was based on a zero percent rate of growth of staff, which UNHCR officials indicated was appropriate for 2006 to 2010. From 2001 to 2005, UNHCR's staff grew at an average annual rate of 6 percent. Under this assumption, the minimum number of U.S. citizens to be hired annually would increase to 40.

If current hiring levels are maintained through 2010, two of the five agencies—IAEA and UNHCR—would fall substantially below their minimum targets. In only one agency—UNESCO—would the percentage of geographic

positions filled by U.S. citizens increase under current hiring levels, due in part to the recent increased hiring of U.S. citizens.

**While Common Barriers to Increasing U.S. Representation Existed, UN Agencies Also Faced Distinct Employment Challenges**

A combination of barriers, including some common factors as well as agency-specific factors, adversely affected recruitment and retention of professional staff, including Americans, at each of the five UN agencies. These barriers combined with distinct agency-specific factors to impede recruitment and retention.

**Common Barriers Adversely Affected U.S. Representation at Several UN Agencies**

We identified the following six barriers that affected U.S. representation in the UN agencies we reviewed, though often to differing degrees:

- **Nontransparent human resource practices.** A key barrier to American representation across the five UN agencies was the lack of transparent human resource management practices, according to Americans employed at UN organizations. For example, some UN managers circumvented the competitive hiring process by employing individuals on short-term contracts—positions that were not vetted through the regular, competitive process—for long-term needs.
- **Limited external opportunities.** Recruiting U.S. candidates was difficult because agencies offered a limited number of posts to external candidates. Each of the organizations we reviewed, except IAEA, advertised professional vacancies to current employees before advertising them externally in order to provide career paths and motivation for their staff. We found that three of the five agencies—UNESCO, UNHCR, and UNDP—filled 50 percent or more of new appointments through promotions or with other internal candidates rather than by hiring external candidates. IAEA filled a large percentage of its positions with external candidates because, in addition to not giving internal candidates hiring preference, the agency employed the majority of its staff members for 7 years or less. Although the data indicated that the Secretariat hired a significant percentage of external candidates, the Secretariat's definition of "external candidates" included staff on temporary contracts and individuals who had previous experience working at the agency.

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- **Lengthy hiring process.** The agencies' lengthy hiring processes can deter candidates from accepting UN employment. For example, a report from the Secretary General<sup>3</sup> stated that the average hiring process was too slow, taking 174 days from the time a vacancy announcement was issued to the time a candidate was selected, causing some qualified applicants to accept jobs elsewhere. Many Americans that we interviewed concurred with the report, saying that it was difficult to plan a job move when there was a long delay between submitting an application and receiving an offer. In March 2006, the Secretary General proposed cutting the average recruitment time in half.
  - **Low or unclear compensation.** Comparatively low salaries and benefits that were not clearly explained were among the most frequently mentioned deterrents to UN employment for Americans. American employees we interviewed noted that UN salaries, particularly for senior and technical posts, were not comparable with U.S. government and private sector salaries. When candidates consider UN salaries in tandem with UN employee benefits, such as possible reimbursement for U.S. taxes and school tuition allowances through college, UN compensation may be more attractive. However, U.S. citizens employed at IAEA and UNESCO said that their agency did not clearly explain the benefits, or explained them only after a candidate had accepted a position. Incomplete or late information hampered a candidate's ability to decide in a timely manner whether a UN position was in his or her best interests. In addition, difficulty securing spousal employment can decrease family income and may also affect American recruitment since many U.S. families have two wage earners. At many overseas UN duty stations, work permits can be difficult to obtain, the local economy may offer few employment opportunities, and knowledge of the local language may be required.
  - **Required mobility or rotation.** UNHCR and UNDP required their staff to change posts at least every 3 to 6 years with the expectation that staff serve the larger portion of their career in the field; the UN Secretariat and UNESCO were implementing similar policies. While IAEA did not require its employees to change posts, it generally only hired employees for 7 years or less. Such policies dissuaded some Americans from accepting or staying in a UN position because of the disruptions to personal or family life such frequent moves can cause.

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<sup>3</sup>UN General Assembly, 60th Session, *Investing in the United Nations for a Stronger Organization Worldwide: Report of the Secretary-General (A/60/692)*, 7 March 2006.

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- **Limited U.S. government support.** At four of the five agencies we reviewed—all except IAEA—a number of American employees said that they did not receive U.S. government support during their efforts to obtain a UN job or to be promoted at the job they held. The U.S. government supported candidates applying for director-level, or higher, posts, and put less emphasis on supporting candidates seeking lower-level professional posts. Although UN employees are international civil servants directly hired by UN agencies, some countries facilitate the recruitment of their nationals by referring qualified candidates, conducting recruitment missions, and sponsoring JPOs or Associate Experts.<sup>4</sup>

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**Agency-specific Factors Adversely Affecting U.S. Representation at Several UN Agencies**

Distinct agency-specific factors also impeded recruitment and retention. For example,

- Candidates serving in professional positions funded by their member governments were more likely to be hired by the Secretariat than those who took the Secretariat's entry-level exam; however, the United States had not funded such positions at the Secretariat. At the entry level, hiring for professional positions was limited to an average of 2 percent of individuals invited to take the Secretariat's National Competitive Recruitment Exam. In contrast, the Secretariat hired an average of 65 percent of Associate Experts sponsored by their national government.
- Continuing U.S. underrepresentation at the IAEA was described by U.S. government officials as a "supply-side issue," with the pool of American candidates with the necessary education and experience decreasing, as nuclear specialists are aging and few young people are entering the nuclear field.
- The United States' 19-year withdrawal from UNESCO contributed to its underrepresentation. When the United States left UNESCO in 1984, Americans comprised 9.6 percent of the organization's geographic professional staff. When it rejoined in 2003, Americans comprised only 2.9 percent. By 2005 that number had increased to 4.1 percent—the third

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<sup>4</sup>JPO or Associate Expert positions are funded by member states for periods of 2 or 3 years and provide opportunities for young professionals to gain experience in UN organizations. While, upon completion of the programs, these young professionals are not guaranteed employment at the agency and must apply for positions through the regular process, UN officials stated that the JPO experience provides applicants an advantage over their competitors.

largest group of nationals UNESCO employed, although still below the minimum geographic target.

- The difficult conditions that accompany much of UNHCR's work, coupled with the requirement to change duty stations every 4 years, contributed to attrition at the mid-career levels. UNHCR's requirement that employees change duty stations every 4 years was one of the most frequently cited barriers to retaining staff among the American employees we interviewed. UNHCR's mission to safeguard the rights and well-being of refugees necessitates work in hardship and high-risk locations. As such, UNHCR has twice as many hardship duty stations as any other UN agency.
- Several barriers to increasing U.S. representation were the leading factors at UNDP and were also present at other UN agencies, according to American employees and other officials. In addition, UNDP's Executive Board had traditionally managed the organization with the understanding that its staff be equally represented from northern (mostly developed) and southern (mostly developing) countries, and had recently focused on improving the north-south balance of staff at management levels by increasing the hiring of candidates from southern countries.

**State Increased Efforts to Promote U.S. Representation, but Additional Options Exist to Target Professional Positions**

State targeted its recruitment efforts for senior and policy-making UN positions, and, although it was difficult to directly link State's efforts to UN hiring decisions, U.S. representation in these positions either improved or displayed no trend in the five UN agencies we reviewed. State also increased its efforts to improve overall U.S. representation; however, despite these efforts, U.S. representation in entry-level positions declined or did not reflect a trend in four of the five UN agencies. Additional options exist to target potential pools of candidates for these positions.

**State Recruiting Efforts Focused on Senior Positions, and U.S. Representation in These Positions Improved or Showed No Trend**

State focused its recruiting efforts for U.S. citizen employment at UN agencies on senior-level and policy-making positions because of the influence that these positions have within the organization. Although it is difficult to directly link State's efforts to UN hiring decisions, the percentage of U.S. representation in senior and policymaking positions either increased or did not display a trend at each of the five UN agencies we reviewed between 2001 and 2005. The U.S. share of senior and policymaking positions increased at IAEA and UNDP, whereas the U.S.

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share of these positions at the other three UN agencies displayed no trend over that period.

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**State Increased Activities to Support Greater U.S. Representation, but the Employment of Americans in Entry-level Positions Declined or Displayed No Trend in Four Agencies**

Since 2001, State has devoted additional resources and undertaken several new initiatives in its role as the lead U.S. agency for supporting and promoting the employment of Americans in UN organizations. First, State increased resources for disseminating UN vacancy information. State increased the number of staff positions from two to five, and added a sixth person who worked part-time on UN employment issues. One of the new staff focused on recruiting Americans for senior-level positions at UN organizations.<sup>8</sup> According to State, the other staff have been recruiting candidates for professional positions at career fairs and other venues; however, a large portion of their work has been focused on providing information to potential applicants and disseminating information on UN vacancies and opportunities. In addition, State has increased outreach for the Secretariat's annual National Competitive Recruitment Exam for entry-level candidates by advertising it in selected newspapers. The number of Americans invited to take the exam increased from 40 in 2001 to 277 in 2004. State reported that 178 Americans in 2007 were invited to take the exam. Second, U.S. missions have shared U.S. representation reports and discussed openings with UN officials. State prepares annual reports to Congress that provide data on U.S. employment at UN agencies as well as State's assessment of U.S. representation at selected UN organizations and these organizations' efforts to hire more Americans. State is providing these reports to UN agencies, as we recommended in 2001. U.S. mission officials told us that they periodically meet with UN officials to discuss U.S. representation and upcoming vacancies.

Finally, State has increased coordination with U.S. agencies. In 2003, State established an interagency task force to address the low representation of Americans in international organizations. Since then, task members have met annually to discuss U.S. employment issues. Task force participants told us that at these meetings, State officials reported on their outreach activities and encouraged agencies to promote the employment of Americans at UN organizations. One of the topics discussed by task force members was how to increase support for details and transfers of U.S. agency employees to UN organizations. In May 2006, the Secretary of State sent letters to the heads of 23 federal agencies urging that they review

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<sup>8</sup>State officials said this staff member left the department in June 2007.

their policies for transferring and detailing employees to international organizations to ensure that these mechanisms are positively and actively promoted.<sup>6</sup> While the Secretary's letters may help to spur U.S. agencies to clarify their support for these initiatives, agency officials told us that their offices lacked the resources for staff details, which involve paying the salary of the detailed staff as well as "backfilling" that person's position by adding a replacement.<sup>7</sup> State also has been periodically meeting one-on-one with U.S. agencies to discuss the employment situation and recruiting efforts at specific UN organizations. A State official told us that State's UN employment office meets with a few U.S. agencies per year to discuss UN agency staffing issues.

Despite the new and continuing activities undertaken by State, U.S. representation in entry-level positions declined or displayed no trend in four of the five agencies we reviewed. U.S. representation in these positions declined at IAEA, UNHCR, and UNDP. The representation of Americans in entry-level positions at the Secretariat displayed no trend during the time period. At UNESCO, U.S. representation increased from 1.3 percent in 2003 to 2.7 percent in 2004, reflecting the time period when the United States rejoined the organization.

#### Additional Options to Target Professional Positions Exist

We identified several options to target U.S. representation in professional positions, including the following:

- **Maintaining a roster of qualified candidates.** Prior to 2001, State had maintained a roster of qualified American candidates for professional and technical positions, but discontinued it. State officials told us that they have not maintained a professional roster, or the prescreening of candidates, despite the recent increase in staff resources, because maintaining such a roster had been resource intensive and because the office does not actively recruit for UN professional positions at the entry-

<sup>6</sup>Executive Order 11552, issued in 1970, mandates that federal agencies shall assist and encourage details and transfers of their employees to international organizations and that State shall lead and coordinate these efforts. The order also specifies that vacancies in international organizations should be brought to the attention of well-qualified federal employees and that upon the return of an employee to his agency, the agency shall give due consideration to the experience the employee may have gained during the detail or transfer.

<sup>7</sup>Transferred employees are paid by the UN organization, while detailed employees would remain on the U.S. agency's payroll.

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and mid-levels. However, State acknowledged that utilizing new technologies, such as developing a Web-based roster, may reduce the time and cost of updating a roster. Other U.S. government and UN officials told us that some other countries maintained rosters of prescreened, qualified candidates for UN positions and that this practice was an effective strategy for promoting their nationals. In July 2007, State officials said that they began researching Internet-based options for compiling a roster of potential U.S. candidates. State estimated the cost to set up such a roster at about \$100,000, but had not received funding for the roster.

- **Expanding marketing and outreach activities.** State had not taken steps that could further expand the audience for its outreach efforts. For example, while State had increased its coordination with other U.S. agencies on UN employment issues and distributed the biweekly vacancy announcements to agency contacts, U.S. agency officials that received these vacancy announcements told us that they lacked the authority to distribute the vacancies beyond their particular office or division. One official commented that State had not established the appropriate contacts to facilitate agency-wide distribution of UN vacancies, and that the limited dissemination had neutralized the impact of this effort. Several inter-agency task force participants also stated that no specific follow-up activities were discussed or planned between the annual meetings, and they could not point to any tangible results or outcomes resulting from the meetings. State also had not taken advantage of opportunities to expand the audience for its outreach activities. For example, State did not work with the Association of Professional Schools of International Affairs to reach potential candidates or advertise in some outlets that reach Peace Corps volunteers. In July 2007, State officials said they continue to outreach to new groups and attend new career fairs but have faced difficulty in identifying pools of candidates with the required skills and experience.
- **Increasing and improving UN employment information on U.S. agency Web sites.** State's UN vacancy list and its UN employment Web site had limitations. For example, the list of vacancies was not organized by occupation, or even organization, and readers had to search the entire list for openings in their areas of interest. Further, State's UN employment Web site had limited information on other UN employment programs and did not link to U.S. agencies that provide more specific information, such as the Department of Energy's Brookhaven National Laboratory Web site. In addition, the Web site provided limited information or tools to clarify common questions, such as those pertaining to compensation and benefits. For example, the Web site did not provide a means for applicants to obtain more specific information on their expected total compensation,

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including benefits and U.S. income tax. Since we issued our report, State has added a UN pamphlet on benefits and compensation to its Web site. In July 2007, State officials told us they are exploring ways to improve the information available on UN compensation and benefits. For our 2006 report, we reviewed 22 additional U.S. mission and U.S. agency Web sites, and they revealed varying, and in many cases limited, information on UN employment opportunities. Overall, 9 of the 22 U.S. mission and agency Web sites did not have links to UN employment opportunities. Nearly 60 percent of the missions and agencies provided some information or links to information on salaries and benefits. We updated our analysis in July 2007 and found the situation had worsened somewhat. Eleven of the 22 U.S. mission and agency Web sites did not have links to UN employment opportunities<sup>8</sup> and only about 50 percent of these Web sites provided some information or links to information on salaries and benefits.

- **Analyzing the costs and benefits of sponsoring JPOs.** The U.S. government sponsored JPOs at two of the five UN agencies that we reviewed, but had not assessed the overall costs and benefits of supporting JPOs as a mechanism for increasing U.S. representation across UN agencies. Among the five agencies, State had funded a long-standing JPO program only at UNHCR, sponsoring an average of 15 JPOs per year between 2001 and 2005. The Department of Energy's Brookhaven National Laboratory also had supported two JPOs at IAEA since 2004.<sup>9</sup> For four of the five agencies we reviewed,<sup>10</sup> the percentage of individuals that were hired for regular positions upon completion of the JPO program ranged from 34 to 65 percent. In some cases, former JPOs were offered regular positions and did not accept them, or took positions in other UN organizations. The estimated annual cost for these positions to the sponsoring government ranged from \$100,000 to \$140,000 at the five UN agencies. State officials told us in July 2007 that they had not assessed the overall costs and benefits of supporting JPOs.

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## Conclusions

Achieving equitable U.S. representation will be an increasingly difficult hurdle to overcome at UN organizations. Four of the five UN organizations

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<sup>8</sup>Four of the six U.S. missions have Web sites. All four Web sites have links to State's employment page.

<sup>9</sup>According to officials, Brookhaven and State's Bureau for International Security and Non-Proliferation also fund Cost-Free Experts at IAEA. These are technical specialists who work on short-term projects at IAEA for periods of 1 to 3 years.

<sup>10</sup>IAEA did not provide JPO retention rate data.

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we reviewed, all except UNESCO, will have to hire Americans in increasing numbers merely to maintain the current levels of U.S. representation. Failure to increase such hiring will lead the four UN organizations with geographic targets to fall below or stay below the minimum thresholds set for U.S. employment.

As the lead department in charge of U.S. government efforts to promote equitable American representation at the UN, State will continue to face a number of barriers to increasing the employment of Americans at these organizations, most of which are outside the U.S. government's control. For example, lengthy hiring processes and mandatory rotation policies can deter qualified Americans from applying for or remaining in UN positions.

Nonetheless, if increasing the number of U.S. citizens employed at UN organizations remains a high priority for State, it is important that the department facilitate a continuing supply of qualified applicants for UN professional positions at all levels. State focuses much of its recruiting efforts on senior and policy-making positions, and U.S. citizens hold over 10 percent of these positions at four of the five agencies we reviewed. While State has increased its resources and activities in recent years to support increased U.S. representation overall, additional actions to facilitate the employment of Americans in entry- and mid-level professional positions are needed to overcome declining U.S. employment in these positions and meet employment targets.

Because equitable representation of Americans employed at UN organizations has been a high priority for U.S. interests, we recommended that the Secretary of State take the following actions:

- provide more consistent and comprehensive information about UN employment on the State and U.S. mission Web sites and work with U.S. agencies to expand the UN employment information on their Web sites. This could include identifying options for developing a benefits calculator that would enable applicants to better estimate their potential total compensation based on their individual circumstances;
- expand targeted recruiting and outreach to more strategically reach populations of Americans that may be qualified for and interested in entry- and mid-level UN positions; and
- conduct an evaluation of the costs, benefits, and trade-offs of:

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- maintaining a roster of qualified candidates for professional and senior positions determined to be a high priority for U.S. interests;
  - funding Junior Professional Officers, or other gratis personnel, where Americans are underrepresented or in danger of becoming underrepresented.

In commenting on a draft of our 2006 report, State concurred with and agreed to implement all of our recommendations. In July 2007, State officials updated us on the actions they have taken in response to our 2006 report recommendations.

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Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer any questions that you may have.

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**GAO Contact and Staff  
Acknowledgments**

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Testimony of John K. Naland  
 President, American Foreign Service Association

*Senate Committee on Homeland Security and Government Affairs  
 Subcommittee on Oversight of Government Management, the  
 Federal Workforce, and the District of Columbia  
 Chairman Daniel K. Akaka (D-HI)*

Hearing on:  
 "Building a Stronger American Diplomatic Presence to  
 Meet the Challenges of a Post-9-11 World"  
 August 1, 2007

Mr. Chairman, Senator Voinovich, and distinguished subcommittee members, the American Foreign Service Association (AFSA) welcomes this opportunity to speak before this subcommittee on the subject of building a stronger American diplomatic presence to meet the challenges of a post-9-11 world. AFSA is the professional association and labor union representing our nation's career diplomats. We are grateful to you for convening this hearing on this vital issue. I will make an opening statement and then look forward to answering any questions.

Over the past decade, the State Department has come almost full circle. Between 1998 and January 2001, seven blue-ribbon panels detailed a hollowed-out State Department nearing a state of crisis due to under funding and inadequate staffing. Then President Bush's first Secretary of State, Colin Powell, took charge and made extraordinary progress in convincing the White House and the Congress to provide an infusion of resources to restore America's diplomatic readiness. Unfortunately, the last three years have witnessed serious backsliding as new Foreign Service staffing demands in Iraq, Afghanistan, and elsewhere have far outpaced appropriations for personnel. Today, as was the case in the late 1990s, there is a growing deficit between the State Department's mission and the resources available to carry out that mission.

The August 2006 Government Accountability Office report entitled "Department of State: Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps" identified serious staffing and training gaps in the Foreign Service. Regrettably, the situation has only worsened since the research for that report was concluded over one year ago as Iraq has absorbed ever increasing numbers of Foreign Service personnel. Over the past few years, some 2,000 Foreign Service members have voluntarily served in war zone Iraq or Afghanistan and well over one half of Foreign Service members have voluntarily served at some hardship post.

The June 2007 Foreign Affairs Council task force report "Managing Secretary Rice's State Department: An Independent Assessment", to which AFSA contributed, highlighted the fact that over 200 Foreign Service positions around the world are unfilled today. More importantly for the long-term success of U.S. diplomacy, the report found the State Department to be 900 positions short of what it needs to create a "training float" -- such as the U.S. military services have -- equivalent to 10 to 15 percent above the employed staffing level. The report noted that State Department budget requests in FY-06 and FY-07 to narrow the staffing gap by 321 positions were not funded by Congress. The Department's FY-08 request for 254 additional positions is now pending before the Congress. Unfortunately, the account under which that budget figure falls is moving through the appropriations process at a level below the President's requested number.

As the President of AFSA, I represent our nation's career diplomats. But, in addition to being a 21 year veteran of the U.S. Foreign Service, I also happen to be a former U.S. Army cavalry officer and a 2006 graduate of the U.S. Army War College which I attended via a rare State Department senior training detail. Having thus worn with pride both pin stripes and camouflage, I wish to highlight the impact that State Department staffing and training deficits are having on what many observers see as the growing militarization of diplomacy and foreign assistance.

The December 2006 report "*Embassies as Command Posts in the Anti-Terror Campaign*" by the Senate Foreign Relations Committee found that "the current 12:1 ratio of military spending to spending on the diplomatic and civilian foreign aid agencies risks the further encroachment of the military, by default, into areas where civilian leadership is more appropriate." The report quoted one U.S. ambassador who noted that "the military has significantly more money and personnel and is so energetic in pursuing its newly created programs and in thinking up new ones, that maintaining a management hand on military activities is increasingly difficult." The report went on to warn that "U.S. defense agencies are increasingly being granted authority and funding to fill perceived gaps [in diplomacy, international information programming, and foreign assistance]. Such bleeding of civilian responsibilities overseas from civilian to military agencies risks weakening the Secretary of State's primacy in setting the agenda for U.S. relations with foreign countries."

As the Senate report indicates, the result of skimping on diplomatic readiness while building up military muscle is that the highly-trained and well-resourced members of the U.S. military are increasingly taking on tasks once assigned to diplomats. That is not a criticism of America's can-do military which is only stepping into a partial vacuum to get the job done. However, if left unchecked, this trend could further erode the State Department's role as the lead foreign affairs agency and reduce America's options when responding to foreign challenges. As the saying goes, "If the only tool you have is a hammer, then every problem looks like a nail."

Even former Speaker of the House of Representatives Newt Gingrich, a past strong critic of the State Department and current member of the Pentagon's Defense

Policy Board, now argues that too many tasks have devolved to the military and that significant increase in the State Department budget is needed in order to reverse that trend. This past April, he had this to say:

“You have to have about a 50 percent bigger budget for the State Department.... The State Department is too small to have the training program and the secondment of personnel needed to grow a genuine professional institution. It is impossible for the current Foreign Service to get the level of education it needs. They recruit really smart people, [but] they grossly under-invest in training them. It’s a very significant problem... The reason I became a convert to the fundamental transformation of the State Department is you want to move things away from defense that it’s currently doing.... You do not want uniformed military having to do all sorts of things that you want to, frankly, give to other agencies if you could count on them doing it.”

To counteract this growing militarization of diplomacy, the State Department needs additional resources for staffing and training. The Department of Defense has more musicians than the State Department has diplomats. U.S. Army officers receive three times more professional training than do Foreign Service officers.

The truth is that, as a result of under staffing and under training, today’s Foreign Service does not have to a sufficient degree the knowledge, skills, and abilities that are needed for 21st Century U.S. diplomacy. The August 2006 GAO report focuses on gaps in language training. But the Foreign Service training shortfall is actually much broader.

The Foreign Service exists to provide the President with a worldwide available corps of professionals with unique abilities that are essential to successful foreign policy development and implementation. To live up to that definition, Foreign Service members should possess a range of knowledge, skills, and abilities. Those include: foreign language fluency, advanced area knowledge (including history, culture, politics, and economics), leadership and management skills, negotiating skills, public diplomacy skills, project management skills, and job-specific functional expertise. Unfortunately, today’s Foreign Service exhibits shortcomings in each of these areas. For example:

- The August 2006 GAO report found that 29 percent of overseas language-designated positions were not filled with language proficient staff. The report said that this situation “can adversely impact State’s ability to communicate with foreign audiences and execute critical tasks.”
- Most Foreign Service members -- including Ambassadors, Deputy Chiefs of Mission, and Principal Officers -- who do not go to their new assignment via language training do not receive up-to-date area studies training. They, therefore, face a much more daunting “learning curve” upon arrival at post.
- While one might expect that every U.S. diplomat would receive training in how to negotiate, only about 50 Foreign Service members take introductory negotiating

course each year. That rate of instruction means that less than 15 percent of current U.S. diplomats have received even basic instruction in negotiating techniques.

- Although public diplomacy is undoubtedly critical to the success of U.S. foreign policy, the State Department offers just five courses - totaling less than a month of training in all - that delve at all into public diplomacy as an intellectual discipline; and none that focus on the well-established science of communication and persuasion.
- Despite the “Transformational Diplomacy” focus on shaping outcomes and running programs, few Foreign Service members receive training on program management.

Two major obstacles stand in the way of providing Foreign Service members with the knowledge, skills, and abilities that are essential to successful foreign policy development and implementation: lack of time and under-staffing.

The first obstacle is time. Currently, the typical Foreign Service Institute course runs for one to five days. Few non-language courses last longer than three weeks. The reason for such short courses is that, after new-hire training, the only opportunities that most Foreign Service members have for non-foreign language classroom training are during a brief window of availability every few years while between assignments and while leaving their inboxes untended during infrequent domestic tours. Even over a 30 year long career, taking a few short courses every couple of years adds up to less than 10 months of non-language training during an entire career – one third of what the typical U.S. Army officer receives.

In contrast, the Army avoids such time constraints by permanently reassigning officers to long-term training three times during their first 20 years of service for 6 to 12 months each time. By making training a change-of-station assignment, the Army takes officers fully off-line for the academic year that is needed to master the course material.

With adequate resources, the State Department could emulate the Army’s proven model by creating at least one long-term professional training course to be taken by all Foreign Service members. One suggestion is to create a nine month long “Career Course” to be taken by newly-tenured employees. That course could offer a common core curriculum covering subjects such as negotiation, public diplomacy, global issues, and national security strategy. Participants could then separate into sub-groups for advanced functional and area studies training depending on their specific specialty and anticipated primary regional focus.

With adequate resources, the State Department could sharply expand language training -- especially hard languages in strategic regions such as Arabic and Chinese. For example, to ensure uninterrupted language capabilities at one-year Arabic posts such as Iraq and Saudi Arabia, three officers are required: one at post, one in the first year of language training, and one year in the second year of training.

With adequate resources, the State Department could expand long-term training

opportunities for mid-level employees such as at U.S. military war colleges, university training, and developmental details at non-governmental organizations and with private industry. Currently, fewer than 75 Foreign Service members are given such opportunities each year – representing less than three percent of all mid-level diplomats.

However, before additional long-term training opportunities could be created, another obstacle would need to be overcome: under-staffing. The State Department is simply not staffed to permit additional long-term professional training. What is needed is a “training float” -- such as the U.S. military services have -- equivalent to 10 to 15 percent above the employed staffing level. Only with such “bench strength” could the State Department significantly expand long-term language and functional training. For example, to permit all Foreign Service members to attend a nine month long “Career Course,” approximately 600 student positions and 25 instructor positions would be required. Another 200 training positions could be dedicated to expanded long-term language training. Another 75 training positions would be required in order to double the number of mid-level employees in long-term training and developmental assignments.

Obviously, creating a large training float would cost money. But without a fully-staffed and well-trained Foreign Service, the future will likely see, as the recent Senate report warned, “further encroachment of the military, by default, into areas where civilian leadership is more appropriate.” That is something that no one, including the overstretched U.S. military, should want. In fact, U.S. military doctrine teaches that there are four elements of national power -- diplomacy, intelligence, military, and economics (DIME) -- with military force almost always being the last, not first, tool that should be employed to achieve international security goals. Thus, the military recognizes the value of a diplomatic corps that is sufficiently staffed and trained to enable it to, whenever possible, achieve national goals without necessitating military-led “kinetic” intervention.

All of this argues for a re-balancing in the current 12:1 ratio of military spending to spending on diplomacy and foreign assistance. However, as things stand now, that imbalance is set to worsen. Consider the unmet need for 900 additional Foreign Service training positions. The U.S. Marine Corps alone – the smallest of the uniformed services – is slated to expand its active-duty ranks by 30 times as much (27,000) by 2011. The Army is slated to add 65,000 more soldiers to its permanent rolls. Thus, 900 new Foreign Service positions would total less than one percent of the planned military expansion – barely a rounding error when compared to additional resources being dedicated to the uniformed military. Please note that I am not saying that our military does not need to be larger. Rather I am saying that increasing Foreign Service staffing by the equivalent of the rounding error of the planned military expansion would pay dramatic dividends in terms of the ability of our diplomats to advance vital U.S. interests around the globe.

Mr. Chairman, before I conclude I must touch on a growing problem that is hampering morale in the Foreign Service. The problem was cited in the August 2006 GAO report (and also in the 2002 report GAO-02-626) as an ever increasing deterrent to service at hardship posts. The problem is the unfair pay disparity that relates to Overseas Comparability Pay and Locality Pay. As you know, Locality Pay is a pay adjustment

intended to raise federal salaries to the level of salaries paid in the private sector for comparable work. It is not a cost-of living adjustment. Locality Pay for Foreign Service personnel serving in Washington, DC is currently 18.59% and increasing annually. Foreign Service members serving abroad do not receive this adjustment, so they effectively take an 18.59% pay cut when they transfer overseas. As a condition of employment, Foreign Service personnel must serve abroad, and on average employees spend two-thirds of their careers on overseas assignments. This ever-growing financial disincentive to serve abroad is undermining diplomatic readiness and morale.

Some say the Foreign Service already gets hardship pay and housing allowances so there is no need to fix this pay disparity. That position does not hold up to detailed scrutiny. Congress enacted the hardship and danger pay differentials long before locality pay ever existed in order to acknowledge the difficulties and dangers that Foreign Service members experience at our most difficult and dangerous posts. The pay disparity that has widened over the past 13 years because of locality pay subverts that congressional intent. Today, when a Foreign Service member serves at a 20 percent hardship post, that individual actually receives only a 1.4 percent increase instead of the intended 20 percent. Going to a 15 percent hardship post means that the member of the Foreign Service actually suffers a 3.6 percent cut in pay. Housing has been provided at overseas posts since 1926 because of the huge variations in local housing standards and values and to offset the dislocations that come with family transfers occurring every couple of years.

The U.S. Foreign Service must have all the tools it needs to implement our diplomatic and national security priorities around the globe. One vital tool that this Congress can provide the men and women of the Foreign Service and their families is to remove this financial disincentive to overseas service. Unfortunately, a legislative solution remains allusive. Disappointment and frustration in the ranks are deepening. While I do not doubt the fact that the Senate and this Congress are deeply grateful for the work and sacrifices of Foreign Service, I ask for that genuine support to be channeled into securing practical personnel policy initiatives such as brokering a solution to modernizing the pay system for the Foreign Service and putting to rest the pay disparity problem.

What AFSA seeks, and the Secretary of State fully supports, is a legislative correction of what is now a 13-year old unintended inequity in the worldwide Foreign Service pay schedule which widens every year. Ending this pay disparity would help validate the significant efforts and sacrifices made by the men and women of the Foreign Service and their families who serve our country abroad, instead of unintentionally penalizing them for that service by reducing their pay by 18.59% when they transfer abroad. If we don't act now, the pay gap will only widen. We are hopeful the 110<sup>th</sup> Congress will be the session which solves this problem.

In conclusion, America's diplomats today are hampered by a growing deficit between what they are being called upon to do and the resources available to carry out that mission. This under-investment in Foreign Service funding, staffing, and training is undermining U.S. diplomacy. To reverse this trend, the State Department needs the resources to provide the Foreign Service with the staffing and training essential to

successful foreign policy development and implementation. Therefore, AFSA respectfully asks this Congress to fully fund Secretary Rice's FY-08 budget request, to implement Overseas Comparability Pay, and to move forward in FY-09 with creating the robust training float that will provide our Foreign Service with the knowledge, skills, and abilities that are essential to successful foreign policy development and implementation.

Thank you again, Mr. Chairman, for holding this very timely hearing. I would be happy to answer any questions that you and your colleagues may have.

## FOREIGN AFFAIRS COUNCIL



Testimony of Ambassador (R) Thomas D. Boyatt  
President, Foreign Affairs Council

*Senate Committee on Homeland Security and Government Affairs  
Subcommittee on Oversight of Government Management, the  
Federal Workforce, and the District of Columbia  
Chairman Daniel K. Akaka (D-HI)*

*Hearing on:*

*"Building a Stronger American Diplomatic Presence to  
Meet the Challenges of a Post-9-11 World"  
August 1, 2007*

Mr. Chairman, Senator Voinovich, distinguished Senators. Thank you very much for the opportunity appear before this subcommittee to address one of the most serious challenges facing the government, namely building a stronger American diplomatic presence to meet the challenges of today. In a deeper sense, I would like to express to you the sincere gratitude of all of us who care about the management of the Foreign Service and State Department for focusing the attention of the Senate and the American people on the reality that management of the institutions that make and carry-out foreign policy is just as important as the policies themselves.

As you know, Mr. Chairman, the Foreign Affairs Council (FAC) has just completed and published its third biennial assessment of the stewardship of the Secretary of State as a leader and manager. We have sent copies of this report to all Members of both Houses and to the staffs of relevant committees including -

importantly – this Committee. I respectfully request that our Report be included in and made part of the record of these proceedings. I have a brief statement following which I would be happy to answer any questions.

The FAC is a nonpartisan umbrella group of the Chief Executive Officers of 11 organizations concerned about the processes of diplomacy, the people of the Foreign Service and State Department, and the quality of their leadership. We do not address foreign policy issues. The members of our constituent organizations include the vast majority of serving officers, large numbers of retired officers, virtually all former Ambassadors whether from the career service or appointed from private life, as well as representatives from the business sector, from public members of our promotion boards and from Foreign Service families. The members of the FAC itself total several hundred years of Foreign Service experience and our overall membership represents several millennia of such experience.

Our bottom line finding is that the Foreign Service and State Department currently today have a personnel shortage of 1100 positions/people. This dire condition did not happen overnight. It has evolved over two decades during Republican and Democratic administrations alike. The shortage began when Secretary Baker decided to staff the dozen new countries created when the Soviet Union imploded in 1989-91 from existing personnel and financial resources. During the eight years of the Clinton Administration, the United States entered a quasi isolationist period of concentration on domestic issues (“It’s the economy stupid”). The State Department and Foreign Service were reduced about 30% in personnel and support as part of the “peace dividend.” During 2000-2004 Secretary Powell’s Diplomatic Readiness Initiative (DRI) gained over 1000 new positions/personnel and associated increases in support financing bringing the Service almost back to 1990 levels. Then, in the last two years the DRI increases have been vacuumed up by the requirements of Iraq, Afghanistan and other “difficult to fill” posts. We are right back to the low point of 1999-2000.

There are three important reasons why we need at least 1100 additional officer positions now. The first is that at any given moment at least some 200 positions are unfilled – mostly overseas. When our 6300 officers are spread over all the positions in Washington and some 265 posts overseas even a shortage of one or two officers at most posts overseas represents a 20-40% personnel deficit in those countries. The result is that officers at posts are seriously over-worked and, inevitably, some important objectives are not achieved. At current levels there are simply not enough Foreign Service Officers to accomplish what needs to be done – particularly overseas.

The second reason that significant increases in personnel are vital is that the current situation does not permit adequate training, particularly in hard languages. The GAO report highlights the reality that State is not meeting existing foreign language requirements (in fact, GAO for over 30 years has reported the continuing shortage of language skills). Add to this deficit what will be needed in hard language and other functional training to achieve the goals of Secretary Rice's "Transformational Diplomacy" and we calculate that 900 training slots are needed right now.

The FAC strongly supports Secretary Rice's Transformational Diplomacy initiative designed to "create a more secure, democratic and prosperous world." To implement this initiative three new management requirements have been created: (1) repositioning personnel from the European epicenter of the Cold War to dispersed and linguistically/culturally difficult areas that are home to emerging powers and new problems; (2) shifting the professional focus from reporting to managing programs and building institutions; and (3) most importantly expanding training especially in hard languages and "transformational tradecraft." Unless the 900 position deficit in training slots to sustain what the military calls the "training float" is corrected, the Foreign Service will not be able to train transformational diplomats and transformational diplomacy will not succeed.

Finally, without the dramatic increases in Foreign Service personnel the Foreign Affairs Council has recommended, the "militarization of foreign policy" described by many commentators will continue. The United States is engaged in an existential struggle against Islamic fundamentalism and a plethora of new issues arising from globalization. We are confronting these challenges with institutions designed for the Cold War and with a 20% deficit in the Foreign Service Officer Corps. Whenever a new requirement appears, e.g., reconstruction and stabilization, the job goes to the institution with the people and resources, namely, the military. That is why we have military teams (from the Special Operations Command no less) in many countries performing public diplomacy functions and Commanders in conflict zones performing development diplomacy under the CERF (Commanders Economic Reconstruction Funds) program involving hundreds of millions of dollars. This trend should be reversed but that will only happen if we have enough diplomatic personnel to do the jobs.

Mr. Chairman, I would like to close by pointing out that others have ratified the FAC's judgements regarding critical shortages of personnel in the Foreign Service and State Department. The Center for Strategic and International Studies (CSIS) has done a report on the Embassy of the Future calling for an

increase in the Foreign Service Officer Corps of 1650 positions. Secretary Rice's Advisory Council on Transformational Diplomacy reportedly will call for a doubling of the diplomatic cadres over the next ten years. We all agree that there is a very serious problem out there and are delighted and grateful that the Senate of the United States is seized with the challenges. I would be happy to answer any questions you and your colleagues might have.

**Building a Stronger American Presence at the UN**

**Testimony by Deborah Derrick**  
Executive Director, Better World Campaign  
August 1, 2007

**U.S. Senate Committee on Homeland Security and Governmental Affairs**  
Subcommittee on Oversight of Government Management, the Federal Workforce, and the  
District of Columbia  
U.S. Senate  
Washington, DC

Thank you, Mr. Chairman, and Members of the Committee – I’m pleased to be with you to talk about United Nations personnel issues. The Better World Campaign aims to help support the UN and its causes, and works especially to strengthen the US-UN relationship. It is a privilege to be engaged in such a mission and to share with you today our perspective on one key aspect of this relationship – which is American representation at the UN.

The U.S. was the driving force behind the UN’s establishment, is its host, and its most generous financial supporter. Opinion polls show that Americans value the UN, see it as an important vehicle for sharing the burdens of American responsibilities around the world, and want the UN to continue to reform and renew itself to become a stronger, more effective institution.

Americans also want to be equitably represented within that institution. Yet the Government Accountability Office (GAO) recently concluded a study for you that found that Americans were underrepresented in at least three key UN agencies – echoing a GAO report that found the same problem in the UN system almost six years ago.

Mr. Chairman, you’ve already heard GAO’s take on why Americans remain underrepresented in the UN system. In my testimony, I’d like to address the implications of this continuing shortfall and offer a few observations beyond those addressed by the GAO.

I believe that the under representation of Americans at the United Nations undermines the United States’ global vision and its ability to conduct sound diplomacy in this key global institution. The UN is increasingly being asked to address the biggest problems in the world – from nuclear proliferation to global warming; from Darfur to Iraq. Having too few Americans in it means that the U.S. is operating at a disadvantage when it seeks to enact policies or reforms at the UN because it means that we do, and will, lack a cadre of experienced civil servants with solid insights in policy making within the UN. It forces the United States to use its biggest guns and the bluntest measures to get its way there – whether that is threatening to walk out of negotiations or standing alone in blocking budgets. In sum, the under representation of Americans within the UN system eliminates

tools from the U.S. national security tool kit at a time when Americans are facing huge international security challenges.

So I commend you, Mr. Chairman, for instigating this review by the Government Accountability Office. And I commend the GAO for a useful and enlightening report – and would like here to expand on a couple of its themes.

The GAO largely tagged State Department operations and UN structural barriers as being responsible for the shortfall of American representation in the UN system. I believe that the GAO missed one key point, though, and that is that this shortfall comes back to an overall question of inconsistent U.S. investments of all kinds in the UN system. While the report noted the precipitous drop in U.S. representation at UNESCO after the U.S.'s withdrawal from that agency, for example, the UNESCO case is really just an exaggerated version of U.S. activities in the multilateral system in recent years. An Organization for Economic Cooperation and Development report of last year, for example, noted that the proportion of U.S. foreign assistance funding going through multilateral agencies plummeted from 26% in 2000 to 8% in 2005, as the U.S. took a more unilateral tack in its foreign policy. This puts the U.S. near the bottom of the barrel in terms of how much assistance it leverages through multilateral institutions.

Thus, at the beginning of this year the U.S. was behind in its dues or in arrears in virtually every major international treaty organization that it belonged to, including the UN, NATO, World Health Organization, OECD, and the IAEA.

There's nothing particularly new in such shortfalls to the UN, of course. I work for an institution that was founded in 1998 when Ted Turner became alarmed by the fact that the U.S. had \$1 billion in debt to the UN and was in danger of losing its voting rights in the General Assembly. For a time, his efforts helped to get the U.S. back into good standing at the UN. But, as you may know, Mr. Chairman, the U.S. is sliding back towards owing another billion dollars to the United Nations. And, though the U.S. now has a more constructive relationship with the UN – and, in fact, has begun suggesting that the UN should take on a bigger role in Iraq – we've just come through an era where various parts of the United States government – including the U.S. mission to the UN – were routinely condemning the UN as inept or clamoring for dues withholdings.

Rather than working to influence the UN with an inside game – by paying our dues on time and in full and placing American civil servants within the UN system – the U.S. appears to have a history of relying on financial threats and public criticism to get its way at the UN. This is not the recommended way to influence friends and thwart enemies.

As for the particulars of State Department's work in this area, I believe that the system works pretty well for U.S. higher-level personnel in the UN, like Under Secretary-General Lynn Pascoe or Assistant Secretary-Generals Bob Orr or Jane Lute. Many more Americans, however, would welcome a chance to work at the UN at lower levels. When the UN's office in Washington DC recently advertised 2 positions, for example, it received 700 American applicants. But it's my impression that such lower level job

seekers are left to their own devices in figuring out how to apply for these jobs and assessing their costs and benefits -- like figuring out whether or not U.S. civil service separation and transfer benefits apply to UN positions (they do).

The GAO report noted that the State Department has recently increased the number of employees dedicated to helping Americans find their way into the UN system. I believe, though, that in the past few months a couple of political appointees assigned to the work have moved on. Further, there was general attrition of personnel dedicated to this task during the late 1990's and early 2000's. And while there is periodic talk of establishing junior officer positions for Americans at the UN, these positions are considered expendable when there are other staffing shortages in the Department. In sum, the State Department's International Organizations (IO) Bureau's efforts to place Americans within the UN system appear to wax and wane over time, much like political support for the UN in the United States -- ensuring that the U.S. lacks a long-term plan for strategically placing Americans within the UN system.

I would also take issue with the GAO report's suggestion that "most" of the barriers and challenges to hiring Americans at the UN are "outside of the U.S. government's control." Among the barriers and challenges cited are the UN's "non-transparent and lengthy" hiring processes, restrictions on the numbers of positions open to "external" candidates, and limited job opportunities for spouses. It seems a bit of a red herring to cite the UN's lengthy hiring process or questions of spousal employment when the State Department faces the same issues in its own recruitment and manages to fill its positions. And given that State Department personnel have some significant expertise in dealing with the UN system, State can and should work to make the UN's hiring processes more accessible and transparent to potential job applicants. I'd even partially question the suggestion that the U.S. has no control over the UN's relatively unattractive pay scales, because for years the U.S. has been the principal advocate for zero nominal growth in UN budgets -- meaning that UN salaries will be squeezed as inflation takes its toll.

More to the point, though, other countries with smaller GDPs are managing to find a way around these very same barriers. Many European countries are successfully facilitating recruitment by referring qualified candidates to the UN, conducting recruitment missions, and sponsoring Junior Professional Officers and Associate Expert positions. In fact, if you look at a list of the countries that sponsor personnel through the JPO and Associate Experts' programs -- including Austria, the United Kingdom, Canada, and Switzerland -- the United States' lack of participation is striking. The State Department can and should make the same kind of efforts in circumventing limits on so-called "external" hiring.

There are also a few barriers to U.S. representation at the UN that were not highlighted in the GAO report and deserve brief mention. One is language. Americans typically speak only one language -- and this puts them at a disadvantage when it comes to hiring in the UN system. Another is the general pressure in the UN system to recruit more nationals from developing countries; as the number of the world's nations has grown there has been an increased squeeze on the number of slots for all countries and this puts Americans at a competitive disadvantage. A third issue is the State Department's relative

lack of expertise in technical areas where many accessible UN jobs lie. Finally, I would be remiss if I failed to note the ill effect of under funding of the U.S. State Department. The U.S. Administration appears to have a great willingness to fund the costs of war but lacks a commensurate appetite for funding war prevention in the international affairs, or “150,” account.

Given the increasing importance of the UN to American national security interests, I’d recommend taking the following actions:

First, I think the U.S. government ought to increase the proportion of resources devoted to diplomacy and the State Department, altogether. And within the State Department’s budget, I’d advocate that there be more resources devoted to the technical side of the International Organizations Bureau, so that the U.S. might be better able to direct appropriate Americans toward non-Secretariat positions, like those in the WHO, FAO, or IAEA – where there may be more employment opportunities.

Second, I disagree with the GAO’s call to “study” the potential value of increased funding for JPO’s and Associate Experts in the UN system. The data is in and already well documented by the GAO. These mechanisms work. Now it’s time to commit resources – and I would note that Congress, itself, could create and enact legislation to expand the use of such positions.

Third, beyond the creation of a general employment roster, I would strongly encourage the U.S. to create a list for candidates for UN Peacekeeping Operations positions. The GAO report notes that other countries prescreen candidates for such positions, but this is a huge growth area in the UN – and one where the U.S. would be wise to develop and share expertise.

Finally, the Better World Campaign and United Nations Foundation will do what we can to help raise the visibility of UN positions among Americans. We recently supported a program to place American Fulbright Fellows in UNESCO and sponsored an “Americans at the United Nations” radio-based program. We also routinely provide links to the State Department’s employment web site in our briefing materials – and will continue to look for appropriate places to advance this cause.

Thank you again for the opportunity to testify before you today on this important topic. I would be happy to take any questions on these matters.

**BUILDING A STRONGER AMERICAN  
DIPLOMATIC PRESENCE**

August 1, 2007

**BACKGROUND ON STATE DEPARTMENT STAFFING SHORTAGES**

In 2001 former Secretary of State Colin L. Powell launched the Diplomatic Readiness Initiative (DRI) to ensure global readiness and increase the staff of the State Department significantly over the following four years.<sup>1</sup> The program was largely effective in boosting the staffing needs of the Department. However, the ongoing conflicts in Iraq and Afghanistan, which placed new burdens on the staffing needs at the Department of State, have eroded those gains.

The attrition rate, the number of State Department staff who have retired or have left, has also impacted the DRI gains. Fifty percent of the federal workforce will be eligible to retire in the next five years. According to the Partnership for Public Service, the Department needs plans to hire 1,400 Foreign Service employees in the next two years to replace the outgoing employees and 1,400 to 1,600 civil service employees in the next two years as well.<sup>2</sup> Those replacements address the attrition rate, but not the staffing shortages that currently exist.

Introduced in part to address staffing needs and to respond to the changing global political climate and U.S. foreign policy concerns, Secretary of State Condoleezza Rice launched the Transformational Diplomacy Initiative (TDI) in January, 2006. Transformational Diplomacy focuses on five areas: Global Repositioning, Regional Focus, Localization, Meeting New Challenges with New Skills, and Empowering Diplomats to work jointly with other federal agencies.<sup>3</sup> Within those areas, the human capital needs are being addressed through efforts to increase the foreign service training programs, an expedited hiring process of 45-days or less, and mentor programs.<sup>4</sup>

In a June 18, 2007, cable to the Embassy in Baghdad, Secretary Rice announced that U.S. diplomatic positions in Iraq must be filled before any other State Department openings in Washington or overseas are made available. This announcement followed reports that Foreign

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<sup>1</sup>*Diplomatic Readiness: The Human Resources Strategy*, United States Department of State, Secretary Colin Powell, 2002.

<sup>2</sup>*Where the Jobs Are: Mission Critical Opportunities in America*, the Partnership for Public Service, July 3, 2007, <http://ourpublicservice.org/OPS/publications/viewcontentdetails.php?id=118>.

<sup>3</sup>Secretary Rice announced the Transformational Diplomacy effort on January 18, 2006, at a speech at Georgetown University. For more information on the program, visit the U.S. Department of State's Web site at <http://www.state.gov/t/pa/prs/ps/2006/59339.htm>.

<sup>4</sup>*2006 Report to Employees Advancing Transformational Diplomacy*, U.S. Department of State, Office of Management Policy, July 31, 2006.

Service Officers who have increasingly been forced to serve in hardship posts, including Iraq and Afghanistan, were being diagnosed with Post-Traumatic Stress Disorder (PTSD). Secretary Rice also announced that she was changing the way assignments were being made. Because of the danger involved in serving at these posts, Foreign Service Offices are required to leave their families behind, something that many FSOs are not willing to do. Separation from families during hardship post assignments can also exacerbate the feeling of isolation and heighten the effects of PTSD. A number of recent articles in the media have pointed to the increasingly stressful conditions under which existing State Department Foreign and Civil Service employees are having to operate and the impact that the wars in Iraq and Afghanistan have had on the foreign policy professionals stationed there.<sup>5 6</sup>

The U.S. Ambassador to Iraq Ryan Crocker, in a May 31, 2007 cable to Washington, issued an “urgent plea” for more and better staffers, emphasizing that the Embassy could not do their work if they do not have the Department’s best people. The cable led Secretary Rice to order that U.S. diplomatic positions in Iraq be filled before any other State Department openings in Washington or overseas are made available. According to the article, the move represents a further tightening of the rules for filling jobs at State because of the wars in Iraq and Afghanistan.<sup>7</sup>

One of the additional challenges for the State Department in recruiting Foreign Service Officers is the pay differential between those FSOs in the United States and those serving overseas. FSOs in the United States receive a locality pay supplement as part of their annual pay adjustment whereas FSOs working overseas do not. An FSO working at a U.S. Embassy overseas could be working with other civil servants who are eligible for locality pay to supplement their income. While Foreign Service Officers serving overseas receive a housing supplement to cover their housing costs in the foreign post, the pay differential between Washington, DC and overseas pay is approximately 19 percent.<sup>8</sup>

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<sup>5</sup>For example, a July 13, 2007 article in the Washington Post reported on a recommendation by U.S. Embassy officials in Baghdad that cots were being authorized so that Embassy personnel could sleep in their offices for security reasons. Offices, the article noted, are in concrete buildings and are therefore able to provide better protection against mortar and other projectile attacks in the so-called Green Zone. In March 21, 2007 and May 2, 2007 articles in USA Today, Barbara Slavin reported that dangerous duty in Iraq has increasingly impacted State Department diplomats, leaving many of them with post-traumatic stress disorder. The article quotes a deputy assistant secretary of State for the Near East, Jim Jeffrey, as saying that he considers Iraq far more dangerous than his tour in Vietnam. The Bush Administration has been shifting diplomats from postings in Europe to danger zones as part of the strategy to use more resources to fight terrorism. However, according to the article, this has led to a shortage of diplomats.

<sup>6</sup>“Personnel May Wish to Sleep in Another Country”, Al Kamen, Washington Post, July 13, 2007

<sup>7</sup>“Rice orders that diplomatic jobs in Iraq be filled first”, Washington Post, June 21, 2007

<sup>8</sup>Ibid.

In his budget for fiscal year 2007, President Bush proposed \$32 million from Congress to extend locality pay to Foreign Service Officers.<sup>9</sup> The draft bill would have extended the locality pay of the Washington-Baltimore pay area to those FSOs serving overseas and phased in the pay adjustment over the course of three years.<sup>10</sup> The draft proposal also included pay-for-performance provisions that resulted in its ultimate stalemate in Congress.<sup>11</sup> The President included the proposal in the fiscal year 2008 budget request.<sup>12</sup>

In an effort to recruit and retain employees, the State Department has been using its workforce flexibilities with some success. According to the latest report, the Office of Personnel Management reported that the State Department ranks third among agencies using the Student Loan Repayment Program, which allows agencies to pay back employees student loans up to \$10,000 annually and \$60,000 aggregate.<sup>13</sup> In 2006 the Department of State enrolled 869 employees and paid out \$4,159,489 in student loan repayment funds.<sup>14</sup> The Department has also made some use of its telework program but still falls significantly short of meeting the potential of this flexibility. According to the Office of Personnel Management (OPM), 1,236 State Department employees are teleworking on a regular basis and 9,556 employees are eligible to telework, representing 12.93 percent of the total eligible population.<sup>15</sup>

The Government Accountability Office (GAO), in an August 2006 report (GAO-06-894) entitled "Department of State: Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps," concluded that staffing shortfalls persist at the Department of State, despite efforts to reverse them. GAO ascribed those shortfalls to the ongoing conflicts in Iraq and Afghanistan and the need for State Department staff at those posts. GAO also questioned the efficacy of a number of initiatives to encourage mid-career level State Department employees to relocate to these hardship posts. Employees cited family issues and locality pay as disincentives for Foreign Service Officers (FSOs) to bid on those posts. Finally, GAO found that a shortage of

<sup>9</sup> *Budget for the United States Government, Fiscal Year 2007*, President George W. Bush, February 6, 2006, <http://www.gpoaccess.gov/usbudget/fy07/browse.html>.

<sup>10</sup> *Administration seeks Foreign Service pay-for-performance*, Govexec.com, Karen Rutzick, February 17, 2006.

<sup>11</sup>

*Ibid.*

<sup>12</sup> *Budget for the United States Government for Fiscal Year 2008*, President George W. Bush, February 5, 2007.

<sup>13</sup> *Federal Student Loan Repayment Program, Fiscal Year 2006, Report to Congress*, United States Office of Personnel Management, April 2007, <http://www.opm.gov/oca/pay/studentloan/>.

<sup>14</sup> *Ibid.*

<sup>15</sup> *Status of Telework in the Federal Government, Report to Congress*, United States Office of Personnel Management, June 2007, [http://www.telework.gov/surveys/2006\\_TW20Report.pdf](http://www.telework.gov/surveys/2006_TW20Report.pdf).

staff with foreign language proficiency persists and recommended that State conduct a risk assessment of critical language needs in regions and countries of strategic importance.

GAO also found that serious language gaps remain, despite efforts to improve capabilities, particularly in language-designated positions and critical posts. Such shortfalls can adversely impact State's ability to communicate with foreign audiences and execute critical duties. It will also complicate efforts for State to pursue public diplomacy efforts and to strengthen the U.S. image abroad.

In order to enhance staffing levels and language proficiency, particularly at "hardship" posts, GAO made five recommendations, including consideration of an assignment system that allows for longer tours, consecutive assignments in certain countries, and more regional specialization in certain areas, and a risk assessment of critical language needs in regions and countries of strategic importance.

The State Department generally concurred with GAO's findings, which included the proposal that it use directed assignments when needed. State also agreed to examine its incentive programs for hardship posts and the effectiveness of its efforts to improve the language capabilities of staff, although GAO has countered that State does not conduct the kind of assessment it had recommended. GAO recommended an assessment that would allocate language resources based on the strategic importance of a country or region and the risks associated with not having language-proficient staff at posts in those locations.<sup>16</sup>

On June 1, 2007, the Foreign Affairs Council (FAC)<sup>17</sup>, a non-partisan umbrella group of eleven organizations focused on the processes of diplomacy, leadership, and management of the Foreign Service and the State Department, released its third biennial assessment of the stewardship of the Secretary of State as a leader and manager entitled "Managing Secretary Rice's State Department: An Independent Assessment." Their findings were similar to those of the GAO in its August 2006 report.

The report concluded that the toll the conflicts in Iraq and Afghanistan were taking on FSOs and other State Department employees was being seen in understaffing at other critical diplomatic posts, diversion of financial and other resources, and sinking morale. As a result, FAC

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<sup>16</sup> "Department of State: Staffing and Language Shortfalls Persist Despite Initiative to Address Gaps", Government Accountability Office (GAO-06-894), August 2006, p. 35

<sup>17</sup> The Foreign Affairs Council members include the American Academy of Diplomacy, American Foreign Service Association, Associates of the American Foreign Service Worldwide, Association for Diplomatic Studies and Training, Association of Black American Ambassadors, Business Council for International Understanding, Council of American Ambassadors, Una Chapman Cox Foundation, Nelson B. Delavan Foundation, Public Members Association of the Foreign Service (USA).

concluded that the Department of State was unable to meet U.S. foreign policy needs in priorities nor implement Secretary of State Condoleezza Rice's Transformational Diplomacy initiative. The assessment also found that roughly 200 existing jobs, most of them overseas, remain unfilled and that an additional 900 training slots were needed to provide State Department personnel with the language and functional skills the department currently lacked.<sup>18</sup>

## **BACKGROUND ON REPRESENTATION OF AMERICAN'S AT THE UNITED NATIONS**

The United Nations Secretariat (UN) employs citizens of Member States, or dues paying members, to work within the international civil service. Employees of the UN work in a civil service system known as the common system, which is similar to the General Schedule in the U.S. federal government. The International Civil Service Commission regulates and coordinates the civil service staff in the common system, and is made up of fifteen commissioners who meet twice a year. The Commission produces an annual report to the Secretary-General detailing an assessment of the system, the changes made by the General Assembly, and recommendations on further changes.<sup>19</sup>

In the last decade, the UN's role and mission throughout the world has increased significantly. For example, the UN's peace-keeping mission has expanded from 20,000 peacekeepers and a budget of \$1.25 billion to 80,000 peacekeepers and a budget of \$5 billion over the course of former Secretary-General Kofi Annan's tenure.<sup>20</sup> The peacekeeping missions now account for more than double the number of Secretariat staff in New York, while peacekeeping expenditure amounts to more than half of all United Nations spending.<sup>21</sup>

Two major reform efforts to address the management challenges to help the human capital issues at the Secretariat have been implemented since Kofi Annan's tenure. In 1997 the Secretary-General created the post of Deputy Secretary-General to improve management, eliminated 1,000 staff posts that had not been filled, and established a senior management group, which included the heads of all the Secretariat offices and Departments as well as the heads of the UN funds and programs<sup>22</sup>. In 2002 the Secretary-General overhauled the Departments of Public Information

<sup>18</sup> *Managing Secretary Rice's State Department: An Independent Assessment*, Foreign Affairs Council, President Ambassador Thomas Boyatt, June 2007.

<sup>19</sup> The United Nations International Civil Service Commission, <http://icsc.un.org/about2.asp>.

<sup>20</sup> *Investing in the United Nations for a Stronger Organization Worldwide*, Secretary-General Kofi Annan, March 7, 2006.

<sup>21</sup> *Ibid.*

<sup>22</sup> *United Nations Reform Highlights Since 1997*, United Nations Secretary-General Reference Reports and Materials, <http://www.un.org/reform/highlights.shtml#a>

and General Assembly Affairs and Conference Management. These efforts resulted in improved meetings services and document production.<sup>23</sup>

The challenge of rapid human capital growth at the UN has highlighted the need for many reforms to improve the overall ability of the UN to meet its many missions. The UN faces issues similar to the United States federal government in recruitment, retention, personnel flexibilities, training, and professional development. On March 7, 2006, the former Secretary-General issued a report entitled, *Investing in the United Nations for a Stronger Organization Worldwide*, to address the human capital and governance needs of the Secretariat. While the report focused on seven areas, the first two priorities of the report were People and Leadership.

The report recommended that the Secretariat be more proactive and targeted in its recruitment effort, improve the career development of its current employees, and improve the integration of headquarters staff and field staff. The former Secretary-General also recommended establishing the overall management of the Secretariat with Deputy Secretary-General, which was advocated for by the United States.<sup>24</sup> Similarly, Senators Akaka and Voinovich have long promoted a similar structure at the Departments of Defense and Homeland Security to elevate the priority of management issues.<sup>25</sup>

As a Member State of the United Nations, the United States is supposed to have a certain proportion of Americans staffed within its six principal bodies in proportion its financial contribution and population size.<sup>26</sup> While each of the six UN components determines their own hiring policies, it is the responsibility of the Department of State to promote the UN as an employer to Americans and guide them through the hiring process.<sup>27</sup> In reports from 1992 and 2001, GAO reported that Americans were underrepresented in the UN system despite a strong presence in senior leadership roles. Furthermore, UN plans account for finding a broad

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<sup>23</sup>Ibid

<sup>24</sup>*Investing in the United Nations for a Stronger Organization Worldwide*, Secretary-General Kofi Annan, March 7, 2006.

<sup>25</sup> S. 170, introduced by Senator John Ensign on January 4, 2007, co-sponsored by Senators Akaka and Voinovich, would establish a Deputy Secretary for Management for Defense. S. 547, the Effective Homeland Security Management Act, introduced by Senators Akaka and Voinovich on February 12, 2007, would establish a Deputy Secretary for Management at the Department of Homeland Security.

<sup>26</sup> *United Nations, Additional Efforts Needed to Increase U.S. Employment at UN Agencies*, the Government Accountability Office (GAO-06-988), September 2006.

<sup>27</sup> Executive Order 11,552, 35 Fed. Reg. 13,569, dated August 24, 1970.

geographic representation among the international civil service, but do not have specific plans to recruit or target more Americans.<sup>28</sup>

In a September 2006 report entitled “United Nations: Additional Efforts Needed to Increase U.S. Employment at UN Agencies” (GAO-06-988), GAO examined the extent to which the Department of State was effective in securing U.S. representation at the UN and the status of U.S. representation and employment trends at the UN and its agencies. In its review, GAO looked at the International Atomic Energy Agency (IAEA); the UN Educational, Scientific, and Cultural Organization (UNESCO); the UN High Commissioner for Refugees (UNHCR); the UN Development Program (UNDP), and the UN Secretariat.

This report is not the first time U.S. representation at the UN has been an issue. GAO concluded in a July 2001 report that the U.S. continued to be under represented at a number of UN agencies and that increased hiring of U.S. citizens was needed to meet employment targets.<sup>29</sup> The July 2001 report also indicated that UN representation was a high priority for the Department of State.<sup>30</sup> However, the conclusions of the September 2006 report have indicated that little progress has been made in addressing the issue of U.S. representation at the UN.<sup>31</sup>

The September 2006 GAO report found that the lack of representation was due to a number of factors, including each agency’s nontransparent human resource practices, lengthy hiring processes, and low or unclear compensation. In addition, the State Department has not been aggressive enough in recruiting U.S. citizens for entry- and mid-level professional positions and, as a result, U.S. employment in those slots has declined. Specifically, GAO found that the U.S. is under represented at the International Atomic Energy Agency (IAEA), the UN High Commission on Refugees (UNHCR) and the UN Educational, Scientific, and Cultural Organization (UNESCO).<sup>32</sup>

GAO has recommended that the State Department provide more consistent and comprehensive information about UN employment on the State Department and U.S. mission web sites and to expand targeted recruiting and outreach to qualified Americans.<sup>33</sup>

<sup>28</sup> *United Nations, Additional Efforts Needed to Increase U.S. Employment at UN Agencies*, Government Accountability Office (GAO-06-988), September 2006.

<sup>29</sup> *United Nations: Targeted Strategies Could Help Boost U.S. Representation*, Government Accountability Office (GAO-01-839), July 27, 2001.

<sup>30</sup> *Ibid.*

<sup>31</sup> *United Nations, Additional Efforts Needed to Increase U.S. Employment at UN Agencies*, Government Accountability Office (GAO-06-988), September 2006.

<sup>32</sup> *Ibid.*

<sup>33</sup> *Ibid.*

## LEGISLATION

- **S. 451, National Foreign Language Coordination Act of 2007**, introduced by Senator Daniel K. Akaka on January 31, 2007, to establish a National Foreign Language Coordination Council and develop a national foreign language strategy, which has been referred to the Senate Committee on Health, Education, Labor, and Pensions. S. 451 has four cosponsors: Senators Thad Cochran (R-MS), Christopher Dodd (D-CT), Richard Durbin (D-IL), and Russell Feingold (D-WI). The House has a companion bill, **H.R. 747**, was introduced by Rep. Brian Baird (D-WA) and referred to the House Committee on Education and Labor, Subcommittee on Higher Education, Lifelong Learning, and Competitiveness on May 18, 2007. H.R. 747 has five cosponsors: Rep. Bob Etheridge (D-NC), Rep. Raul Grijalva (D-AZ), Rep. Rush Holt (D-NJ), Rep. Dennis Moore (D-KS), and Rep. Earl Pomeroy (D-ND). The bill is part of the National Defense Authorization Act for FY2008 (S.1547) which was voted out of the Senate Armed Services Committee on June 5, 2007 (written report No. 110-77).
- **S. 613, Reconstruction and Stabilization Civilian Management Act of 2007**, introduced by Senator Richard Lugar on February 15, 2007, to direct the State Department and the U.S. Agency for International Development (USAID) to develop an expert civilian response capability to carry out stabilization and reconstruction activities in a country or region that is in, or is in transition from, conflict or civil strife. The bill was referred to the Senate Foreign Relations Committee, reported favorably out of Committee, and placed on the Senate Calendar. The bill has three cosponsors: Senators Joseph Biden (D-DE), Chuck Hagel (R-NE), and John Warner (R-VA). The House has a companion bill, H.R. 1084, which was introduced by Rep. Sam Farr (D-CA) and has 14 cosponsors. It was referred to the House Committee on Foreign Affairs.

## ADDITIONAL RESOURCES

- Foreign Affairs Council, *Task Force Report, Managing Secretary Rice's State Department: An Independent Assessment*, June 2007  
<http://www.afsa.org/fac/>
- Congressional Research Service (RL33721), *The Foreign Service and a New Worldwide Compensation System*, February 22, 2007  
<http://www.congress.gov/erp/rl/html/RL33721.html>
- Congressional Research Service (RL33848), *United Nations System Funding: Congressional Issues*, February 15, 2007  
<http://www.congress.gov/erp/rl/html/RL33611.html>

- “United Nations: Targeted Strategies Could Help Boost U.S. Representation”, Government Accountability Office (GAO-01-839), July 27, 2001
- “United Nations, Additional Efforts Needed to Increase U.S. Employment at UN Agencies”, Government Accountability Office (GAO-06-988), September 2006
- Executive Order 11,552, 35 Fed. Reg. 13,569, dated August 24, 1970
- “Investing in the United Nations for a Stronger Organization Worldwide”, Secretary-General Kofi Annan, March 7, 2006
- The United Nations International Civil Service Commission, <http://icsc.un.org/about2.asp>
- “United Nations Reform Highlights Since 1997”, United Nations Secretary-General Reference Reports and Materials, <http://www.un.org/reform/highlights.shtml#a>
- “Managing Secretary Rice’s State Department: An Independent Assessment”, Foreign Affairs Council, June 2007
- “Federal Student Loan Repayment Program, Fiscal Year 2006, Report to Congress”, United States Office of Personnel Management, April 2007, <http://www.opm.gov/oca/pay/studentloan/>
- *Status of Telework in the Federal Government, Report to Congress*, United States Office of Personnel Management, June 2007, [http://www.telework.gov/surveys/2006\\_TW20Report.pdf](http://www.telework.gov/surveys/2006_TW20Report.pdf)
- *Budget for the United States Government, Fiscal Year 2007*, President George W. Bush, February 6, 2006, <http://www.gpoaccess.gov/usbudget/fy07/browse.html>
- *2006 Report to Employees Advancing Transformational Diplomacy*, U.S. Department of State, Office of Management Policy, July 31, 2006
- “Personnel May Wish to Sleep in Another Country”, Al Kamen, [Washington Post](http://www.washingtonpost.com), July 13, 2007
- “Administration seeks Foreign Service pay-for-performance”, Govexec.com, Karen Rutzick, February 17, 2006
- “Dangerous duty in Iraq grinds down diplomats; Hundreds have served since 2003; many feel stress long after leaving”, Barbara Slavin, [USA Today](http://www.usatoday.com), March 21, 2007
- “U.S. diplomats returning from Iraq with post-traumatic stress disorder; State Dept. Plans to study effects of war zone work”, Barbara Slavin, [USA Today](http://www.usatoday.com), May 2, 2007
- *Diplomatic Readiness: The Human Resources Strategy*, United States Department of State, Secretary Colin Powell, 2002
- *Where the Jobs Are: Mission Critical Opportunities in America*, the Partnership for Public Service, July 3, 2007, <http://ourpublicservice.org/OPS/publications/viewcontentdetails.php?id=118>

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#1)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

During your testimony, you mentioned that the Department of State has surveyed employees who have served in unaccompanied posts. Can you provide a copy of the survey questions and results? Also, please provide details of those who were surveyed including the number of employees questioned, the response rate, the posts where they served, the years of service for respondents, the Foreign Service Officer (FSO) level, and any other relevant demographic information on the surveyed population. What plans do you have for any future follow-up to track the information on these and other employees returning from hardship posts?

**Answer:**

The Department of State's Office of Medical Services (MED) and the Family Liaison Office (FLO) jointly developed and conducted a survey of Foreign Service and Civil Service employees who had completed unaccompanied tours from 2002 until the summer of 2007. The survey (see attached) included questions about exposures to physical dangers and the impact of danger- and isolation-related stressors upon a broad range of psychological symptoms and psychosocial functioning in these employees. Much of the survey focused on symptoms that are found in the medical condition known as Posttraumatic Stress Disorder (PTSD). The survey took place on the Department's "Intranet" and ran from June 1 - July 15, 2007.

Of the approximately 2,500 employees who completed unaccompanied tours from 2002 to 2007, survey responses were received from 877 individuals. Nearly three-quarters of the 877 respondents had served in Iraq, Afghanistan, Pakistan or Saudi Arabia (respectively 31%, 18%, 15 % and 12%). The other 26% had served in at least one of 13 other unaccompanied posts. In addition, 26% indicated that they had served at more than one unaccompanied tour. Respondents were not asked to identify their grade levels or years of service.

Preliminary analysis of the survey results show widespread indications of stress-related symptoms among employees serving at unaccompanied tours, though the number and severity of these symptoms lessens somewhat over time after completion of the tour. Among a list of 17 individual symptoms often found in persons enduring chronically high levels of stress, ten of these were experienced by more than 20% of the respondents. For example, 47% indicated that they suffered insomnia and 33% reported being irritable or unusually hostile during the tour, while 55% reported problems in relating to their spouse or partner after the completion of the tour. While not pleasant or welcome, these reactions are common and expected in people who experience high levels of stress over a long period of time. They are related to normal neurological and hormonal responses to such conditions.

With regard to the specific complex of symptoms that characterize PTSD, a preliminary analysis of the survey results indicates it is probably present in 2% of

the respondents. Another 15% of respondents might possibly have PTSD, but would require a more thorough examination to make a definitive diagnosis. The Department is working with an outside firm to conduct a much more detailed analysis of the survey results to see if responses differ depending upon the specific post where the unaccompanied tour was served; the length of the tour; and the amount of time since departing the post, among others. This will allow for a specifically focused assessment of the stress impact in Iraq and Afghanistan, and possible further distinctions among postings within those countries.

Even as we await the final results of the survey analysis, the Department is improving its ability to support employees preparing for, serving in, and returning from unaccompanied posts. The Office of Medical Services is reviewing the current pre-assignment briefing and mandatory outbrief sessions to determine what changes might be most effective, such as directing more time to discussion of mental health counseling resources, insomnia, and social withdrawal. In addition, the Department is developing a proposal for a Deployment Stress Management program that would devote four full-time personnel to the growing issue of PTSD. The Deployment Stress Management program would develop, teach, counsel, and become involved in all activities supporting employees involved with unaccompanied tours. The Office of Medical Services will also continue to work with the Family Liaison Office to share information and best support the families of employees serving in unaccompanied assignments.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#2)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

What training programs do you have in place for managers to address issues of Post Traumatic Stress Disorder (PTSD) and other issues related to employees returning from hardship posts? How many managers have undergone such training?

**Answer:**

While there is no formal training related to Posttraumatic Stress Disorder (PTSD) for managers at this time, the Department has addressed this topic through messages to employees overseas and on an ad-hoc basis in a number of courses at the Foreign Service Institute (FSI). In October 2006, Director General Staples sent a two-part cable to all Diplomatic and Consular Posts around the world entitled "Taking Care of Our People." The second part of the message was focused specifically on leadership tips for dealing with employees preparing for and returning from high-stress assignments. When speaking regularly to Ambassadors and Deputy Chiefs of Mission (DCMs) in training at FSI, the Director General references the October 2006 cable and reminds post leadership of its importance.

The Director of the Office of Medical Services and the Director of Mental Health Services also address the issue of PTSD with the Ambassadorial and DCM

seminars, including explaining the results of a recent survey of employees who have served at unaccompanied posts. Sessions on managing employees returning from high-stress assignments have also been included in FSI courses for Career Development Officers, language instructors, and management officers, as well as in courses that focus specifically on crisis management.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#3)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

As you are well aware, the onset of PTSD is often delayed, and we both agree that more needs to be done in providing follow-up for Foreign Service Officers (FSOs) returning from hardship posts. The State Department could provide a list of PTSD specialists to its returning FSOs or establish an internal hotline. What plans does the State Department have for providing greater ongoing support to FSOs returning from such posts? Has the Department established a formal or informal partnership with the military to draw on its expertise in the area of combat zone related health issues?

**Answer:**

The Department of State is committed to improving its ability to support employees preparing for, serving in, and returning from unaccompanied posts. The Department's Foreign Service Institute (FSI) and Office of Medical Services (MED) have partnered to offer a one-day High Stress Assignment Outbrief Program, which is mandatory for all employees serving 90 days or more in Iraq and Afghanistan and highly recommended for employees returning from other high stress/high threat posts. The Office of Medical Services is reviewing the curriculum of the mandatory outbrief sessions, as well as the issues covered in pre-assignment briefings, to determine what changes might be most effective, such as directing more time to discussion of mental health counseling resources, insomnia,

and social withdrawal. We are also considering mandating 3-4 weeks of home leave for employees returning from unaccompanied tours to assist the employee in adjusting to family, friends, and a more normal work environment.

In addition, the Department is developing a proposal for a Deployment Stress Management program that would devote as many as four new full-time personnel to the growing issue of Posttraumatic Stress Disorder (PTSD). The Deployment Stress Management program would develop, teach, counsel, and become involved in all activities supporting employees involved with unaccompanied tours. The Office of Medical Services will also continue to work with the Family Liaison Office to share information and best support the families of employees serving in and returning from unaccompanied assignments.

We have reached out to our colleagues in the military to draw on their expertise with PTSD. The Office of Medical Services has had excellent experiences working with the Uniformed Services University of Health Sciences on PTSD and other issues. The Office of Medical Services is currently in discussions with them about further assistance in the form of educational materials and training. The Department will continue to explore other options for cooperation and collaboration with the Department of Defense and the Department of Veterans Affairs to better support State Department employees who may be experiencing Posttraumatic Stress Disorder or traumatic brain injuries.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#4)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

The Department has a Medical Division on staff including a psychiatrist. What is the role of the Medical Division in working with FSOs and other State Department employees who are serving or have served in hardship posts?

**Answer:**

The Office of Medical Services oversees the Office of Mental Health Services which is staffed by 17 Foreign Service psychiatrists, 1 Foreign Service nurse practitioner, 1 Civil Service psychiatrist, 3 Civil Service psychologists, 6 Civil Service social workers, and 1 Civil Service psychiatric nurse. The following services are provided by the Office of Mental Health Services:

**Overseas**

Regional Medical Officers/Psychiatrists provide the following services:

- Direct mental health care to any Health Unit-eligible persons in the embassy communities in their regions.
- Offer preventive care through seminars to the community on mental health topics (on stress management; raising children overseas; conflict resolution in the workplace; alcohol abuse; coping with depression or anxiety; etc).

- Consult with post management on morale and leadership approaches for improving morale and work productivity.
- Make arrangements for medical-evacuations, when needed.
- Assess local providers to develop a list of referral sources that can be used for embassy personnel needing mental health care.
- Participate on the Family Advocacy Team (with the Deputy Chief of Mission and Regional Security Officer) in cases of alleged child abuse, child neglect and domestic violence.
- Conduct High Stress Assignment Outbriefs for personnel leaving unaccompanied tours if they are unable to attend the sessions offered at the Foreign Service Institute. These out-briefs are mandatory for employees leaving Iraq and Afghanistan and encouraged for other personnel completing unaccompanied tours.

**Domestic**

Foreign Service (FS) and Civil Service (CS) mental health staff in Washington provide the following services:

- Arrange for care and support of FS employees on psychiatric medical evacuations to Washington.
- Perform consultations with the Office of Medical Clearances for medical clearances on all applicants to the FS, and any in-service employee or family

member who has seen any mental health provider since their last medical clearance update, and anyone who has been medically evacuated for mental health reasons.

- Perform post-approval determinations for all FS personnel and eligible family members (EFMs) who have class 2 medical clearances.
- Consult with the Department's Diplomatic Security Office of Personnel Security and Suitability for medical evaluation of matters that raise questions about suitability for a security clearance.
- Participate on the Family Advocacy Committee in cases of alleged child abuse, child neglect, and domestic violence.
- Conduct monthly High Stress Assignment Outbriefs at FSI.
- Provide an Employee Assistance Program available to all FS and CS employees for assessment, brief treatment, or referral to local private practitioners.
- Assess the special educational needs of children with learning disabilities to provide post approvals for posts that have adequate schools and support services, and approval for Special Educational Needs allowances.
- Assess circumstances to determine eligibility for "compassionate curtailment" for FS employees.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#5)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

It is clear that the Department is in need of more positions to address staffing shortages and training. However, the reality is that in a tight budget year the funding may not be available at the level required by the Department. How does the Department plan to address any shortfall in staffing needs? What areas will suffer most because of the shortfall? And, what impact will this have on State's ability to meet its mission?

**Answer:**

The Department will continue to deal with staffing shortfalls by eliminating or not filling some less critical positions, considering "stretch" assignments on a case by case basis, seeking qualified Civil Service volunteers and Eligible Family Members to fill vacant Foreign Service positions, and waiving language requirements for certain assignments. In conjunction with the third phase of the Global Repositioning exercise in FY2007, we eliminated several domestic Foreign Service and Civil Service positions to provide a small number of positions for language training. This small increase notwithstanding, the Department will continue to be faced with the choice between not training sufficient numbers of Foreign Service officers in our most critical needs languages, such as Arabic, or continuing to increase our language training enrollments and leaving more vacancies at overseas and domestic locations.

Of particular concern is the potential for overseas vacancies at a time when the Department is striving to increase its overseas presence and more actively engage non-governmental organizations, foreign media, and host country populations outside of capital cities. The Department's FY2008 budget request emphasized positions to meet increased overseas mission requirements, not in place of our global repositioning initiatives, but in addition to what has been repositioned to our most strategic locations.

The Department is also faced with the critical task of fully implementing the Secretary's vision of enhanced USG civilian capacity to support reconstruction and stabilization efforts. Without resources dedicated to this endeavor, the Department will be limited in its ability to lead, coordinate, and institutionalize the U.S. government's capacity to prevent or prepare for post-conflict situations, and help societies in transition.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#6)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

In its investigation, the Government Accountability Office (GAO) found that junior officers in so-called stretch positions were denied management training because they were not tenured mid-level officers. This clearly leaves these employees, often serving in hardship posts, without the requisite skills to do their jobs properly. What is the Department of State doing to provide needed management training to FSOs filling stretch positions?

**Answer:**

The Department's policy is to provide, to the maximum extent possible, assignment-appropriate training to all officers, including to entry-level officers going into stretch assignments. This naturally includes training to instill supervisory and management skills when needed.

Management and leadership training is incorporated into the various training courses provided at the Foreign Service Institute (FSI) to Foreign Service officers. Since it is common for first and second-tour Public Diplomacy, Consular, and Management Generalists to supervise Foreign Service Nationals (FSNs) and other locally employed staff, supervisory and management skills are covered in entry level courses. The A-100 Orientation Course taken by all Foreign Service Generalists includes segments on management, leadership, and teambuilding, and includes a two-day offsite devoted to developing these skills. A-100 also has

sessions on managing FSNs, Working Across Cultures, Ethics, and Professional Conduct, among others. Later in their careers, Foreign Service employees are required to take additional leadership training as part of the Department's Career Development Program.

Entry-level officers assigned to Consular positions are enrolled in the Basic Consular Course, which includes segments on managing local consular staff and implementing the Leadership Tenets of the Bureau of Consular Affairs. Officers who will serve as sole consular officers on their initial tours can take the Consular Management at a Small Post course, as appropriate. First and second-tour consular officers who will serve as unit or section chiefs may take courses normally recommended for mid-level consular officers.

Entry-level officers assigned to positions in Management, Political, Economic, or Public Affairs Sections also receive the appropriate Administrative Management, Political/Economic Tradecraft, or Public Diplomacy training. These courses build on what is covered in A-100 and incorporate sessions on effectively working with and managing FSNs and other locally employed staff.

FSI has published a Leadership Training Continuum to help guide employees in developing these skills throughout their career. In addition, all employees, including entry-level officers, are eligible to participate in ongoing training through FSI's distance learning FasTrac program, which offers such

courses as Succeeding as a New Manager, Maintaining a Productive Workforce, and Managing and Motivating Your Staff.

A new Specialist Leader Consultation program offered by FSI's Leadership and Management School (LMS) includes one-hour of individual coaching and provides leadership and management resource materials for entry-level FS Specialists before they go to post. LMS trainers are also available for telephone consultation. So far, 40 Specialists have taken advantage of this program.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#7)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

Foreign language skills are an essential part of meeting our foreign policy objectives. In your testimony, you mentioned that enrollment in Arabic language courses since 2001 has quadrupled. Recruitment of foreign language experts is also very important.

- a) Can you provide the number of officers currently fluent in Arabic languages and how many more are needed?
- b) What changes has State made to its recruitment program that would encourage the hiring of employees that already have skills in critical needs languages?
- c) How does State ensure that such employees are actually assigned to countries where their language skills can be effectively utilized?
- d) Has State offered any new incentives for employees to improve their language skills?
- e) How many Arab-Americans have been recruited into the Department since September 11, 2001?

**Answer:**

a) The Department has made significant efforts to increase its corps of Arabic speakers, but historical funding and staffing shortfalls, coupled with the complexity of learning Arabic, present no rapid solutions. As of May 31, 2007, there were approximately 250 Foreign Service Generalists and Specialists who had tested Arabic proficiency at 3/3 (General Professional Proficiency in speaking and reading) or higher. Currently, there are around 220 Arabic language-designated positions worldwide for Foreign Service officers. Our goal is to retain at least 2.5

Arabic speaking employees for every Arabic language-designated position. To reach this goal, we need approximately 550 Arabic speakers within the Foreign Service. Once we achieve our goal, Arabic speaking employees could expect to serve 40 percent of their time in Arabic language-designated positions.

b) To bolster its cadre of Arabic speakers, the Department has focused recruiting efforts on schools and organizations with Arabic language programs and awarded bonus points in the hiring process to candidates with demonstrated Arabic proficiency. Foreign Service candidates who pass the Foreign Service Officer Test and claim a working knowledge of a Super Critical Needs Language – Arabic, Dari, Farsi, Hindi, Mandarin Chinese, or Urdu – will have their language skills assessed through a telephone test. A passing score of 2 or higher (on a 5-point scale) will enhance the applicant’s candidacy in the review by the Qualifications Evaluation Panel. In addition, candidates who demonstrate proficiency through the Foreign Service Institute-conducted telephone test in one of the six Super Critical Needs Languages listed above or in any one of the Critical Needs Languages (Russian, Korean, standard forms of Chinese, certain South Asian languages (Nepali, Bengali, Punjabi, Gujarati, Kannada, Malayalam, Sinhalese, Tamil, Telegu), certain Iranian languages (Tajiki, Pashto), and Turkic languages (Azerbaijani, Kazakh, Kyrgyz, Turkish, Turkmen, Uzbek)), will receive bonus points that materially increase their chances of being hired.

- c) Successful candidates who take advantage of this critical needs language initiative will be required to serve in a country where their language skills can be utilized at least twice in their careers: once during their first two tours and again after being promoted to the mid-levels of the Foreign Service. The Office of Career Development and Assignments ensures that officers meet these obligations.
- d) In addition to expanding our recruitment of Arabic and other critical needs language speakers, the Department has offered incentives to current State Department employees to enhance their language skills. We have increased Arabic training opportunities, including through the use of distance learning courses, and introduced a new initiative to allow Foreign Service officers to break their current assignments and immediately begin Arabic language training. Sixty-six State Department employees have just started the first year of full-time Arabic training at the Foreign Service Institute (up from 54 in fall 2006) and 22 students have just started their second year of Arabic training at the Arabic field school in Tunis. We also plan to pilot a more generous Language Incentive Pay program for Arabic which will emphasize proficiency in the spoken language.
- e) The Department has hired more than 45 new Foreign Service Officers with Arabic language proficiency since 2004. We do not track the number of Arab-Americans who have been hired, however, as "Arab-American" is not a standard classification of racial or national origin.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#8)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

Has State fully implemented GAO's recommendations that it consider an assignment system that allows for longer tours, consecutive assignments in certain countries, and more regional specialization in certain areas to hone officers' skills in certain very difficult languages and better leverage the investment State makes in language training? If not, what are the barriers to implementation?

**Answer:**

In order to fill the Department's most critical overseas positions, including those in Iraq and at other hardship posts, we introduced substantial changes to the assignments process in 2006. These changes included prioritizing the order in which assignments to posts are made and tightening the "Fair Share" rules requiring service at hardship posts. We also eliminated fourth year extensions at posts with less than 15% differential. These changes proved effective in helping us to staff our most critical posts. By the end of May 2007, we had successfully filled nearly all of our unaccompanied positions worldwide, including 99% of our summer 2007 positions in Iraq, all with volunteers.

To continue to effectively meet the challenge we face in staffing Embassy Baghdad and the Iraq Provincial Reconstruction Teams (PRTs) with qualified officers, in June 2007 we introduced the first-ever country-specific assignments

cycle for Iraq. We also offered “linked assignments” for some mid-level positions in Baghdad for the first time. Under this initiative, an officer who agrees to serve a one-year tour in Baghdad is guaranteed a subsequent tour in a designated post such as Tokyo, Pretoria, Santiago, or Brussels. As of September 14, we have already filled more than 30% of the summer 2008 vacancies in Iraq and will continue to work throughout the fall to find the best qualified men and women to serve at the Embassy in Baghdad and in the PRTs.

While we are proud of our success to date in staffing our most critical positions around the world, we continue to review our assignments process to see if additional changes are needed. We are looking into the possibility of extending one-year tours at some unaccompanied posts to two years. In establishing tour lengths, we must carefully balance the negative aspects of extended assignments in high-stress posts, including the strain of long-term family separations and the pressure of working under dangerous conditions, with the advantages that come from reduced personnel turnover and less burden on the assignments system. As for the GAO’s recommendations about regional specialization and foreign language skills, the Department’s Career Development Program requires that Foreign Service Generalists serve three tours or six years in a particular region before they can be promoted into the Senior Foreign Service. The Career Development Program also requires officers to maintain Professional Proficiency in at least one foreign language to be eligible for promotion into the Senior ranks

and encourages employees to gain even higher proficiency. These aspects of the Career Development Program address the GAO recommendations and help the Department to create a cadre of highly skilled Foreign Service Generalists.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#9)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

The Department has done a good job of implementing its Student Loan Repayment program. What other workforce flexibilities has the Department used to help recruit and retain its employees?

**Answer:**

In addition to the Student Loan Repayment Program, the Department of State offers workplace flexibilities such as the use of alternate work schedules and telework. These programs benefit the Department and its employees by reducing absences, promoting environmental protection by reducing the number of commuters, easing crowded office space, accommodating people with disabilities, and increasing productivity. The Department currently has around 3,000 positions that are considered eligible for telework arrangements. As of June 30, 2007, more than 80 percent of those positions were filled by employees willing and eligible to telework.

The Department can offer recruitment, retention and relocation bonuses to Foreign Service Specialists and Civil Service employees when needed. In the past, the Department has used these bonuses to attract top quality candidates in mission

critical occupations, such as IT specialists and medical personnel. Foreign Service Generalists are not currently eligible to receive these bonuses under Title V (5 USC 5753 and 5 USC 5754). The Department is seeking a technical legislative fix through its FY08-09 Authorization Bill that would allow Foreign Service Officers to be eligible for recruitment, retention, and relocation bonuses.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator Daniel K. Akaka (#10)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

GAO found that consular and public diplomacy positions are the hardest to fill, but that staffing shortages prevented embassies and consulates from using the increased funds made available for such training because officers are deployed to fill vacant positions more quickly. For consular work, this has resulted in extensive wait times for applicant visa interviews. Are you concerned that such delays could foster reciprocal measures by other countries in which Americans seek visas?

**Answer:**

Generally, no, due to our consistent efforts to reduce wait times.

While security is always our primary concern, since 9/11 the Department of State has worked tirelessly to improve the efficiency, transparency and predictability of the visa process. For example, we post visa appointment wait times on-line so applicants know what to expect when making their travel plans. We have established the goal of a global service standard of 30 days within which it should be possible to obtain a visa appointment at any post.

We have no indication that other countries impose visa issuance delays on American citizens in retaliation for long wait times for their citizens.

**Question for the Record Submitted to  
Acting Director General Heather Hodges by  
Senate Daniel Akaka (#11)  
Senate Homeland Security and Governmental Affairs  
Subcommittee on Oversight of Government Management,  
the Federal Workforce, and the District of Columbia  
August 1, 2007**

**Question:**

I am very concerned about reports of FSOs having to sleep on cots in the U.S. Embassy in Iraq, and there not being enough cots to meet the demands. What efforts is the State Department taking to address the safety and security needs of its employees serving in Iraq and other combat zones?

**Answer:**

The Department is not aware of any shortage of cots to meet demands.

The Bureau of Diplomatic Security (DS) is responsible for providing a secure environment for the conduct of American Diplomacy by protecting people, property, and information. In Iraq, DS has a significant presence and a unique role in providing for the safety and security for all U.S. government personnel under the authority of the U.S. Ambassador, except those personnel embedded and assigned to US military units in support of reconstruction efforts.

DS is responsible for security at a number of locations in Iraq including the U.S. Interim Embassy (Chancery), the Interim Embassy Annex, the New Embassy Compound, and a number of other sites located

within Baghdad's International Zone. DS also provides security for Regional Embassy Offices in Basrah, Hillah, and Kirkuk as well as Provincial Reconstruction Teams (PRT) in Erbil and Dhi Qar, including USAID facilities, offices and personnel in other operational centers and satellite locations.

To support this mission critical security operation, a detachment of U.S. Marine Security Guards (MSG), work at the direction of the Regional Security Office to protect the U.S. Interim Embassy, mission personnel and classified information. Over 1,700 third-country nationals make up the static guard force, managed by DS, which augments this effort as well as provides coverage at various U.S. diplomatic facilities throughout Iraq. In addition to these assets, DS security specialists have implemented numerous physical security countermeasures to protect Chief of Mission facilities throughout Iraq, which include: blast-resistant doors and windows; vehicle barriers; blast protection walls and components; access-control facilities; cameras, alarms, and x-ray machines; as well as explosive trace detection units.

When U.S. Embassy personnel and VIPs travel outside of protected facilities, DS personnel conduct threat assessments, plan travel routes, and then deliver them safely to their destination using a fleet of fully armored

vehicles and other assets, to include rotary wing aircraft (helicopters). This effort can typically include security for visiting U.S. Cabinet members, U.S. Congressional delegations, presidential and congressionally appointed bodies, such as the Iraq Study Group, Provincial Reconstruction Teams based at Regional Embassy offices, and designated Coalition-led Provisional Reconstruction Team (PRT) locations. To accomplish this mission, DS manages a large number of private-sector U.S. contractors who provide protective security services in support of US Embassy operations.

**Questions for the Record Submitted to  
Acting Director-General Heather Hodges by  
Senator George V. Voinovich (#1)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

Please describe the actions the State Department has taken to alleviate the passport backlogs, including:

- a.) When do you expect to clear the current backlog of passport applications?
- b.) How many weeks are current applications taking to be processed?
- c.) What goal has the State Department set for timely passport adjudication?

**Answer:**

The Department implemented an action plan to reduce the backlog of passport applications and, as given testimony by Assistant Secretary Harty states, “return to eight weeks by September 30, 2007, and our traditional service standard for routine applications of six weeks by the end of the year.” We are on track to achieve this goal through a combination of increased personnel resources, targeted work transfers and maximized production capacity at our mega-processing centers.

We have brought on hundreds of new employees, including passport adjudicators and processing staff over the past several months, set up around-the-clock operations at passport processing centers, and added phone lines to respond to customer inquiries. We deployed nearly 400 Department volunteers, including

consular officers and Foreign Service Officers currently assigned to posts overseas who are experienced adjudicators, to taskforces located at the National Passport Center in New Hampshire, the Washington Passport Agency, SA-44 in Washington, D.C., and the New Orleans Passport Center. We dispatched teams of passport specialists to exceptionally high volume passport agencies to assist with walk-in applicants and to process pending applications. These teams also provide customer support, including locating and expediting applications of customers with urgent travel needs.

Processing times have decreased and passport issuances have increased significantly. In July, we issued close to 2 million passports, almost double the number processed in July 2006. We are currently issuing over 500,000 passports per week and, with this level of production, expect to meet our objective of reducing processing time for routine applications to eight weeks by September 30.

**Questions for the Record Submitted to  
Acting Director-General Heather Hodges by  
Senator George V. Voinovich (#2)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

Is your staff prepared to handle the additional workload when passport requirements are fully enforced for air travel in the Western Hemisphere? Please describe the actions the State Department is taking to ensure timely processing as the Western Hemisphere Travel Initiative (WHTI) moves into its land border crossing phase next year.

**Answer:**

Yes. The Department has made a commitment to return to a predictable six week process while maintaining the security needs of our nation and has dedicated the necessary staff to reach that goal by the end of the year, as Assistant Secretary Harty has testified. In the long term, our indicators lead us to believe that implementation of WHTI has created a permanent increase in passport demand. Today's record-breaking demand is not an anomaly; we believe it will continue to grow and currently project the demand for passports to be approximately 23 million in 2008, and as high as 30 million by 2010. Over 80 million Americans currently have passports – more than 25 percent of all citizens.

To increase our productive capacity in a sustainable fashion, the current emergency measures in place to address this summer's unprecedented volume

must be replaced with a permanent solution to meet future demand requirements. We are moving forward with plans that will provide us the capacity to meet expected demand through 2008 and beyond. We are hiring 400 additional passport specialists this fiscal year and will hire a similar number next fiscal year. We are also implementing long-term strategies to increase production and centralization of passport printing and mailing.

This new business model frees up space and personnel at our existing passport agencies to focus on the critical areas of customer service and adjudication and allows us to process more passport applications. Building on our successful experience with the Arkansas Passport Center, we plan to open a similar printing and shipping facility, also with the capacity to produce 10 million passports per year, in 2008. When ready, passport cards also will be prepared at these two book-print facilities. We are increasing capacity at existing passport agencies as well and are exploring opening additional passport agencies later in FY 2008 and FY 2009 to enhance our customer service around the country.

We firmly believe that these long-term strategies will provide the staffing levels and infrastructure to meet the increased demand in State Department issued travel documents generated by the documentary requirements of WHTI.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#3)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

I am concerned about the criteria applied to designated Road Map countries seeking Visa Waiver Program (VWP) membership. Many of our allies seeking program status have expressed concern regarding the consistency and transparency of the process. In particular, there is concern regarding the calculation and determination of refusal rates. Please describe the manner in which visa refusal rates are calculated, the training and guidance given to consular officers in making determinations, as well as the barriers that currently exist to reducing refusal rates in prospective Road Map countries. What technical guidance does the State Department provide to prospective VWP countries in meeting the statutory criteria for program membership?

**Answer:**

The criteria applied to all countries participating or seeking to participate in the Visa Waiver Program are those specified in the Immigration and Nationality Act (INA). The use of the non-immigrant visa refusal rate as one of the threshold criteria for program participation has always been a provision of the program and remains a provision under recently passed legislation reforming the program. For purposes of the Visa Waiver Program (VWP), only refusal rates for B-1 and B-2 (B-1/B-2) visas, temporary visitors for business or pleasure, are considered, since nationals of VWP countries may also only travel under the VWP for temporary business or pleasure.

Criteria for determining visa eligibility and refusals are universal. There is no special application in countries participating in or seeking admission to the Visa Waiver Program. Refusal rates for determining VWP eligibility are similarly global – that is, they are calculated based on applicants’ nationalities, collected worldwide, not on refusals at a particular post or within a particular country. The INA and applicable regulations set all visa eligibility standards and criteria.

The 13 VWP “Roadmap” countries have all established Consular Working Groups through which U.S. and foreign government officials work together regularly to identify areas where additional actions, cooperation, dialogue and assistance can bring countries closer to meeting VWP legislative criteria. The consular working groups create an active and productive dialogue on security and cooperation issues, as well as VWP criteria that will serve all of our nations’ interests. When it appears that key criteria are likely to have been met, and results of our consultations within the Administration and with Congress have been taken into consideration, the Departments of State and Homeland Security will undertake a formal review of countries’ candidacy for the Visa Waiver Program.

All Consular Officers receive extensive training on applying the law, regulations, and standard procedures at the Foreign Service Institute (FSI) before they are authorized to adjudicate visas. We provide comprehensive and thorough training that includes practical training in interviewing techniques.

Supervisory officers review at least 20 percent of visa refusal decisions and 10 percent of visa issuance decisions. They review a higher percentage when practical or when reviewing the work of inexperienced officers. We also regularly perform validation studies based on standard statistical principles to verify the outcomes of visa adjudication decisions. Visa decisions are made on a case-by-case basis, and existing supervisory and review systems are designed to ensure that these individual decisions are consistent with U.S. law and regulation.

The most common reason for a non-immigrant visa refusal is that the applicant did not establish his or her eligibility for the visa class for which he/she applied. For example, in applying for a B-1/B-2 visa, the applicant must demonstrate that the purpose for which he/she intends to travel to the U.S. is for temporary business or pleasure. Another key factor in eligibility for a B-1/B-2 visa is that the applicant establish that he/she has a residence abroad that he/she does not intend to abandon, i.e., that the applicant does not intend to live or work in the United States, but intends to return to his current situation abroad after a temporary visit. In fact, section 214(b) of the Immigration and Nationality Act sets forth a “presumption of intent to immigrate” that the applicant must overcome. Applicants from countries with less robust economies, high unemployment or under-employment, or a less stable political system, for instance, may find it more difficult to overcome this presumption and demonstrate an intent to return, and

thus, nationals of that country may have a higher refusal rate.

Visa refusal rates are an aggregate expression of this case-by-case process. We monitor the visa adjudication process at post and from Washington at this individual level and our process is not driven or measured by the overall refusal rates. At the visa processing level there are no institutional, regulatory or procedural barriers keyed to refusal rates. When the percentage of qualified applicants rises, visa refusal rates fall.

We post the visa refusal rates used for determining whether a country meets the statutory thresholds for participation in the Visa Waiver Program on the Internet at [www.travel.state.gov](http://www.travel.state.gov). There is complete transparency regarding how these rates are calculated, and a detailed technical explanation of the calculations is also given at that site. We have appended the refusal rate tables and the explanatory material regarding their calculation for your reference.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#4)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

Several different numbers were given at last week's hearing on how many mid-level positions are needed to replace those lost to downsizing in the 1990s and to fill key positions currently vacant because of demands in Iraq and Afghanistan. The numbers ranged from 1,000 to 1,200 positions and an even higher estimate was expected to be included in a soon-to-be-released Center for Strategic International Studies report. What is the Department's best estimate of the number of new positions needed and the cost to fully fund them? Please explain how the number of positions and cost estimates were determined.

**Answer:**

For each of the past three years, the President's budget submission has included a request for new State Department positions. The Department's Fiscal Year 2008 budget request included 254 new positions under the Secretary's Transformational Diplomacy initiative covering training, surge, and rotational requirements. The request submitted in 2008 was one year of a multi-year strategy to support the Secretary's Transformational Diplomacy Initiative. The requirement for 254 new positions was derived through the Department's Bureau Strategic Planning process and verified using the Department's Overseas and Domestic Staffing Models.

The Department is currently in the process of developing our Fiscal Year 2009 request. We are evaluating our human capital needs based on strategic planning tools and the Department's increasing personnel needs required to maintain operational readiness in the post-9/11 world. We are facing challenges such as the current deficit of mid-level Foreign Service Generalists, the need for a more robust training float, the creation of an infrastructure to lead the USG's reconstruction and stabilization activities, and additional personnel needed to facilitate interagency exchanges and to fulfill Executive Order 13434 by creating a National Security Professional corps. To meet these challenges, as well as the increasing demands for critical language training and rotational demands of hardship tours, our total needs are approximately 2000 positions.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#5)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

What is the Department doing to prepare the cadre of mid-level Foreign Service Officers for senior positions?

**Answer:**

To prepare the next generation of Foreign Service leaders, the Department has mandated leadership training, introduced a Career Development Program, and instituted the use of “360 degree reviews” for candidates seeking Chief of Mission, Deputy Chief of Mission, Principal Officer, and some other management positions.

In 2002, former Secretary of State Powell instituted mandatory leadership training for Foreign Service personnel. Foreign Service members are required to take the appropriate week-long training course before they can be promoted to the next level or into the Senior Foreign Service. The leadership courses include supervisor, subordinate and peer reviews, group exercises, and facilitated discussion of leadership styles, strategies, and challenges. At the end of Fiscal Year 2006, 8775 employees had taken the mandatory training.

To further support and institutionalize the development of junior and mid-level employees, the Department introduced the Career Development Program (CDP) for Foreign Service Generalists on January 1, 2005, and for Foreign Service Specialists on January 1, 2006. The aim of the CDP is to create a senior corps of generalists and specialists whose experience and training will enable them to effectively become the next generation of senior leaders within the Department.

The CDP is based on four principles: Operational Effectiveness, Leadership and Management Effectiveness, Language and Technical Proficiency, and Responsiveness to Service Needs. Under the CDP, Foreign Service Generalists and Specialists must meet, according to their functional skill group, a set number of mandatory requirements that correspond to the four CDP principles. They must also choose from among a group of elective requirements. Meeting the CDP requirements for a skill group opens the gateway to the top levels of the Foreign Service corps. For generalists and some specialists, this gateway is the Senior Threshold Window. For some of the specialist skill codes, the gateway gives access to the pinnacle for a specific group, which might range from FS-01 to FS-04.

The CDP guides employees to develop expertise through several assignments in a geographic area or within a thematic focus. It also emphasizes language training and service at a 15 percent or higher differential post. Because

CDP stresses service in difficult parts of the world, acquisition and maintenance of foreign language proficiency, and deep regional and functional expertise, it dovetails perfectly with the Secretary's Transformational Diplomacy initiative.

As part of the effort to institutionalize a culture of leadership within the Department and to underscore the importance of demonstrated leadership skills in senior managers, the Department has phased in the use of a 360-degree review process for candidates seeking certain managerial positions. The 360-degree reviews are considered in evaluating candidates for Chief of Mission, Deputy Chief of Mission, and Principal Officer positions. The Department plans to expand the use of 360-degree reviews in the summer 2008 assignments process to include candidates for some other management positions, such as Section Chiefs, Office Directors, and Deputy Office Directors.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#6)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

The Department places staff from time-to-time in positions above grade to fill staffing gaps. Can you give a rough estimate of how many Foreign Service Officers are in stretch assignments for this reason? What factors do you consider in making these types of assignments? What is done to prepare staff for a stretch assignment? Do you place any limits on the number of staff at a post serving in stretch assignments at the same time?

**Answer:**

The assignment of Foreign Service employees to at-grade, in-cone positions is the most effective use of State Department human resources. Stretch assignments, broadly defined as any assignment above or below a bidder's grade, are made only after a full review of the availability of eligible at-grade bidders, as well as the stretch candidate's qualifications. Out of nearly 3,000 mid-grade positions (FS-01, 02, 03 levels) for Foreign Service Generalists, as of March 31, 2007, around 640 (21 percent) were filled by officers in positions above their personal grades (i.e. an FS-03 officer filling an FS-02 position). Over the course of the assignment, some of the officers occupying positions above their personal grades will be promoted, in which case they will no longer be in stretch assignments.

When upward stretch assignments are proposed, the candidate's overall qualifications and prior experience must be thoroughly reviewed as well as the availability of eligible at-grade bidders. In recent years, stretch assignments have helped the Department to bridge the gap between the number of mid-level positions and mid-level officers – a gap that we are now closing because of the hiring authorized by the Diplomatic Readiness Initiative. In addition, certain categories of employees may be considered for upward stretch assignments. In declining order of preference, these include:

- Meritorious Step Increase (MSI) Recipients;
- Differential Bidders (applies to most bidders currently serving at a 15% or higher differential post);
- Key Position (requiring personal concurrence of a Department principal);
- Service Need (includes Hard-to-Fill positions, Historically-Difficult-to-Staff posts, Critical Needs positions, Urgent Vacancies, and stretch assignments to 15% or greater hardship differential posts);
- Directed Assignments;
- Career Enhancing Assignments.

There is no standard preparation for a stretch assignment but, as with any employee, if training is required to enhance qualifications, it is arranged.

“Downstretches” (i.e. an FS-02 officer filling an FS-03 position) are not generally encouraged because of potential negative effects on an employee’s career development. Proposals for downstretches must have a strong justification – usually related to a health or family situation – and are reviewed on a case-by-case basis.

We do not place limits on the number of staff at any given post in stretch assignments. In looking out for posts’ interests, however, bureaus carefully consider the mix of employees needed to accomplish their mission. Too many stretches at one post would not normally be desirable so bureaus do attempt to attract the most qualified in-cone, at-grade bidders.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#7)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

How is the Department recruiting, developing, and using its civil service employees to meet its current mission requirements? Are these actions guided by a strategic human capital plan? If so, how is this plan changing under the Secretary's "transformational diplomacy" initiative and are the skills needed also changing? If so, how? What are you doing to meet new needs through training?

**Answer:**

The Department of State's corps of 8,500 Civil Service employees plays an essential role in implementing the Department's mission, as guided by the Secretary's transformational diplomacy initiative. Civil Service employees perform critical work in all of the Department's bureaus and some have volunteered to fill vacant Foreign Service positions overseas, including in Iraq and Afghanistan. From strategic workforce planning and targeted recruitment to the training and development of employees throughout their careers, the Department is committed to sustaining a top quality Civil Service workforce.

On an annual basis, the Department prepares a 5-year Strategic Workforce Plan that analyzes the size and demographics of the current workforce and projects future workforce requirements over the next 5 years in alignment with the

Department's strategic plan and current priorities. While the Department utilizes a multitude of occupations to carry out its mission, we also recognize that certain occupations warrant special focus in workforce planning because of their criticality to the overall mission of the Department. The Department is in the process of establishing a competency management process to assess and track the proficiency levels of the employees in its mission critical occupations. These competency assessments should allow the Department to further refine its Strategic Human Capital Plan and determine our Civil Service staffing needs.

Recruiting for Civil Service positions is an integral part of the Department's general recruiting effort. The recruiters in the Bureau of Human Resources' Outreach Office and the Department's career website, [www.careers.state.gov](http://www.careers.state.gov), provide information to job seekers about State Department employment as a package of options. The website guides inquirers to specific Department Civil Service vacancy announcements on the Office of Personal Management's central website, USAJOBS. Recruiters provide specifics of Civil Service programs via electronic communications and at career fairs, information sessions and other public outreach events. Diplomats in Residence, assigned at seventeen campuses across the country, also provide a full range of information on both Civil Service and Foreign Service careers. The Outreach Office is currently involved in expanding and improving coordination with other parts of the Department holding

separate hiring authority, such as the Bureau of Diplomatic Security and the Bureau of Consular Affairs, to ensure maximum coordination and cooperation in reaching out to those seeking positions in the Department.

The Department's Office of Civil Service Personnel (CSP) oversees the evaluation and development of Civil Service employees. CSP has worked with OPM to conduct a pilot program to test a new performance management and evaluation process that links employees' job responsibilities to the Department's strategic goals and bureau strategic plans. CSP is planning to introduce this program to all Civil Service personnel in January 2008. CSP also has a number of programs focused on Civil Service career ladders. Under one such program, the Career Entry Program (CEP), the Department hires and trains new employees in job series that are targeted for future shortages. Another program, the Civil Service Mid-Level Rotational Program, is designed to cross-train high potential, mid-level professionals to expand their understanding of the Department and allow them to build a network of contacts outside their home bureau.

CSP also offers mentoring programs for Civil Service personnel to encourage the current generation of leaders to pass on information to the next. These programs help participants understand the Department's culture and communicate across bureaucratic boundaries, and help the Department develop and retain highly-skilled employees. A Senior Advisor for Mentoring Coordination

was named by Under Secretary Fore in May 2006.

In addition, CSP operates the Career Development Resource Center (CDRC) to provide comprehensive career development services to help individuals make effective career decisions and improve on-the-job performance. The services offered by the CDRC include confidential career counseling, help in planning and implementing Individual Development Plans (IDP), assessment and interpretation of interests, skills and abilities, help in negotiating change and barriers to career success, group workshops on career related topics, and customized presentations for bureaus and employee groups.

The Department's Civil Service workforce is eligible to enroll in virtually all courses offered by the Foreign Service Institute (FSI). These include tradecraft courses (Administrative Management, Consular, Economic/Commercial, Political, Public Diplomacy, Area Studies and Office Management Training), Information Technology (for both end-users and IT specialists), Leadership and Management (including mandatory leadership training for mid-level personnel and diversity training for supervisors), language training, and programs conducted by FSI's Transition Center. FSI's curriculum focuses on foreign affairs related topics. For broader training subjects applicable to the Civil Service, such as acquisitions or human resources, State's Civil Service employees can enroll in FSI's External Training program.

Civil Service employees have access to all of FSI's distance learning courseware, as well as the over 3,000 courses available through the commercial FasTrac distance learning and the Rosetta Stone language distance learning programs. In FY 2006, there were over 12,000 enrollments of CS employees in all types of training, accounting for almost 346,000 hours of training.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#8)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

GAO recently upheld the dispute on the award of the U.S. embassy compound in Djibouti.

- How will this decision affect existing or future construction projects? How does the Department plan to comply with the GAO decision and what does that do to the project already under construction by the now-disqualified contractor?

**Answer:**

The above-referenced GAO decision has been affected by a recent holding of the U.S. Court of Federal Claims, in Washington, D.C. On August 3, 2007, the court considered the GAO's decision and filed a contrary opinion in *Grunley Walsh International L.L.C. and American International Contractors (Special Projects), Inc. [AICI-SP] v. United States*. The court held that the Department's withdrawal of pre-qualifications for plaintiff contractors Grunley Walsh and AICI-SP for 2007 New Embassy Compound (NEC) projects violated the law. The court determined that the GAO misinterpreted the relevant section of the U.S. Code, and that the Department's reliance on the GAO's decision was thus

arbitrary and capricious. Accordingly, the court ordered the Department to reinstate the pre-qualifications of the plaintiff contractors for the 2007 NEC program.

Neither the GAO's nor the court's decision will produce a net change in existing or future projects, with the exception of the Djibouti NEC. In the case of Djibouti, OBO had awarded the construction contract to AICI-SP, but work was suspended prior to issuance of the notice to proceed due to protests filed by Caddell Construction Company, Inc. Based on the GAO decision, OBO terminated the contract and took steps to re-compete the project. Although OBO has reinstated AICI-SP's pre-qualifications pursuant to the court's decision, OBO plans to issue a new solicitation for the Djibouti NEC in the first quarter of FY 2008.<sup>1</sup>

OBO has decided to re-compete the Djibouti project because, due to the time involved to resolve the protest, more than one year has passed since it was awarded. This lapse of time could impact construction costs, which would make previous bids obsolete. OBO can issue this solicitation despite the court's ruling because the court only addressed the issue of pre-

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<sup>1</sup> Based on the GAO's decision, OBO also withdrew pre-qualifications for Grunley-Walsh and Framaco International. However, neither company had contracts with OBO at the time. After the court's ruling, OBO reinstated the companies' status as pre-qualified contractors.

qualification for FY 2007 NECs. The decision does not preclude the Department from issuing a new solicitation for Djibouti in particular.

- How will this affect both schedule and cost?

**Answer:**

The Djibouti NEC was funded in FY 2006 for \$97,531,000, and was originally scheduled for completion in FY 2008. OBO has obligated \$74 million of the project's funds based on the value of the contract award, although none of the funds have been expended. Regardless, OBO can expect to pay fair and reasonable costs to AICI-SP associated with the contract termination. An exact accounting can be provided once the Department concludes negotiations.

The new start date for the NEC has not been determined. However, OBO expects to award the contract in the first quarter of FY 2008. Because of costs associated with AICI-SP's contract termination, total costs at the project's current scope would likely exceed the amount provided by Congress in FY 2006. Accordingly, OBO plans to revise the scope to stay within the original budget.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#9)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

In May, the State Department requested that Congress allow it to hire foreign contractors to construct diplomatic facilities abroad because “the current pool of American contractors qualified and able to carry out diplomatic construction projects overseas has nearly reached capacity.” However, it has come to my attention that some U.S. companies no longer are competing for embassy construction projects due to difficulty in dealing with the Overseas Buildings Office.

**Answer:**

Over the past several months, the Department has briefed various Congressional committees concerning the limited size of OBO’s contractor pool for large construction projects. Specifically, the Department has proposed changes to the *Omnibus Diplomatic Security and Anti-terrorism Act* (22 U.S.C. 4852) that would allow participation of both smaller American firms and foreign firms.

The proposed changes would enlarge OBO’s contractor pool without diminishing the ability of large American firms to bid on projects. Access to this more competitive environment would ensure that costs to U.S. taxpayers are reasonable. In fact, the cost-effectiveness of this approach is recognized

by Congress in its grant of such contracting authority to the Department of Defense (DOD).

- Have you seen qualified American companies that historically had built U.S. facilities overseas no longer participating in the process? If so, to what would you attribute their withdrawal from the market?

**Answer:**

Certain large American firms have indicated that working with OBO is not as profitable as working with the private sector or other Federal agencies. One firm (Fluor/J.A. Jones) has announced that it will no longer compete for OBO contracts. We believe numerous factors influence the views of these firms:

(1) Location: Many of the Department's projects are located in challenging and sometimes dangerous locations. Logistical arrangements can be difficult, costly, and changeable.

(2) Security requirements: For classified sections of facilities, "cleared" American personnel are required. Clearing and transporting American workers is much more expensive than hiring locally trained staff.

(3) Contract type: With the support of both Congress and OMB, OBO has insisted on use of firm-fixed-price contracts, while large American contractors and their trade association have asserted that cost reimbursement contracts would be appropriate given the risks involved. Cost

reimbursement contracts are favored by the construction industry, and understandably so, because contractors can bill for whatever costs they incur with a substantially reduced obligation to finish on time and on budget. Firm-fixed-price contracts, however, establish a price at which the contractor is responsible for delivering a complete project.

(4) Competitive domestic projects: Difficult overseas construction projects are less appealing to contractors when the market for domestic construction is strong. Currently, there is demand for government construction projects within the continental United States (e.g., the 2005 Base Realignment and Closure (BRAC); Katrina rebuilding).

The cumulative effect of these factors in 2007, combined with the high eligibility requirements of Section 402, has substantially diminished OBO's efforts to attract new entrants, and has created a less competitive environment for the Department's construction contracts.

- What steps could the Department take to ensure it has a sufficient number of qualified American companies to build U.S. facilities abroad?

**Answer:**

The Department has taken steps to include more American companies in the contracting process. For instance, since 2002 OBO has hosted "Industry Days" each year. This forum allows OBO the opportunity to

communicate directly with hundreds of design and construction companies at a centralized location. A more recent example is discussed on the first page of this response: the Department's development of proposed changes to the *Omnibus Diplomatic Security and Anti-terrorism Act*, which would broaden access to projects for more American firms.

The only way to appeal to American firms that currently qualify under the law is to make the projects more profitable. To accomplish this, OBO would sacrifice either quality or budgetary efficiency. The Department does not accept either of these options as appropriate or desirable.

**Questions for the Record Submitted to  
Acting Director General Heather Hodges by  
Senator George V. Voinovich (#10)  
Subcommittee on Government Management, the  
Federal Workforce and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

The Department continues to report that its embassy construction program is on time and budget; however, there are pending requests for equitable adjustment and outstanding claims outstanding [*sic*].

**Answer:**

For the embassy construction program, the Department bases measurements of timeliness and budgetary efficiency on whether each project is completed in accordance with the original contract and all subsequent modifications. Requests for modifications (i.e., requests for equitable adjustments (REAs) and claims) do not immediately affect schedule and budget, because contractors are obligated to complete projects regardless of the status of REAs and claims.

In many cases, resolved REAs and claims do not result in a change to the project's schedule. However, in some cases, resolved REAs and claims are incorporated through contract modifications and thus change the schedule and budget. For example, if it is determined that an REA for 60 extra days and additional costs of \$1 million has merit, then the contract schedule and budget would be modified accordingly. If the project meets the modified contract the

project would be “on time and on budget.” This method of determining timeliness and budgetary efficiency is standard in the construction industry.

- Please definitively state the number and amount of all outstanding requests for equitable adjustment and claims currently pending.

**Answer:**

Request for Equitable Adjustments (REA): Contractors submit REAs to the applicable Contracting Officer (CO) to request compensation for a perceived change to their contracts. Contractors can bypass the REA process and submit a formal certified claim pursuant to the Contract Disputes Act of 1978; however, contractors typically participate in the REA process prior to submitting a claim. If the CO denies an REA, the contractor can withdraw it and file a formal claim with the CO. If the CO rejects the claim, the contractor can file with the Court of Federal Claims or the Civilian Board of Contract Appeals.

OBO currently has 90 pending/open REAs.<sup>1</sup> This category consists of REAs in one of two phases:

(1) The contractor has submitted the REA, and the CO is negotiating and/or reviewing it.

(2) The CO has rejected the REA, but the contractor has not withdrawn it.

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<sup>1</sup> The REA and claim information referenced throughout this response includes data from all project types, including new embassy compounds, new office annexes, physical security upgrades, and facility rehabs.

The total amount requested by contractors in pending/open REAs is \$29.9 million, which includes:

- (1) Negotiation stage – 18 REAs worth \$11.9 million.
- (2) Review/evaluation stage – 13 REAs worth \$1.7 million.
- (3) Rejected by the CO – 59 REAs worth \$16.3 million.

Claims: The total amount requested by contractors in certified claims is about \$77 million, which includes:

- (1) Review/ evaluation stage with CO for consideration – 6 claims worth \$2,452,879
- (2) Litigation stage with either the Court of Federal Claims or the Civilian Board of Contract Appeals - 13 claims worth \$74,644,098

- How do these pending claims specifically compare [*sic*] claims filed in the preceding decade?

**Answer:**

Request for Equitable Adjustments (REA): OBO began tracking REAs in 2004. Since that time, 431 REAs have been resolved, which means the CO granted the REA (in 352 cases or 82%), or it was rejected by the CO and withdrawn by the contractor (in 79 cases or 18%). The total amount requested by contractors for this group of REAs is \$95.2 million. The 352 cases represent an amount of

\$34,803,558 million actually paid to contractors (as opposed to the requested amount of \$58,071,077). The 79 cases that were rejected represent a requested amount of \$37,172,479 million.

The number and size of REAs vary from contractor to contractor.

The following chart provides examples (including both resolved and pending REAs):

<i>Contractors</i>	<i>Total no. REAs</i>	<i>Total funds requested</i>	<i>Total no. projects awarded</i>	<i>Average no. REAs (REAs per project)</i>	<i>Average funds requested (funds per project)</i>
Caddell	32	\$11,628,981	7	4.6	\$1,661,283
BL Harbert	18	\$7,063,701	4	4.5	\$1,765,925
Zachry	13	\$5,613,012	3	4.3	\$1,871,004
Gilford	55	\$5,972,481	2	27.5	\$2,986,240
Hensel Phelps	199	\$27,687,360	2	99.5	\$13,843,680
Fluor/J.A. Jones	125	\$43,146,848	9	13.9	\$4,794,094

Long- and short-form names are as follows: Caddell Construction Company, Inc. ("Caddell"); BL Harbert International ("BL Harbert"); Zachry Construction Corporation ("Zachry"); Gilford Corporation ("Gilford"); Hensel Phelps Construction Co. ("Hensel Phelps"); J.A. Jones International a Fluor Company ("Fluor/J.A. Jones").

REAs are submitted for a number of reasons: schedule delay, project design, differing site conditions, changing security requirements, permits, program changes, etc. No particular reason for requests has ever dominated the REA process.

Claims: Since 1990, OBO has received a total of 37 certified claims (including the 19 current claims referenced earlier in this response). OBO was successful in settling the prior 18 certified claims for \$22.8 million. This resulted in a cost avoidance of \$44.7 million (based on the original amounts demanded by the contractors).

Two of these certified claims were settled after extensive litigation. These claims involved construction contracts for new office buildings in Caracas (1990) and Singapore (1993). In both instances, the court/board made several rulings in favor of OBO. In the Caracas case, the Board denied the contractor's claim for \$8 million and upheld OBO's counterclaim for liquidated damages. The case ultimately settled, with the contractor paying the U.S. Government \$1 million. In the Singapore case, the contractor settled for \$4 million after initially demanding \$21 million.

Not all construction projects generate claims. In fact, since 1990, out of 256 projects awarded and completed, 231 projects did not generate any certified claims.

Comparing past and present claims yields a similar result to the comparison of REAs, there are no particular underlying issues that dominate the claims process. Please note that a bulk of claims in litigation have been presented by a single contractor.

**Questions for the Record Submitted to  
Principal Deputy Assistant Secretary James Warlick by  
Senator Daniel K. Akaka (#1)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

The Government Accountability Office (GAO) has listed a number of barriers to employment at the United Nations (UN) including lengthy hiring practices and limited U.S. government support during efforts to obtain employment or to be promoted. However, there are some barriers that may dissuade U.S. applicants from seeking UN employment. For example, the Foreign Relations Authorization Act of fiscal year 1999 eliminated the equalization allowance that permitted Federal government agencies to claim the difference between their agency salary and that of the salary they receive while employed at the UN or one of its organizations. The allowance was, in some cases, an important tool in recruiting qualified government employees to work at the UN.

- A. Why was the allowance eliminated, and can you provide information on what the State Department has done to create alternative incentives?
- B. Has the Department of State established a joint duty program similar to the militaries that offers credit for UN service toward federal retirement?

**Answer:**

- A. The equalization allowance was eliminated after consultations with other federal agencies which concluded that the allowance had either minimal or no impact on their operations. Only a handful of federal government employees who had chosen to transfer to an international organization qualified for the allowance annually. Termination of the

allowance helped eliminate an issue of contention raised regularly and publicly at the UN General Assembly by other member states--that the U.S. Government was supplementing salaries, a practice prohibited by the UN. Elimination of the allowance also helped to address complaints from UN staff that salaries at the UN (which are based on the U.S. Civil Service) were clearly too low because the U.S. government itself supplemented them.

The Department continues to provide information to federal employees (and other Americans) indicating that the total compensation offered by international organizations is normally competitive with or sometimes better than that provided by the U.S. Government, depending on an individual's personal circumstances. Federal employees are also advised that if they obtain reemployment rights from their agency before transferring to an international organization, when they return to U.S. Government service, their salary will reflect step increases they would have earned while on transfer.

In addition, the Department of State has urged federal agencies to review their detail and transfer policies and practices to ensure that they promote employment in international organizations in a positive and proactive manner. Moreover, the Department has encouraged agencies to examine their policies and practices for returning employees from details

and transfers to ensure that reintegration procedures result in both the agency and employees benefiting from the international organization experience.

B. As prescribed in Sections 3581-3584 of Title 5, United State Code, federal employees on transfer to international organizations, who have obtained reemployment rights, are entitled to continue to contribute to the federal retirement plan in which they were enrolled before the transfer, and get credit under that plan for that period of service in an international organization (IO), provided they do not get credit under the IO's retirement plan for that same period of service.

**Questions for the Record Submitted to  
Principal Deputy Assistant Secretary James Warlick by  
Senator Daniel K. Akaka (#2)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

There are many avenues for the State Department to offer assistance in recruiting. The Web site established to assist American's in this effort does not have a link to the UN's job bank, and does not provide a great deal of information on how the State Department can assist employment candidates.

- A. Has the State Department considered posting UN openings on its Web site or on USAjobs.com?
- B. What additional outreach efforts does State have planned to attract and promote U.S. candidates for UN positions?

**Answer:**

A. For many years, the Department of State's website has contained a list of vacancies issued by over 40 organizations, including the UN. These vacancies are hyperlinked directly to the actual UN (or other international organization) vacancy so applicants can obtain complete details regarding the jobs and application process. In addition, the Office of Personnel Management's USAJobs website, under its "Info Center," already has a direct link to the Department of State's international organization employment opportunities website.

B. The Department is trying to expand outreach in several ways. We are currently collecting information on utilizing media outlets, including newspapers, local radio stations, and television, especially those that have a “public service” venue, to disseminate information on employment in international organizations.

In addition, the Department is seeking to increase its participation in career fairs. In so doing, we plan to better target career fairs, both geographically and by occupational field, in order to attract more candidates with the required skills and experiences.

Also, the Department will continue to expand its distribution of the international vacancy announcements list and seek to have professional associations, non-governmental organizations, and other organizations link their career websites with the Department of State’s website regarding employment in international organizations. We are working to update and expand information contained on our website so that it will be more useful to potential candidates.

**Questions for the Record Submitted to  
Principal Deputy Assistant Secretary James Warlick by  
Senator Daniel K. Akaka (#3)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

One of the principal impediments to U.S. employment at UN organizations is the lack of employment for spouses. While dual income families are less common in other UN member countries, they are far more common in countries such as the U.S. Lack of employment for spouses, in addition to the often significant cuts in salary that a prospective UN employee from the U.S. faces, creates financial hardship for those families and makes them less willing to accept positions. What is the State Department doing to provide better opportunities for spouses of prospective American UN employees?

**Answer:**

Providing better employment opportunities for spouses of prospective American United Nations (UN) employees is a major challenge. The UN recognizes that the lack of spousal employment affects recruitment and retention and engages host governments to improve this situation.

In some countries, work permits often are issued only on a limited basis. Prospects of a spouse gaining employment are also severely limited unless he or she is fluent in the local language. Depending on the work permit situation, we suggest to candidates that spouses could look into employment opportunities with private sector companies that do business

with the United States and other English-speaking countries. In addition, they could seek employment (including consultancies and other short-term work assignments) with international organizations at the potential post of assignment.

Alternatively we try to encourage spouses to take advantage of time off from work to seek education/skills for personal fulfillment or which may assist them gain other employment in the future.

**Questions for the Record Submitted to  
Principal Deputy Assistant Secretary James Warlick by  
Senator Daniel K. Akaka (#4)  
Subcommittee on Government Management, the  
Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
August 1, 2007**

**Question:**

In recent discussions with the International Atomic Energy Agency (IAEA), my staff was told that the benefits structure within UN organizations has deteriorated, providing decreasing incentives for people from member states to accept employment. Given that the U.S. contributes more than 25% of the UN's regular budget, in addition to sizable extrabudgetary contributions, what is the State Department doing to encourage the UN to review and revise that benefits structure?

**Answer:**

Salaries for professional staff in the UN system are based on salaries in the U.S. Civil Service, and a differential is added that ranges between 10 and 20 percent (in recent years it has been between 10 and 15 percent). The UN system provides competitive retirement and health benefit plans, generous annual, sick, maternity and paternity leave, ample holidays, an education grant for dependents of staff not living in their home countries, and a post adjustment. The latter compensates for differences in the cost-of-living from one duty station to the next and, therefore, varies in amount by place of assignment. As a result, organizations in the UN system generally do not have difficulty recruiting and retaining qualified staff. Exceptions are

most likely to occur when hard-to-find technical expertise is needed or the place of assignment is considered a hazardous or hardship location.

To ensure that international organizations can recruit for hard-to-find skills, the Department supported and continues to support strongly the concept of special occupational pay rates, which the UN General Assembly has already approved in principle. However, in the roughly 12 years since this option was made available, no international organization in the UN system has made a credible case for implementing such rates.

Especially because the U.S. is the largest contributor to international organizations and staff costs often amount to over 70% of their budgets, we maintain a policy of supporting equitable but not excessive compensation for UN system staff. We also encourage organizations to adopt family-friendly policies and other conditions of service that are cost neutral or low cost, such as flexible work schedules, because they can help attract and retain employees.

**Chairman Daniel K. Akaka  
Senate Homeland Security and Governmental Affairs  
Subcommittee on Oversight of Government Management,  
the Federal Workforce, and the District of Columbia  
Questions for the Record**

**Submitted to Jess Ford  
Director  
International Affairs and Trade, Government Accountability Office**

**“Building a Stronger American Diplomatic Presence”  
August 1, 2007**

1. The Government Accountability Office reported that the State Department continues to have problems with staffing shortfalls and that without ensuring that the right people with the right skills are in the right places these gaps will continue to compromise State’s ability to execute critical mission functions.
  - A. What was the Diplomatic Readiness Initiative intended to achieve, and why did it not fully meet its staffing goals?
  - B. Did GAO find that State’s staffing gaps more problematic for some types of employees than for others? If so, where are the gaps most severe?
  - C. Did GAO observe problems that resulted from such staffing gaps, and, if so, can you give us some specific examples?

The Government Accountability Office reported that the State Department continues to have problems with staffing shortfalls and that without ensuring that the right people with the right skills are in the right places these gaps will continue to compromise State's ability to execute critical mission functions.

Question A: What was the Diplomatic Readiness Initiative (DRI) intended to achieve, and why did it not fully meet its staffing goals?

The DRI was intended primarily to hire enough additional employees to staff overseas posts, to respond to emerging crises, and to allow staff time for critical job training. Since the implementation of the DRI in 2002, State has increased its number of permanent positions and available staff worldwide for both the foreign and civil service. Through the DRI, State hired more than 1,000 new employees above attrition, thus achieving its numerical hiring goals. However, according to State's Human Resources officials, the initiative's goals became quickly outdated as new pressures resulted from staffing demands for Iraq and Afghanistan. Thus, the desired crises and training reserve was not achieved. For example, bureaus have had to give up a total of about 300 positions for Iraq. In addition, State has placed an increased focus on foreign language training in certain critical areas, which means that staff who would otherwise be working are instead attending language training.

Question B: Did GAO find that State's staffing gaps were more problematic for some types of employees than for others? If so, where are the gaps most severe?

State's largest staffing deficits are for mid-level positions across all career tracks. State officials have said it would take several years for DRI hiring to begin addressing the mid-level staffing shortages because the earliest DRI hires are just now being promoted to mid-level. On average, it takes approximately 4.3 years for a junior officer to receive a promotion to mid-level. State expects to eliminate mid-level deficits by 2010.

Although employee "bidding" for positions at hardship posts with the smallest pay differentials increased slightly in recent years, it remained about the same for posts with the highest differentials<sup>1</sup>, such as those with 20 and 25 percent. Overall, posts in Africa, the Middle East, and South Asia continue to receive the lowest number of bids, averaging about 4 or 5 bids per position, while posts in Europe and the Western Hemisphere receive the highest bids, averaging 15 and 17, respectively. For example, we reported in 2006 that posts in Bujumbura, Burundi; Lagos and Abuja, Nigeria; Riyadh, Saudi Arabia; and Calcutta, India received, on average, between zero and two bids per mid-level officer position and, in the 2005 assignments cycle, 104 mid-level positions had no bidders at all, including 67 positions in Africa and the Middle East. In addition, consular positions in the posts with the highest hardship differential (25 percent) continued to receive some of the lowest number of bids in 2005—on average, only 2.5 bids

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<sup>1</sup>Higher pay differentials are intended to reflect greater hardship.

per position compared with 18 for nonhardship posts. Low numbers of bids at hardship posts have resulted in positions remaining vacant for long periods of time. In 2006 we reported that consular and public diplomacy positions were the hardest to fill, with 91 percent of the vacancies in these two tracks at the mid-level.

Question C: Did GAO observe problems that resulted from such staffing gaps, and, if so, can you give us some specific examples?

We observed a number of problems that resulted from staffing gaps. For example, due to staffing shortages in consular sections around the world, there were fewer staff to implement new interview requirements and screening procedures for visas, contributing to extensive wait times for applicant visa interviews at consular posts overseas. For example, State's data shows that between September 2006 and February 2007, 53 consular posts reported maximum wait times of 30 or more days in at least 1 month, signaling a significant resource problem for State. In addition, although State has seen an increase in spending on U.S. public diplomacy programs in recent years, several embassy officials stated that they do not have the staffing capacity to effectively utilize these increased funds. Moreover, these staffing gaps also limit the amount of training public diplomacy officers receive because many officers are sent to fill a position quickly and never benefit from full training, ultimately limiting the success of their public diplomacy outreach efforts.

We also found that, in order to fill vacancies, primarily at hardship posts, State sometimes allows staff to bid for a position at a higher grade than their current grade level (called an "upstretch"). At hardship posts we visited in early 2006, we found experience gaps and other staffing shortfalls. In particular, we found that the consulate in Lagos, Nigeria, was staffed by a mix of officers, including numerous junior officers in stretch positions. Moreover, many officers in stretch positions at hardship posts continue to lack the managerial experience or supervisory guidance needed to effectively perform their job duties. In addition, junior officers in stretch assignments at the various posts we visited stated that, without mid-level officers to guide them, they many times can only turn to senior management, including the ambassador, for assistance. Many junior officers also stated that although they were filling stretch positions at the mid-level, they were not allowed to receive management training from State due to their lower grade status. One officer told us she requested management training to help her manage staff in accordance with her role as acting chief of a key section of the embassy but was denied the opportunity because she was not a tenured mid-level officer.

Senior management at posts we visited shared some of these concerns. A former Deputy Chief of Mission in Nigeria stated that it is extremely difficult for junior officers to work in stretch assignments when there are few mid-level officers to guide them. Ambassadors at these posts also stated that, although many junior officers entering the Foreign Service are highly qualified, they do not have sufficient training to handle some of the high stress situations they encounter and

often end up making mistakes. For example, according to the U.S. Ambassador to Nigeria—the third largest mission in Africa with nearly 800 employees—the embassy had only three senior officers at the time of our visit, and public affairs were handled entirely by first tour junior officers. Also, according to U.S. officials in Beijing, the mid-level consular manager positions in Shenyang and Chengdu, China—two locations with high incidences of visa fraud—were held by first tour junior officers at the time of our visit. Moreover, security officers at one hardship post told us that without mid-level staff, they sometimes lack the resources to adequately perform basic duties, such as accompanying the ambassador on diplomatic travel. Former ambassadors with whom we spoke expressed serious concerns about State’s diplomatic readiness and conveyed their belief that a post’s ability to carry out critical duties is significantly compromised when the proper staffing levels, and particularly well-trained officers, are not in place.



FOREIGN AFFAIRS COUNCIL

Task Force Report

**MANAGING SECRETARY RICE'S  
STATE DEPARTMENT:  
AN INDEPENDENT ASSESSMENT**

June 2007

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**American Academy of Diplomacy**

**American Foreign Service Association**

**Associates of the American Foreign Service Worldwide**

**Association for Diplomatic Studies and Training**

**Association of Black American Ambassadors**

**Business Council for International Understanding**

**Council of American Ambassadors**

**Una Chapman Cox Foundation**

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**Diplomatic and Consular Officers, Retired**

**Public Members Association of the Foreign Service, USA**

# Foreign Affairs Council

## Task Force Report

### Managing Secretary Rice’s State Department: An Independent Assessment

June 2007

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**FOREWORD**

This is the third biennial assessment by the Foreign Affairs Council (FAC) of the stewardship of the Secretary of State as a leader and manager. The FAC is a nonpartisan umbrella group of 11 organizations concerned about the processes of diplomacy and the leadership and management of the people of the Foreign Service and State Department. We do not address foreign policy issues but are dedicated to the most effective possible management of the nation's foreign policy business.

Our objective is to focus Secretaries of State on management issues by analyzing achievements as well as problems in this dimension of their responsibilities. We hope to make the Foreign Service and State Department more effective institutions by this process of highlighting challenges, suggesting solutions, and putting the human and financial resources of our member organizations at the disposal of Secretaries of State in pursuing such solutions.

This is an interim report on Secretary of State Condoleezza Rice's stewardship. The Secretary has been on the job only two years in an era of more than usual stress. Significant progress has been made on a variety of managerial fronts and these are detailed in the report below. Significant problems remain – principally a large personnel shortfall. We discuss these challenges, suggest solutions and are ready to support Secretary Rice in achieving progress.

Finally, the Council would like to register its deepest gratitude to the Una Chapman Cox and Delavan Foundations for their generous financial support; the American Foreign Service Association for its administrative assistance; and Ambassadors Ed Rowell and Lange Schermerhorn for their extensive original research and for drafting this report.

Signed,

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**June 2007**

## Executive Summary

*(NOTE: This is a management assessment. It does not address foreign policy questions.)*

### KEY FINDING

*Between 2001 and 2005, 1,069 new positions and significant program funding increases were obtained through the Diplomatic Readiness Initiative (DRI). Since then, all of these positions/people have been absorbed by assignments to Iraq, Afghanistan and other difficult posts. Today, some 200 existing jobs -- most overseas -- are unfilled and the additional 900 training slots necessary to provide essential linguistic and functional skills do not exist.*

*In the first two years of Secretary Rice's stewardship almost no net new resources have been realized. "Job One" for State Department management is to obtain the 1,100 new positions needed to move the Foreign Service from where it is to where it needs to be in the context of Secretary Rice's highest priority -- her signature "Transformational Diplomacy" initiative. Achieving this objective will require the aggressive and sustained personal involvement of both the Secretary and Deputy Secretary, both within administration councils and with Congress. They will have the Foreign Affairs Council's support.*

\* \* \* \* \*

In January 2005 the new Secretary of State, Dr. Condoleezza Rice, took over an institution undergoing a four-year process of rejuvenation, a work still in progress despite many accomplishments. These included: addition of 1,069 positions, increased and more focused training, complete rebuilding of the State Department's information technology infrastructure, program budgeting that related resources to policies, overhaul of visa operations and border control in the wake of 9/11, accelerated and cost-contained construction of new embassies to meet heightened security threats and, most importantly, the institution of a new leadership culture. The leadership culture emphasized the responsibility of senior officers to "look after the troops," provision of adequate personnel and support, and loyalty and confidence from the top down as well as from the bottom up.

Secretary Rice pledged publicly and privately that she supported and would continue to pursue her predecessor's management agenda. Then she announced her "transformational diplomacy" initiative -- to use U.S. diplomatic and assistance resources to "create a more secure, democratic and prosperous world" -- that added three management requirements: (1) repositioning personnel from the European epicenter of the Cold War to dispersed and linguistically/culturally difficult regions that are home to emerging powers and new problems; (2) shifting the professional focus from reporting to managing programs and building institutions; and (3) expanding training, especially in hard languages and "transformational tradecraft."

The impact of the wars in Iraq and Afghanistan hit the State Department fully only after Secretary Rice arrived, vacuuming up the additional personnel resources gained during the DRI era, as well as huge amounts of other resources. While appropriations for State's diplomatic and consular programs in FY 2001 were \$2.76 billion, by FY 2005 they were \$3.52 billion *plus* \$734 million for State's Iraq operations. For FY 2008 State is asking for \$3.98 billion *plus* \$1.88

billion for Iraq. None of the positions requested in FY 2006 and 2007 for training and transformational diplomacy were granted.

Today, some 750 overseas positions are “unaccompanied,” meaning that employees are separated from their families and stay only one year. More than a fifth of all current Foreign Service officers have served in Iraq. Widespread anecdotal evidence suggests worsening morale. This decline is exacerbated by the fact that, unlike colleagues at some sister agencies, all of State’s junior and mid-level officers take an immediate cut in base pay of 18.6 percent upon departing Washington for an overseas assignment!

Despite these and other challenges, a number of important management accomplishments have taken place at State during the past two years, progress that has been formally recognized within the administration and by the private sector. Management advances have been especially noteworthy in the Bureau of Consular Affairs, at the Foreign Service Institute, in exploiting the skills and knowledge of State’s retiree community, at the Bureau for Overseas Buildings Operations, in information technology, public diplomacy (State’s weakest operation in 2004) and public affairs – all described in the chapters of this report. Additionally, several new initiatives should further improve foreign affairs management. State and USAID submitted their first joint budget to Congress for FY 2008. The budget for the first time, clearly with White House consent, presents both State and USAID as national security institutions. State is leading *Project Horizon*, a 14-agency strategic planning exercise that looks ahead two decades. And Secretary Rice has formed a number of advisory councils to help define the issues and management actions still needed to cope with likely foreign affairs challenges.

*These achievements and new initiatives need to be consolidated and much more needs to be done to meet the urgent need for more people and money. This will require Secretary Rice to devote more time and energy to acquiring resources for management purposes and to apply her full influence both within the administration and with Congress to acquire the resources necessary to achieve her stated goals. In particular, if her “Transformational Diplomacy” initiative is to prosper, it must receive the programmatic resources necessary to permit American diplomats to actually carry out the transformational work now expected of them.*

Of singular importance is eliminating the shortage of personnel. Positions for training must be protected from raids to meet operational crises. Legislation must be pressed now to eliminate the 18.6 percent base pay cut inflicted on junior and mid-level officers when they leave Washington to go overseas.

The Secretary has taken the initiative to bring more oversight and cohesion to the administration of foreign assistance. However, improvements in the foreign assistance allocation process must be accompanied by a strengthening of the capacity of USAID (key in achieving transformational diplomacy) to both develop and implement foreign assistance policy. The Office of the Coordinator for Reconstruction and Stabilization must be strengthened and its resources assured. And significant further progress is still critically important in information technology, public diplomacy and financial reporting. It is our view that Secretary Rice’s management legacy will depend on her success in winning the resources necessary to truly allow diplomacy to be as effective as possible as our nation’s first line of defense. The Foreign Affairs Council stands ready to help.

## Introduction

In January 2005, the new Secretary of State, Dr. Condoleeza Rice, took over an institution that had just undergone four years of rebuilding. Despite many accomplishments, the restoration was still a work in progress. The rebuilding had focused on fixing a few critical *management problems* and establishing a new *leadership culture* that emphasized concern for the people who are the State Department. The process had been expensive. State Department appropriations for diplomatic and consular programs had grown from \$2.76 billion in FY 2001 to \$3.52 billion (not counting \$734 million for Iraq) in FY 2005. Staffing had increased by 1,069 positions above attrition. Congress and the White House had accepted the need to rebuild, but they were growing restive with the continuing pressures to increase budgets even more.

Secretary Rice arrived with four top management goals in mind: (1) complete and consolidate the good management initiatives she inherited; (2) redirect State Department and Foreign Service resources to tasks and geographic areas central to new 21<sup>st</sup> century challenges while managing those challenges through *transformational diplomacy*<sup>1</sup>; (3) recreate effective public diplomacy abroad, a particularly troubled aspect of U.S. foreign relations; and (4) establish central oversight and control over U.S. foreign assistance.

One more management issue exploded just as Secretary Rice arrived: Iraq and, to a lesser extent, Afghanistan. The first two rounds of 140 volunteers each had gone to Iraq in 2003-2004 without overloading other State Department operations. But since early 2005, funneling an endless stream of human and financial resources into Afghanistan and Iraq and has colored every aspect of management at the State Department. Currently, there are 212 State Department positions inside Iraq not counting contractors. More than a fifth of all active-duty Foreign Service officers, as well as many FS retirees and Civil Service colleagues, have served in Iraq. This demand has rendered the rebuilding effort of 2001-2005 inadequate. State's FY 2008 budget request for diplomatic and consular programs is just \$3.98 billion, plus \$1.88 billion for Iraq. In addition, turbulence and widespread hostility toward the U.S. elsewhere in the world have sharply increased the number of overseas positions (about 750) that are so hazardous that families may not accompany officers to their posts.

This is an interim, midterm assessment of management at the State Department under Secretary Rice. It notes the continuation of management improvements under way when she arrived, records new initiatives and, with reference to the Foreign Affairs Council's November 2004 report<sup>2</sup>, updates the extent to which accomplishments have been institutionalized. Appreciation of the importance of good management has spread widely throughout the State Department. There is justifiable pride that the Office of Management and Budget has moved its ratings for the State Department from "red" (poor) and "yellow" (improving) ratings to almost all "greens" (good) in the recent annual evaluation of executive branch performance under the President's Management Agenda (PMA).

<sup>1</sup> Secretary Rice used the term "*Transformational Diplomacy*" to focus minds on outcomes rather than on inputs or activities as people strive to fulfill State's mission, namely: "*Create a more secure, democratic and prosperous world for the benefit of the American people and the international community.*" See section VII.

<sup>2</sup> "*Secretary Colin Powell's State Department: An Independent Assessment*", available at [www.diplomatsonline.org](http://www.diplomatsonline.org). Also available at the same site is the Foreign Affairs Council's first, March 2003, Task Force Report, "*Secretary Powell's State Department: An Independent Assessment*".

## I. Leadership Culture

**Background.** From 2001 to 2005, State's leadership led a major effort to change the culture of the Foreign Service and State Department to: emphasize teamwork between the Foreign Service and Civil Service; make leadership and management of human and financial resources as important as traditional reporting and representation; link resources to policy; promote loyalty and confidence from the top down as well as from the bottom up; increase and focus training; provide adequate personnel and support; and establish a system of institutional values focused on the responsibility of senior officers to look after their subordinates.

Upon assuming the leadership of the State Department and Foreign Service Secretary Rice made it clear in public announcements and private meetings that she agreed with and would pursue these same imperatives. Further, the Secretary added another major cultural change by introducing "transformational diplomacy" (TD – Section VII) as a new approach to new challenges. Those challenges and the requirements they impose are enduring. The leadership requirements are: (1) to reposition diplomatic personnel from the European epicenter of the Cold War to the dispersed and linguistically/culturally difficult regions where emerging powers and completely new problems are found; (2) to shift the professional focus from reporting to managing programs and building institutions to deal with the new realities; and (3) to expand training, particularly in hard languages and "transformational tradecraft," to prepare the Foreign Service to achieve the objectives of transformational diplomacy.

All of the above is to be achieved in the shadow of the 800-pound gorilla on the scene: Iraq. The Diplomatic Readiness Initiative of 2001-2005 brought personnel levels almost to the point where the Foreign Service could fill all existing positions and still leave about 10 percent of the corps available for training. Then the gorilla arrived. From 2005 until today, Iraq, Afghanistan and other difficult posts have vacuumed up the additional personnel resources gained by DRI, as well as huge amounts of other resources. Compounding the problem, in fiscal years '06 and '07 State was able to obtain virtually no increase in personnel or other resources.

The bottom line is that the State Department has begun a major "transformational diplomacy" initiative without sufficient trained professionals to execute and implement it. As discussed below, the Foreign Service has a deficit of about 1,100 positions above attrition.

Finally, under existing conditions morale is increasingly precarious even though current attrition rates are close to normal except for senior officers. Personnel shortages cause lengthy staffing gaps, particularly overseas, and, eventually, burnout for those at posts. This was the lesson of the 1990s cutbacks. Danger and turmoil have increased as well at many posts. The number of positions at overseas posts where families may not go is up, adding more stress. The world of transformational diplomacy is not easy. Yet, incredibly, and in contrast to colleagues at some sister agencies, under current law the base pay of mid-level and junior officers is cut 18.6 percent when they go overseas to face this world. (This powerfully affects attitudes regarding State's leadership.)

### **Accomplishments**

- State is enforcing the rule that Foreign Service personnel must take special training in leadership and management at several stages of a career in order to qualify for major promotions.
- Foreign Service Institute (FSI) leadership and management training programs have been strengthened considerably. They now come in more modules and some are available via “distance learning” so that the training is more accessible.
- Everyone being considered for promotion into senior ranks and all career candidates for assignment as deputy chief of mission (DCM), chief of mission or deputy assistant secretary (DAS) must have a “360” review in their folder. (A “360” is an evaluation of an individual’s skills, traits and performance by a group of that person’s superiors, peers and juniors.) Mid-career people enthusiastically support this requirement. Still, there is a perception that other factors, such as personal ties to senior officials, sometimes override the results of a less-than-sterling “360”. Rated officers often do not receive any feedback on their rating.
- DCMs, on the whole, take their responsibility for “caring for the troops” very seriously. That concern is a little more uneven at the chief-of-mission level.
- Foreign Service attrition rates are relatively low, running a little more than 1.5 percent among junior generalists and a little under 5 percent at mid-career. Only senior officer attrition reaches double digits (currently it is about 13 percent), and that is affected by age and time-in-class limits. More than 90 percent of seniors will be eligible to retire within five years.
- Civil Service attrition also is low (8.1 percent in FY 2005 compared to almost 13 percent government wide). State’s Civil Service cohort has been aging (47 on average as of FY 2006 compared with 41 in the 1990s), so attrition at more senior levels is expected to rise.
- Diversity receives strong support at all levels, and the share of successful minority candidates taking the Foreign Service examination has risen from 13 percent to 19 percent. The share actually being hired is smaller for a variety of reasons; e.g., low placement on rank order registers, processing delays and intense competition from other employers.

### **Yet to be Done**

1. Job One is to obtain the 1,100 positions needed to get State from where it is to where it needs to be in the context of transformational diplomacy. This will require aggressive and sustained leadership by the Secretary and Deputy Secretary, both within administration councils and with Congress.
2. The full impact of the ballooning number of one-year assignments to “unaccompanied” positions is only beginning to hit. More than 1,000 have returned from such duty, and the supply of willing volunteers no longer suffices despite financial incentives. To manage the morale problems that are appearing, top State Department leaders need to take extraordinary measures to

demonstrate their concern for the troops and to reassure employees that their sacrifices are worth the pain.

3. To provide maximum benefit, the tenor of “360” evaluations needs to be given to the rated persons, including those who are candidates to be DCMs, deputy assistant secretaries and the like. And the process needs to be seen to affect decisions on career candidates for DCM and chief of mission.

4. More GS-13 and GS-14 Civil Service employees need to participate in leadership and management training in order to deal with anticipated increases in Civil Service attrition at the GS-15 and Senior Executive Service levels.

5. The Secretary persuaded the White House and OMB to accept “overseas comparability pay” to eliminate the ludicrous 18.6% base-pay cut currently born by the troops on the front lines. Now she and her staff must engage in a full-court press to win over the Congress.

**Institutionalization.** The new leadership culture has taken root strongly. It is well regarded by junior officers, endorsed by people at mid-career, and more and more widely practiced by senior officers. The new sense of Foreign Service–Civil Service collegiality remains improved as well, enhanced by the many of civil servants who have volunteered for hard-to-fill positions overseas. Leadership culture will always require nurturing plus leadership and management training.

## II. People and Positions – Diplomatic Readiness

**Background.** Staff shortages. By the end of 2004, the State Department had made significant progress towards recovering from the huge staff shortages created by the manpower cuts of the 1990s. It had almost achieved the full staffing objectives of Secretary Powell’s Diplomatic Readiness Initiative (DRI). Of the 1,158 positions requested during the DRI period (2002-2004), Congress authorized and funded 1,069. Unfortunately, the Powell initiative was insufficient to cover training and deployment needs arising from new demands: Iraq (currently 212 positions), Afghanistan and the Secretary’s transformational diplomacy initiative, which responds to the rising importance and the different needs and challenges of areas outside the European center of Cold War conflict.

In August 2005 the Government Accountability Office reported that Department of State “staffing and foreign language shortfalls persist despite initiatives to address gaps.”<sup>3</sup> The problem has gotten worse since then. Of the 221 positions over attrition requested in FY 2006 for training and transformational diplomacy, none was authorized and funded. In FY 2007, 100 over attrition were requested and none received. The FY 2008 budget requests 254 new positions to support transformational diplomacy and critical training.

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<sup>3</sup> GAO-06-894, August 2006, Report to the Chairman, Committee on Foreign Relations, U.S. Senate, “DEPARTMENT OF STATE, Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps.”

For training, State needs roughly 900 more positions beyond the 500 currently in the training complement. Many of the training positions built into the original DRI blueprints have gone to meet other urgent needs, including Iraq. At the same time, training needs are up because of large numbers of new hires, demand for critical-language skills, new promotion requirements (leadership and management), transformational diplomacy tradecraft, and language and area retraining for persons shifted from Europe and the U.S. to new geographic areas.

Extreme danger or hardship postings are more common, especially in the new areas of importance. More than 80 posts currently require payment of danger or hardship premiums equal to 25 percent or more of base pay. (The total premium for Iraq is 70 percent.) Half of all Foreign Service positions are at posts that pay premiums of at least 15 percent. Approximately 750 positions are “unaccompanied” or “limited accompanied.” Tours at these posts are generally 12 months to reduce family separations, but such frequent moves and separations stress the entire personnel system. Time lost in moves is also time lost for training and for productive output.

Premium pay and frequent moves add significantly to expenses. And other motivators for accepting the hardest assignments – e.g., a guarantee to persons serving in Iraq Provincial Reconstruction Teams (PRTs) that the onward assignment will be one of a person’s top five choices – create frictions within the service and can become difficult to honor as the numbers of positions at PRTs in Iraq grow. Further, the policy of filling all open positions at unaccompanied posts before acting on assignments elsewhere has caused anxiety about schooling and spousal employment for many of those not yet assigned.

State faces several other personnel issues as well:

- The need for a more agile recruitment and hiring system to compete successfully with the private sector for the most qualified applicants;
- Junior and mid-level officers’ loss of 18.6 percent of base pay as soon as they depart for an overseas assignment (discussed in Section I, above);
- A shortage of about 250 mid-level Foreign Service officers, a problem that should correct itself as new hires are promoted (more than half of the Foreign Service has come on board since 1999);
- Lack of progress in building a “reconstruction and stabilization” cadre or reserve corps for quick deployment to areas of disaster or failed government; and
- A shortage of experts on Civil Service management.

Bureaus are trying to minimize shortages, meet new requirements and cope with ever-longer staffing gaps through a mix of devices: more hiring of family members at posts (the requirements for doing so were recently simplified); and increasing use of Civil Service personnel on overseas tours, retirees (“WAEs – When Actually Employed”), contractors, and some interns. Availability of WAE funding varies widely among bureaus, and statutory limits on WAE earnings limits access to this valuable pool of talent.

Meanwhile, State says it will implement in August 2007 its new “structured total candidate system” to smooth out and speed up Foreign Service officer recruitment, examination, and employment. The exam is to be offered several times a year at locations around the world. The

new system should strengthen the hiring of critical skills (e.g., Arabic) and top-quality candidates before the private sector grabs them. Unfortunately, its roll-out may be delayed.

Various studies that should impact workforce planning are underway within the federal government and at think-tanks (e.g., Project Horizon, Diplomat of the Future, Embassy of the Future). These initiatives are ongoing with varying timetables.

#### **Accomplishments**

- In 2005, State won two of only four awards (out of 47 nominations) for the highly competitive Presidential Award for Management Excellence for its overall human capital program and for the Employee Profile Plus (EP+) inventory of all the skills of the entire workforce plus retirees and family members. First used in December 2005, State has since turned repeatedly to EP+ to deal with natural and man-made crises.
- State was the second-highest ranked Cabinet department in the 2007 list of Best [Federal] Places to Work, placing sixth (up from 10th in 2006) of 30 agencies rated by the Federal Human Capital Survey.
- In 2006, State won another Presidential Award for Management Excellence, one of only six out of 63 nominations, for its development of RNET (Retiree Net). RNET, based on the concept of a university alumni network, provides retirees services. It also inventories retiree skills and interest in possible part-time work, creating a de facto “reserve corps.” For example, it recently solicited volunteers to adjudicate the surge in passport applications arising from implementation of the Western Hemisphere Travel Initiative.
- Mandatory benchmarks (including training) for promotion to the senior ranks have been instituted. A self-help planning book is available on-line.
- As of mid-2006 over 37 percent of adult family members at overseas posts were employed. Those working inside U.S. missions were accruing federal retirement and other benefits.
- By the end of March 2007, summer assignments to Iraq were 96-percent filled and to Afghanistan 99-percent. Nearly all open positions at other unaccompanied posts were booked without resorting to directed assignments. *But directed assignments may be unavoidable in the 2008 cycle.*
- State’s National Foreign Affairs Training Center (NFATC – home of the Foreign Service Institute or FSI) now offers almost 100 in-house, custom-developed, distance-learning products, up 25 percent from FY 2005, and more than 3,000 courses in its FAS Trac program, all available worldwide 24/7. Over the past four years distance-learning enrollments have quadrupled to more than 11,000.
- FSI’s leadership in distance learning has been acknowledged by its designation as one of five authorized federal-wide e-training service providers and as one of three providers for Information Systems Computer training for the federal government.

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- FSI began in FY 2006 interagency training seminars covering “trecraft” topics in “transformational diplomacy” such as Democracy Building, Disease Control, Counterterrorism, Fighting Corruption, Promoting Human Rights, and Rule of Law.
- Despite tight funding, FSI has also broken a number of its offerings into relatively short “modules” so they are more accessible to busy officers. FSI has been working with posts to increase the number of “transition immersions” to enhance the language proficiency of entry-level officers.

#### **Yet To be Done**

1. Win the 1,100 additional positions needed to maintain necessary training and to support “transformational diplomacy.”
2. Fix the locality pay inequity problem.
3. Take advantage of the merger of the Office of the Coordinator for Reconstruction and Stabilization (CRS) into the office of the Director of U.S. Foreign Assistance (F) to obtain essential program and staff funding so that it can perform the functions for which it was established in July 2004.
4. Expedite implementation of the new system for Foreign Service officer recruitment and hiring. The old system has already been discontinued and the list of qualified recruits is thinning, a major problem for an institution with significant staff shortages. Once implemented, the new system will require regular evaluation to see if it is meeting its objectives.
5. At the completion of the current assignment cycle, examine the menu of incentives for service at danger and hardship posts with regard to impact on morale, perceived equity, effectiveness in attracting volunteers, sustainability, and with attention to the cost/benefit analysis of 12-month tours punctuated by frequent leave.
6. Ensure that the Family Liaison Office and bureau post management offices are organized to provide greater outreach and assistance for the left-behind families of those assigned to the growing number of unaccompanied posts.
7. Incorporate into workforce planning the findings of the various studies on diplomacy and challenges of the future.

**Institutionalization.** The November 2004 FAC comment that “Congress is reluctant to go beyond the increases already approved during the past three fiscal years” was unfortunately prophetic. *Strong and sustained personal advocacy at the White House and with Congress by every Secretary of State is essential to assure the regular and predictable budget and personnel sources necessary to complete and sustain diplomatic readiness.* Further success in streamlining

operations, reducing redundancy, “right sizing,” and demonstrating to Congress how existing resources are being utilized will help make the case.

### III. Information Technology (IT)

**Background.** State’s strategic IT goal for FY 2006-2010 is an “enterprise-wide knowledge management system.” The system must provide: anywhere, anytime access to an intranet and the Internet; intelligent search and profiling for all databases; integrated messaging; tools that facilitate collaboration, cooperation and sharing; one-stop access to information sources; user-friendly applications; and full-featured forms. As of January 2005 State had modernized its hardware and was on a four-year replacement cycle, an industry standard. An E-Government Program Board ensured that business and user needs were driving hardware and software enhancements. Full-featured administrative forms were beginning to appear. Everyone had access to the Internet, State’s intranet and, for all cleared Americans, classified e-mail. All of the more than 200 IT systems at State had been certified as secure. State was expecting a 2005 beta test of SMART (State Messaging and Archive Retrieval Tool), a 21<sup>st</sup>-century replacement for cables, e-mails and memos. Except for SMART, all of these gains remain in effect, although the hardware replacement cycle is at risk.

SMART rightly remains a top IT priority. E-mails have largely displaced the antiquated telegram system, with consequent loss of organizational distribution and message retrieval. Employees are drowning in a flood of unprioritized e-mail traffic they struggle to read. But SMART proved to be a very demanding project, given the multiple legacy systems it replaces and the fact that there is nothing quite like it in the private sector, and it is now more than two years late due to the failure of the original contractor to meet test standards. After an independent outside technical review, a skittish OMB finally gave State permission (November 2006) to run the project itself. The project has been broken into five applications and is proceeding apace with an initial \$27.5 million budget. The applications (and target dates) are: (a) worldwide Instant Messaging (IM) (deployment completed April 2007); (b) two collaboration tools, Share Point and Groove (piloting to begin in June 2007); (c) expanded archival search (piloting to begin in September 2007); and (d) a common platform to integrate e-mails and cables (piloting to begin in September 2007, with worldwide deployment scheduled to begin in September 2008).

Other IT challenges include: the need to consolidate the more than 200 IT systems scattered among State’s bureaus; bureaus’ reliance on their own servers, most of them in the main State Department building; funding shortfalls that have forced deferment of scheduled equipment replacement (a pattern that created State’s IT disaster of the 1990s); and high and growing rates of attrition among Foreign Service IT specialists, combined with stiff competition for new talent.

#### Accomplishments

- High praise for State’s hard-nosed, test-based enforcement of the SMART contract terms with the now-departed outside general contractor.

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- Real progress on SMART since taking it in-house, including worldwide deployment of Instant Messaging on both the classified and unclassified networks (ClassNet and OpenNet).
- Enhanced user skills (i.e., better exploitation of State's IT capabilities) through a combination of Foreign Service Institute (FSI) training and reliance on familiar, off-the-shelf applications such as Outlook, Explorer and PowerPoint.
- Substantial progress in moving from risk-avoidance to a risk-management culture so that IT services support, rather than inhibit, essential exchanges of information and collaboration – e.g., use of Blackberries among scattered staff and decision makers in fast-breaking situations.

#### **Yet to be Done**

1. Full deployment of the SMART applications on schedule.
2. Incorporation of AID into the State system.
3. Consolidation of State Department bureaus' disparate servers, especially those in Washington, into enterprise servers at remote locations, would save money, free premium space, and enhance security and survivability. There are challenges. Past experience, especially in times of budget cuts, has taught the bureaus to rely on themselves for critical support. Overseas, consolidation would involve negotiations with other agencies. Some bureaus operate unique "corporate" applications (e.g., Freedom of Information Act (FOIA) and consular (CA) software) for which Department-wide consolidation would offer little added value. CA already maintains key servers at remote locations.
4. IRM (Bureau of Information Resources Management) has just started to take over from the operating bureaus support for all of State's 35,000 desk top computers. All computers would have a standard configuration and there would be one worldwide help desk 24/7. Private sector experience suggests potential savings of 14%-30% of current IT support costs. Bureaus are skittish because past funding shortfalls have impeded central system ability to immediately and reliably service every computer with a problem.
5. The nascent Post Administrative Support System (PASS) has some way to go. Its aim is to find "best of breed" applications developed at posts overseas, make sure the applications pass security tests, and disseminate and support them worldwide. One bureau (European Affairs) is pushing all of its posts to use the PASS suite which has applications for personnel, vehicle maintenance and inventory. *A major goal should be to standardize worldwide on a single overseas operating platform.*
6. More "process mapping" of overseas posts would contribute significantly to successful standardization of applications and ultimately to IT consolidation. Substantial process mapping has already occurred at a number of posts, especially in Europe, which managed to qualify for certification under ISO 9000 (International Standards Organization rules for certifying internal quality control) and its successors. The Office of Global Support Services

and Innovation (A/GSSI) could lead the mapping effort. The move of GSSI so that it reports directly to the Undersecretary for Management (M) will enhance the effort.

7. A post “contacts and relationships” application should be added to the PASS suite to track representational and other business relationships, training and visitor grants to host country nationals, and the like.
8. To enhance recruitment and retention of IT specialists, the State Department, especially the Foreign Service, needs to stop thinking of them as “super communications and records people.”
9. More needs to be done to enable interagency archival search and sharing. “Groove” will provide a platform for interagency collaboration on papers, but agencies have to be willing to use it. (Share Point and Groove should enhance collaboration overseas among posts and agencies.)

**Institutionalization.** Appreciation and demand for pervasive, top quality IT support are now thoroughly ingrained in State Department culture.

#### **IV. Consular Affairs (CA)**

**Background.** Consular operations consist of (1) protecting and assisting Americans overseas, (2) issuing all United States passports and (3) issuing the visas required of foreigners who wish to come to the United States. The Bureau of Consular Affairs thus plays a critical role in domestic law enforcement, keeping passports out of the hands of would-be fugitives from justice. Visa operations aim to enable the U.S. to have “secure borders *and* open doors.”

As of January 2005 CA had tightened visa and passport procedures, beefed up anti-fraud devices in passports and visas, and enhanced collaboration and enabled real-time data checks with the FBI, the Department of Homeland Security (DHS), the U.S. Marshals Office and other law enforcement agencies. CA also was recruiting more staff and strengthening training to handle huge increases in workload (a personal interview for every visa).

Since then, operating under an empowering leadership culture (laid out in 10 “Leadership Tenets” handed to all bureau employees), CA has shown what a well-managed, well-funded organization can accomplish in the face of serious challenges and major surges in workload. Foreign students are returning to the U.S. and visa demand is up, despite high fees (other countries are imposing reciprocal fees on Americans traveling abroad).

Demand for U.S. passports is booming, due both to their universal acceptance as proof of citizenship and identity and to new requirements that all adult Americans use them even when traveling to Mexico and Canada. CA issued 12 million passports in FY 2006 and expects to issue 17 to 18 million in FY 2007. However, despite valiant efforts to ramp up extra capacity for FY 2007, the surge in demand has generated backlogs and some unaccustomed public criticism.

As of January 2007 over 70 million U.S. passports were in use and the number could reach 100 million by January 2009.

CA prides itself on operating like a well-oiled business whose top priority is its customers – especially Americans. It collects \$2 billion in fees annually. It uses a portion of that to finance its close to 9,000-strong work force and to build and maintain its unique database systems, which DHS now uses at U.S. ports of entry. Partly to hold down costs, and partly to ensure survivability following any disaster, CA has dispersed its computer resources and processing work to remote centers in the U.S. In FY 2006 CA's fees contributed \$153 million to the State Department's IT Central Fund.

#### **Accomplishments**

- Consular officers conducted 7.6 million visa interviews in FY 2006. Visa processing has become markedly smoother and faster over the past 18 months (benefiting students and business travelers especially), and administrative backlogs for visa interviews have been drastically reduced, though they are still too high in Brazil and at some posts in Mexico.
- CA has a strong collegial relationship with Diplomatic Security (DS) and their joint investigative teams are quick and effective in running down allegations of fraud.
- The Visa Office now has an electronic business center to make business travel to the U.S. easier.
- CA fees fund practically all overseas Foreign Service officer positions located in consular sections plus many other consular positions, 155 Diplomatic Security positions to support visa and passport fraud investigations, and a variety of positions in other bureaus.
- CA introduced the U.S. e-passport, which contains a secure data chip, in mid-2006. CA is also leveraging new technologies in the visa process, including facial recognition checks which were introduced in FY 2006.
- CA has increased outreach to chiefs of mission and their deputies to encourage appropriate oversight and involvement in consular issues. CA's leadership tenets have been widely adopted and the results show in improved handling of young officers and their work. CA sees itself as responsible for the basic training and acculturation of new generations of Foreign Service personnel.
- In the immediate aftermath of Hurricane Katrina in 2005, CA took care of its 160 employees and their families in the New Orleans passport office, rescued and transferred to Charleston 1000 boxes of passport applications and identity documents, and issued the 100,000 pending passports involved within fourteen days after Katrina. Similarly, after the Christmas 2005 tsunami in Indonesia, CA provided citizen services to more than 15,000 affected Americans.

**Yet to be Done**

1. Facial recognition technology is to be extended to the passport application process within the next two years.
2. The rebalancing of passport capacity with passport demand needs to be completed soonest.
3. The CA relationship with DHS is still a work in progress with respect to more efficient data sharing (from DHS databases).
4. The sharp increases in workload and the morale and retention imperatives that drive efforts to help employee family members (EFMs) find jobs overseas suggest that CA should once again reexamine the possibility of hiring EFMs to perform a wider variety of consular functions. Some legislation may be necessary.

**Institutionalization.** CA has a sterling business model and the right “tone at the top.” As long as its reliable, fee-based funding remains intact, its good practices should prosper. CA is contributing both to good management and the best in leadership culture at the State Department.

**V. Facilities – Overseas Buildings (OBO)**

**Background.** In 2001 Secretary of State Colin Powell completely revamped State’s then-notorious embassy construction program and delegated the job to a former Army Corps of Engineers general officer. The newly organized Bureau of Overseas Buildings Operations (OBO) enjoyed significant success in its first four years, inculcating a new management culture that produced strong results. It continues to perform very well. OBO expects to “sunset” the New Embassy Compound Program (NEC) in 10 years when all 200 projected new compounds should be completed. The current annual appropriation is \$1.5 billion, and the median project cost is \$85 million.

The NEC model co-locates all U.S. government agencies including, at 42 missions, USAID. Each NEC 10-acre mini-campus accommodates office buildings (with a useful life of 40 years) with separate access and amenities for the public, employee parking, recreation facilities and Marine Security Guard quarters. Residential facilities for the ambassador and staff are separate from the NECs for morale and security reasons<sup>4</sup>.

OBO’s challenge is to provide at an acceptable cost overseas facilities that meet anticipated U.S. government needs, are suitable to the environment, satisfy security requirements and facilitate effective engagement with the host country. In general, OBO has met these often-contradictory objectives. For the first time in memory, there is a long-term overseas facilities program of adequate magnitude, professionally managed and reliably funded. It is a huge success.

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<sup>4</sup> The new 104-acre compound in Baghdad is a one-time, one-of-a-kind project that is outside of the regular program discussed here. Baghdad includes at least 600 residential quarters, has 27 buildings and is budgeted at \$592 million.

Excellent as the OBO program is, however, some concerns have arisen. In a number of cases NEC technology is so far beyond host-country capabilities that the compound remains dependent on U.S. maintenance. There also are cases where the NEC's location is so inaccessible that it has limited host-country engagement and thus mission effectiveness. This has resulted in representational residences being increasingly used to conduct business. These issues are likely to increase over the NEC project's lifetime. Yet it appears that once OBO determines a specific NEC project is ready for construction, even though the cost estimates and other considerations may be two or three years old, OBO resists any change, citing congressional and other agency complications.

The Government Accountability Office (GAO) has criticized the management of the Operations and Maintenance budgets for these new facilities. Traditionally, the regional bureaus have covered O&M costs from their annual operating budgets. In many cases, the NECs are proving to be more expensive to operate and maintain than anticipated, further squeezing already-stressed bureau budgets. To prevent damaging shortfalls in maintenance, it has been suggested that OBO manage the O&M funds for the NECs.

#### **Accomplishments**

- Strong support for OBO from Congress and OMB continues as a result of positive, timely, and cost-effective project completion, stringent accountability and strong commitment to management transparency.
- Since 2001 OBO has completed 42 major capital construction projects, 29 since the last report in 2004. Thirty-nine are under construction.
- The furniture replacement cycle in residences has been reduced from 12 years to a more realistic seven.
- All agencies using U.S. government buildings overseas now pay a pro rata share of OBO capital costs – \$60,000 per position based on the agencies' "current authorized overseas staffing plus 10 percent." Some smaller agencies are struggling to meet this requirement, however.
- OBO has established a formal program to institutionalize its successful management model. The program includes: diversifying OBO's workforce and blending it to include more technical staff; instituting annual mandatory professional training; substituting horizontal, "flat" (group) management for individual projects; and issuing very clear taskings while demanding rigorous and transparent accountability.

#### **Yet to be Done**

1. The State Department needs to work with OMB to establish a feasible method to fund O&M at levels commensurate with the demands of and significant investment in these state-of-the-art facilities.

2. Although OBO is beyond the mid-point in its 10-year NEC project, it should supplement its internal "after action" process soonest by adding a dialogue with all affected missions and bureaus regarding "lessons learned" and "best practices." It should then accordingly adjust to the extent possible those projects not yet concluded so as to give them the most appropriate technology and most workable balance between security and US-engagement objectives. Recognizing the critical importance of sustaining OBO's NEC project momentum (and funding), the U.S. objectives in overseas presence – to achieve policies, not just placing people – must be better accommodated.

**Institutionalization.** The new system for managing construction of overseas U.S. government real property is enthusiastically supported by all interested parties. People working in the buildings are satisfied. Success in consolidating the new management culture in OBO is attributable to very strong leadership that has remained in place for an extended period, understands the need to institutionalize processes, and is committed to ensuring that it happens. To that end OBO has updated the Foreign Affairs Manual to reflect current operating strategies, maintained confidence with its other agency clients through quarterly meetings, and published an annual "stewardship" report to Congress on how money is spent.

## VI. Diplomatic Security (DS)

**Background.** Responsibilities of the Bureau of Diplomatic Security (DS) are expanding as the emphasis on security continues to embrace all aspects of State operations and assets: physical, personal, technical security, and travel document fraud investigations. The emphasis is shifting increasingly to technical security and combating visa fraud as advances in technology and communications heighten vulnerabilities.

To cover a world deemed getting more dangerous daily, the bureau's budget and staffing increased during the 1990s, unlike the rest of State. Since 9/11 more than 730 positions have been added, including 203 security agents and security readiness staffing. Half of the DS budget goes to operations in Iraq.

DS is attracting high-quality recruits who exhibit notable professionalism and are integral parts of country teams. In the past, Foreign Service employees have often resented more stringent security requirements as Draconian, unnecessary, or petty. As the threats have become clearer and, significantly, as DS's ability to communicate them has improved, there is greater acceptance of DS strictures on the part of employees. Cooperation with host countries continues to be good. Twenty-six DS criminal investigators are posted overseas now and DS hopes to have 200 abroad ultimately. At home DS works closely and well with other bureaus at State – e.g., Information Resources, Overseas Buildings, Consular Affairs – both on security issues and law enforcement. DS agents participate in consular Management Assistance Teams and additional resources have been assigned to visa fraud prevention.

Serious due-process problems plague a number of officers whose security clearances have been suspended. It usually takes several years for DS to decide whether to revoke the clearance or

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not. During these years the officers languish in make-work positions. For reasons related to both managerial efficiency and humane treatment of employees, this security clearance revocation process needs a much higher priority and a much shorter duration.

#### **Accomplishments**

- Great strides have been made in speeding up the pre-employment security clearance process to meet State's personnel needs. In the fall of 2006 DS received the federal government's Guardian Award for improving and expediting its clearance processes.
- In 2006 DS received an award from the National Security Agency for the excellence of its cyber security software package. Rules have changed to make better use of modern communications and information technologies.
- Acting at the request of U.S. federal marshals, DS has apprehended more than 400 fugitives overseas and brought them back to the U.S..
- Overseas Security Advisory Committee (OSAC) membership has grown to encompass more than 3,000 corporate, educational, and nongovernmental organizations. More than 800 people attended OSAC's 21<sup>st</sup>-anniversary meeting in 2006.
- DS has produced excellent guidelines for prudent low-cost security at American Presence Posts (APPs, one-person offices outside of capital cities), a program that supports Secretary Rice's emphasis on transformational diplomacy.
- DS has created a special training program for personnel assigned to Iraq and Pakistan.
- Eligible Family Members are being trained to perform some security functions.

#### **Yet to be Done**

1. Develop methodology to demonstrate to the Congress that all resources granted have been used effectively and efficiently.
2. Speed up processing of cases involving suspension of security clearances.
3. In the same spirit that produced practical security guidelines for setting up APPs, it would be good if more could be done to give greater weight to making embassies – especially commercial sections, cultural centers and the like – more accessible to host country nationals.

**Institutionalization.** DS is successfully embracing the shift from “risk avoidance” to “risk management” as a guiding philosophy for practical and reasonable ways to protect government employees overseas while enabling them to do their jobs. It is a disciplined, professional organization with a strong work ethic on both the law enforcement side and the security side.

## VII. Program Budgeting, Resources, “Rightsizing” and Transformational Diplomacy

**Background.** Transformational diplomacy (TD), Secretary Rice’s signature management initiative announced in January 2006, has both management and foreign policy content. On the policy side it presses the State Department to fulfill its mission, namely: “*Create a more secure, democratic and prosperous world for the benefit of the American people and the international community.*” It thus focuses attention on results, the intended outputs of foreign affairs activities, rather than the activities themselves as the purposes of State’s resource management.

In management terms, TD requires that State “have the right people with the right tools and skills in the right place at the right time.” So far, attention has centered on shifting positions and people to areas of rising importance (e.g., China, India, Brazil), training to enhance effectiveness in the new assignments, distributing people more widely (e.g., one-officer American Presence Posts) and using information technology more effectively both to save money and to reach more people. The new training, opening of new posts and creative use of the Internet involve additional costs that cannot be covered solely by tweaking management efficiencies and reducing the scale of operations in areas that were important during the Cold War. In addition, funds will be needed for programs in areas such as the rule of law, disease control, democracy-building and education as well as small funds that can be spent at the discretion of officers on the ground in situations where immediate actions can make a big difference. Unfortunately, for FY 2008 the U.S. Agency for International Development (USAID) is asking for 15 percent *less* in operating funds than it had in FY2007. In addition, there are not yet provisions in place to integrate the use of assistance resources with the work of the newly repositioned officers.

Rightsizing means ensuring that the U.S. presence at each post overseas consists of the appropriate mix of resources as well as the minimum staffing necessary to attain our national objectives and policy priorities. The process takes into account security, the political context and other aspects of the overseas operating environment. Each post must have a rightsize review at least once every five years or whenever the post contemplates major construction. Congress mandated State’s Office of Rightsizing in 2003, but the office did not become operational until August 2005. Initially it focused on the NSDD-38 system (which requires ambassadors to approve any increases in embassy staffs) and on centralizing administrative support functions in safe and efficient locations, known as regionalization. Regionalization had worked reasonably well for the Western Hemisphere via a State Department support center near Miami. Similar centers in Frankfurt (covering Europe and Africa) and Bangkok were established. In practice regionalization works best for human resource support, but disappoints on locally delivered services (e.g., building maintenance, utilities and certifying vouchers). Regionalization also tripped over the widely differing styles and needs of different regional bureaus. Africa, Asia and the Americas each present unique operating environments.

As for the NSDD-38 system, it has never been effective in limiting the size or the mix of the U.S. overseas presence. A White House office, probably the Office of Management and Budget (OMB), would have to be willing to take on the inter-agency conflict that strict enforcement would provoke. The most effective device for holding down the size of our overseas presence is

the new, solidly enforced requirement that for every position it maintains overseas, a sponsoring agency must contribute \$60,000 to the capital fund of State's Overseas Buildings Office.

Program budgeting links resource inputs explicitly to diplomatic programs and outcomes. It has been a management Holy Grail at State for almost a half century, and it has been difficult to grasp. The Mission and Bureau Program Planning (MPP/BPP) process in place at the end of 2004 was good, but it had become too cumbersome (some plans ran several hundred pages). Missions, especially small ones, resented the cost in time and the apparent lack of relationship between the MPP and delivery of resources. The system's greatest weight came from the unprecedented personal involvement of the Deputy Secretary of State in reviewing the plans and in holding State to the budget priorities established at the reviews. With changes in personalities and vacancies in the Deputy Secretary's office, the Secretary of State herself chaired reviews of the program plans of the six regional bureaus plus the Bureau of International Organizations. For FY 2008 the plans (now called Mission and Bureau Strategic Plans – MSPs and BSPs) have been greatly simplified and shortened. They facilitate dialogue between Washington and the field to set policies and discuss resources, but they do not command resources.

There have been some significant changes in the budgeting and resource environment:

- A new position, Director for U.S. Foreign Assistance (F), was established with rank equal to that of the Deputy Secretary of State. The incumbent at the time of this survey was also the Administrator of USAID. The highly laudable purpose of the position is to have one central point of control and oversight for all U.S. foreign assistance. That includes military training and other security assistance that formerly came under the purview of other bureaus at State, as well as civilian assistance such as that coming from USAID, the Millennium Challenge Account, the President's Emergency Program for AIDS Relief (PEPFAR), etc. But some issues need clarification. For example, what is the future role of USAID itself, especially in terms of new challenges and the requirements of transformational diplomacy? How do regional bureaus relate to F in order to plan or manage the right kinds of assistance for their areas of responsibility? How do officers engaged in transformational diplomacy have input? How does the Bureau of Politico-Military Affairs relate to security assistance of types it used to coordinate with the Department of Defense? How do we deal with the bifurcation of U.S. support for United Nations peacekeeping? (State's Chief Financial Officer budgets and controls assessed contributions, but F alone is responsible for voluntary contributions.)
- The House of Representatives has reorganized its appropriations subcommittees so that State and Foreign Operations (USAID) have their own subcommittee and no longer compete with domestic agencies for funds at that level. (The Senate has a similar structure.) This should be a helpful development.
- Numerous advisors, committees and studies are examining foreign affairs management-related issues, both in-house at State and in prestigious think-tanks. They offer a great opportunity for improvements. Collectively they also offer a significant coordination challenge.

- Resources (appropriations) are tight and getting tougher to come by. New requirements cannot be funded just by cutting out old activities or even by taking full advantage of new technologies – e.g., for automation, consultation (video-conferencing), information archival and retrieval, or administrative support. This places a heavy burden on the Secretary and her deputy because, given the nature of the Congress, at critical moments only these two can make the difference in convincing Congress of the need for added financial support.

#### **Accomplishments**

- To speed savings, enhance resource effectiveness and better structure State for 21<sup>st</sup>-century challenges, Secretary Rice has appointed a Senior Advisor for Management Reform, Stanford University's Vice Provost for Finance. The Secretary also established a Management Reform Committee comprised of principal deputy assistant secretaries from regional and other bureaus. The Senior Advisor will work directly with the Deputy Secretary, the Undersecretary for Management and the Undersecretary for Political Affairs.
- State initiated and is leading **Project Horizon** to: (1) develop strategic interagency capabilities necessary to meet the challenges and opportunities of the next 20 years; (2) provide to the 14 participating agencies and the National Security Council a scenario-based toolset that works in internal agency planning and across agencies; and (3) provide a starting point for the Interagency Strategic Planning Group which meets quarterly.
- The State-USAID Joint Management Council is finally on track. Within a year 40 (out of 80) posts with a USAID presence are expected to have combined Embassy-USAID administrative support operating on an agreed platform that covers general services, human resources, information technology and cashing.
- In 2006 the Office of Rightsizing issued a first-ever guide for U.S. agencies to use in navigating the NSDD-38 system.
- The Undersecretary for Management has instituted a system of "Centers of Excellence" through which bureaus that have shown themselves especially adept at certain administrative support functions provide that same support to certain other bureaus. The most common support is in Civil Service management because the central system does not provide it. So far the bureaus seem comfortable with this initiative, which provides good service while containing costs.
- The MSP/BSP process is now much more user-friendly and strategic in focus.
- F has instituted Country Operational Plans as a tool to evaluate metrics for the 155 countries receiving U.S. assistance.

#### **Yet to be Done**

1. Using the financial management system to provoke and support strategic policy analysis (is our money where our mouth is?), and strengthening the system to enable analysis to support

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management and decision-making. This will require more detail in financial coding. This strengthening would be especially well received by the Congress as well as by OMB.

2. Extend the State-AID joint management system to all posts where USAID is present and develop a standardized overseas administrative operating platform that can apply to all posts.
3. Investigate the cost-saving possibilities of global (“strategic”) procurement for various services and supplies such as telecommunications, cell phones, various consumables, even local guard services.
4. Through *Project Horizon* and the Interagency Strategic Planning Group link the National Security Strategy and other national strategies to agency-level strategic plans, budget submissions, and Performance and Accountability Reports – potentially in the form of a U.S. Government Quadrennial Strategic Review.
5. Establish a system to relate U.S. development assistance to “transformational diplomacy” and to provide resources that officers working in the field can draw upon.

**Institutionalization.** Commitment to good management is palpable at all levels. The commitment is forward looking and future oriented. State’s managers are justifiably proud of the high marks they have received from the Office of Management and Budget under the President’s Management Agenda. OMB has given its top mark (“green”) in all management areas except financial reporting and analysis which received a pass (“yellow”). The Office of Rightsizing is well established and integrated closely with OBO’s New Embassy Compound schedule. It reports solid results that are comprehensively documented in lengthy quarterly reports. The F function is a work in progress. It will need determined effort and careful nurturing to find common ground among competing interests and to demonstrate its efficacy to OMB and the Congress over the next two budget cycles. The Centers of Excellence are a pragmatic and flexible solution to real problems and they seem to be accepted.

## VIII. Congressional Relations (H)

**Background.** Starting in 2001, the State Department’s relations with Congress improved dramatically as a result of several initiatives taken by Secretary Powell. By 2004 the Department had obtained most of the resources necessary to implement its Diplomatic Readiness Initiative and to upgrade its information technology and physical plant after years of neglect.

Three new factors have impacted the State-congressional relationship since late 2004: (i) the Iraq-driven surge in resource requirements; (ii) the 2006 election which affected Congressional-executive branch relationships generally; and (iii) the establishment of a new House Appropriations Subcommittee for State, Foreign Operations and Related Programs. That change enables more focused congressional oversight.

Another issue that affects State’s Congressional relationship is a Congressional staff tendency to attribute to State problems that are in the Department of Homeland Security.

Secretary Rice and her colleagues testify regularly on the Hill. She encourages State Department staff to interact directly with Hill staff. This is especially useful to staffs of the House Foreign Affairs and Senate Foreign Relations Committees. (Appropriations Committee staff prefer to use "H", the Bureau of Congressional Relations, as a single point of contact.) H also works closely with the Bureau of Consular Affairs which helps to staff State's office on the Hill, relates well to Hill staff and handles large volumes of congressional correspondence. Under Secretary for Management Henrietta Fore organized a State Department fair on the Hill after last November's elections, and she personally reaches out to members of Congress regularly. The outstanding management of the Overseas Buildings Office (OBO) has been positive for the Department, as well. Although State's natural constituency on the Hill remains small, its visibility continues to increase.

#### **Accomplishments**

- CA's strong performance during the 2006 Lebanon evacuation helped to overcome indifference toward State on the Hill.
- There is no longer a congressionally mandated "cap" on funds and positions for H.
- H's highly praised 2004 in-house seminars on the appropriations process have now been distributed worldwide on DVDs.
- H has espoused a "marketing" culture to "sell" State's desk-level expertise to Congress. Similarly, the Bureau of Public Affairs has become pro-active in distributing information relevant to State's requests to Congress, and there is substantial outreach to businesses and nongovernmental organizations whose interests are affected by State and USAID actions.

#### **Yet to be Done**

1. Accuracy of data to support authorization and appropriations requests needs to be improved, especially regarding foreign assistance. (The level of accuracy for State accounts is acceptable.)
2. H could codify its best practices and distribute them to its new members.
3. Establish a State office on the Senate side of the Capitol.

**Institutionalization.** More than for most bureaus, H's greatest triumphs often are driven by personal relationships between State's top officers (Secretary, Deputy Secretary, Undersecretaries). These are hard to institutionalize, though one way or another they exist in every administration. H has consistently understood that its vocation includes pressing for and facilitating such relationships. All understand that strong advocacy at the highest level is essential if the Department is to gain the resources it needs to sustain full diplomatic readiness and perform its mission. The continued emphasis on training (the DVDs) and on direct staff-to-staff communication between State and the Hill represent significant institutionalization.

## IX. Public Diplomacy (PD)

**Background.** Public diplomacy<sup>5</sup> (PD) was arguably the Department of State's weakest program in January 2005. Key objectives are to engage, inform and influence foreign audiences. But the poor esteem of foreign publics for the United States and what we stand for was, and is, notorious. There are myriad reasons for this situation, including some that public diplomacy alone cannot overcome, but the PD function could and should have been stronger in any case. There had been a different Under Secretary for Public Diplomacy and Public Affairs each year from 2001 to 2003, and from mid-2004 until mid-2005 there was an interim Acting Under Secretary.

We were starting to put more resources into broadcasting and exchanges after the nadir of 2001-2003, but results were thin. Absent were the detailed annual country communication plans that had been standard until the abolition of the U.S. Information Agency in 1999. Those plans used to cover core messages and themes, target audiences, key opinion leaders, audience attitudes and the local media environment. In addition, aggressive, heavy-handed visa processing and treatment at U.S. ports of entry (both now greatly improved) had diverted a flood of foreign students, especially Muslims, from the U.S. to other countries.

The new Senate-confirmed Under Secretary for Public Diplomacy and Public Affairs, Karen Hughes, took up her duties in September 2005. Since then PD resources have increased, goals are clear, priorities and tactics established, and personnel resources are being actively managed. Staff and skills shortages are still crippling, however. The GAO reported<sup>6</sup> in April 2007 that 22 percent of PD positions worldwide are vacant, up from 15 percent in May 2006. The same report says 30 percent of language-designated PD positions are filled by officers without the required levels of proficiency. Security concerns have forced many embassies to close or curtail use of publicly accessible facilities

A basic problem for evaluating the management of public diplomacy is that many programs have a long time-horizon before they can deliver significant results. Interim measures of effectiveness are available and are being used, though they are inconclusive. For example, numbers of youth exchange visitors from Muslim parts of the world are up (470 in FY 2004, 640 in FY 2005, 725 in FY 2006). Eighty percent of exchange participants say they espouse democratic values a year after their visit, and 38 percent say they understand the United States and its values better. But we won't know for some years how they will behave when/if their moment comes to act on an issue important to the United States. Despite this problem, there is major emphasis on exchanges as a critical foundation for effective public diplomacy. There also is renewed appreciation for the value of cultural programs, albeit without much money for them.

The Under Secretary for Public Diplomacy and Public Affairs has two general goals regarding foreign publics: (1) better understanding and appreciation of the U.S.; and (2) greater receptivity

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<sup>5</sup> Note that this evaluation does *not* cover U.S. Government broadcasting activities because these are under the direction of the Broadcasting Board of Governors (BBG), not the Department of State. However, the Secretary of State chairs the Board. The BBG's budget request for FY 2007 was \$672 million.

<sup>6</sup> GAO-07-795T, "U.S. PUBLIC DIPLOMACY, Strategic Planning Efforts Have Improved but Agencies Face Significant Implementation Challenges", testimony before the Sub-Committee on International Organizations, Human Rights and Oversight, House Committee on Foreign Affairs, April 26, 2007

for U.S. policies, with special emphasis on the Muslim world. Within these aims there are three messages: (i) offer the world a vision of hope and opportunity rooted in U.S. values; (ii) isolate and marginalize violent extremists; and (iii) recognize the “common interests and common values between Americans and people of different countries and cultures and faiths across the world.”

Those responsible for U.S. public diplomacy are standing tall in a deep hole.

#### **Accomplishments**

- Links between public diplomacy and foreign policy formulation and implementation have been tightened. The Under Secretary sits in the Secretary’s policy-decision meetings. The Under Secretary also meets with the operating bureaus’ PD Deputy Assistant Secretaries (DASs) weekly and her chief of staff does the same with the bureaus’ PD office directors.
- There is tighter oversight of the most critical public diplomacy resource at State: the professionals who specialize in the function. The Under Secretary has strengthened their sense of community and given them a home base for consultation. Her Director of Policy Planning and Resources (R/PPR) participates in the assignment of PD specialists worldwide, including to plum jobs such as DAS, DCM and office director.
- State has enhanced the U.S. PD presence in foreign countries. There are now more than 400 “American Corners” located in foreign institutions around the world. Forty more are due this year. (An American Corner is an Internet-connected “reading room” where people – ideally students and pundits – can get information and publications on the U.S.)
- A state-of-the-art “American Center” has been established in New Delhi (cost: about \$85 million), and the Under Secretary’s office is exploring ways to set up more such centers (not necessarily equally expensive for the U.S. government).
- The regional media hub in Brussels has been highly successful and State is trying to replicate that success in Dubai.
- There is broad recognition within the U.S. government of the importance of exchanges to our national interests, and the processing of exchange visitors and students at consulates and at U.S. ports of entry is much better than it was a few years ago. However, there is anecdotal evidence that some U.S. law enforcement agents harass foreign Muslims studying in the U.S..
- The new early morning “rapid response” briefs to the field on breaking news are highly praised by officers around the world.
- The late 2006 guidelines on “safe territory” on policy questions have had their intended effect of prompting ambassadors (and chargés d’affaires, public affairs officers, etc.) to speak out publicly and immediately on breaking issues without waiting for Washington guidance.

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The Under Secretary's public defense of an officer who misspoke on Al-Jazeera last year reinforced the willingness of officers to speak publicly.

- The message is out that public diplomacy is everyone's responsibility overseas, and the Foreign Service Institute has significantly boosted PD training both in Washington and (via distance learning) overseas for a wide range of officers and locally-employed staffs.

#### **Yet to be Done**

1. Systematic evaluation of PD program effectiveness, including evaluation over extended time periods, needs further and sustained effort. For example, we may need to survey former exchange participants every three to five years to measure long-term perception changes. At a different level, overseas posts may want to search for reactions (presumably anecdotal) to public statements by different mission officers to see which ones are most effective.
2. Emphasis on the Muslim world is necessary but insufficient. Even when budgets are very tight it will be necessary to make sure we are reaching publics of countries whose active collaboration we hope to sustain, e.g., Europe, the Western Hemisphere and some Asian nations.
3. There are still significant personnel problems. The role of the Under Secretary's office in the assignments process is much smoother than it was a year ago, but it needs systematization. There remains a shortage of officers at mid-career levels, a legacy of staff cuts during the 1990s. The advancement of senior public diplomatists into broader responsibilities as ambassadors and DCMs limits their PD mentoring time.
4. Cultural affairs officers also are in short supply. Given their academic and cultural allegiances and relationships, they may need a special recruitment and retention system – perhaps one similar to the one State uses for physicians.
5. In addition to the Foreign Service Institute's welcome offering of new PD training modules, systematized on-the-job PD training for junior or even mid-career officers in other cones, as well as the PD cone, would increase the skill pool and underscore the point that everyone posted overseas has PD responsibilities. There is, in fact, powerful complementarity between the work of political officers and PD officers. One model would be an abbreviated rotation into PD work akin to the assignment of all junior Foreign Service officers to consular work.
6. Winning back the confidence and trust of foreign publics is a long-haul project. Much will depend on sustaining for many years a reliable and substantial budget (See next recommendation). It also requires the kind of annual country plans that used to exist.
7. Public-private collaboration can enhance program sustainability. For example, there are signs that the private sector might act as partners for certain activities, e.g., cultural presentations. And, for very modest outlays it should be possible to recreate the clearing house for keeping overseas posts informed well in advance of proposed travel by US

exhibitions or performing artists. Even when US government funds are unavailable, posts could then find other ways to bring such events to otherwise underserved places.

**Institutionalization.** The need for the public diplomacy function and its corresponding specialization (“cone”) in the Foreign Service is broadly embraced. A good start has been made on the institutional arrangements and procedures in the Department of State, but they are still in their shakedown.

## X. Public Affairs (PA)

**Background.** The Bureau of Public Affairs’ function is to inform the U.S. public about their president’s foreign policies and, more generally, to spread greater knowledge about the world among Americans. PA also explains to Americans what the State Department and its posts abroad do for them.

PA is acutely aware that when it speaks, foreign audiences listen even more closely than do Americans. PA produces the “rapid response” sheet that goes daily to all Foreign Service posts and to key decision makers throughout the U.S. government. A separate Bureau of International Information Programs (IIP) prepares releases primarily intended to inform foreign publics because the 1948 Smith-Mundt Act prohibits domestic distribution of such U.S. government-produced information. Since IIP products may not be distributed domestically, the required separation produces some duplication. PA, IIP and the Bureau of Educational and Cultural Affairs (ECA) all come under the purview of the Under Secretary for Public Diplomacy and Public Affairs (see IX, Public Diplomacy). However, as State’s press spokesperson, the Assistant Secretary for Public Affairs works directly with the Secretary of State.

In addition to press affairs, PA conducts numerous other activities to inform the American public. These include: broadcast services (supplying material to broadcasters); electronic information (e.g., State’s Web site and video/audio podcasts); public liaison (outreach to civic groups, nongovernmental organizations and the hometowns of people posted overseas); intergovernmental affairs (outreach to state and local government officials); the U.S. Diplomacy Center, a proposed top-quality facility to present the story of U.S. diplomacy; and the Office of the Historian (answers public inquiries, publishes records of negotiations and foreign relations).

Numerous management surveys have asked whether the Assistant Secretary/Department Spokesman really has sufficient time to manage all the non-press areas of the job. The answer is “no.” But it also is not a problem because the Deputy Assistant Secretaries and the office directors are strong and they have good staffs.

There has been a concerted effort to step up exploitation of new technologies, increase the range of information services to the American public, and generally to continue adapting to 21st-century communications norms. Outreach to pan-Arab media also has increased.

### Accomplishments

- State's Web site went from six million hits in FY 2004 to 11 million in FY 2005 and 13.2 million in FY 2006. Video and audio podcasts generate 16,000 downloads per month.
- PA media officers gave more than 2,000 interviews in FY 2006.
- PA's Web site has been redesigned to make it easier for users to find critical data.
- New products are proving popular. *Frontier Net* links together private citizens interested in foreign relations, while *Ask the Ambassador* enables Americans to question chiefs of mission overseas via video conference. *Coffee at State* and *Video Newsletter* also draw strong audiences. It is too early to judge the appeal of *Mid-East Digest*, launched in January 2007.
- Educational outreach put a supplement to a weekly magazine in the hands of 1.25 million students in 58,000 classrooms in each of the past two fiscal years, distributed 13,000 copies of a History of Diplomacy curriculum and video (FY 2005), and created and distributed to universities, libraries and community organizations more than 10,000 copies of a CD-ROM curriculum called *Diplomacy in Action*.
- The number of "hometown diplomat" presentations, in which officers returning from overseas give talks in their hometowns, is slowly growing (223 in 2005 versus 188 in 2004). These help, but it is hard to get lasting effects when a town hears only one such talk every other year.
- PA reached 35,640 students and others during FY 2006 via in-house briefings and video-conferences, and it participated in 47 conferences of NGOs.
- PA facilitated overseas Foreign Service assistance to 950 state and local officials, and fielded 400 requests for information from them in FY 2006. The comparable numbers for FY 2005 were 150 officials and 370 requests.

### Yet to be Done

1. The volume of information delivered to Americans is impressive and it is clear from the steady increase in home page hits and downloads of video/audio podcasts that the public is increasingly interested. It would be reassuring if there were some way to measure the extent to which the public absorbs and retains the information being put out.
2. Increased funding would permit more original content for PA's Internet and broadcast Services (thereby growing audiences), and even greater outreach to Arab broadcasters.
3. The proposed U.S. Diplomacy Center is an essential part of the long-term effort to help the American public understand the full range of tools – diplomatic, intelligence and military – needed for the successful conduct of foreign relations. Unfortunately, the Center has not

advanced for the past two years. More senior State Department support is needed if the Center's sponsors are to raise sufficient private funds to complete the project.

**Institutionalization.** Technology has changed PA's activities radically over the past six years. It has taken substantial investment, and more will be needed as new devices and delivery modes appear. The new technologies are the key portals for reaching younger Americans or, for that matter, younger persons anywhere in the world. It is too early to know whether future budgets will provide the necessary resources. Similarly, although the personnel turmoil that roiled PA in the early 2000s is settled, the large number of positions subject to change with changes in administration leaves the bureau vulnerable to disruption that can affect performance.

## **XI. State and the Private Sector**

**Background.** The outreach programs that State has managed and refined over the years have earned the support and respect of the private sector. As global competition intensifies, private sector interest in international issues and the State Department's role is expanding. Much collaboration takes place through private support for exchange visitors and other programs involving public affairs and public diplomacy. The Bureau of Intelligence and Research and the Bureau of Oceans and International Environmental and Scientific Affairs are both maintaining and expanding their contacts with the academic and scientific communities.

The Bureau of Economic, Energy and Business Affairs (EEB) reaches out extensively to the business community through a variety of mechanisms, including the Advisory Committee for International Economic Policy. State commercial support at the 60 percent of posts without a Foreign Commercial Service (FCS) presence is well-regarded. Dwindling resources and capital construction fees (\$60,000 per position) for space in New Embassy Compounds have forced FCS to cut positions, placing additional demands on State's commercial function. State has compensated in part by leveraging resources such as the Business Facilitation Incentive Fund, and it has achieved notable commercial successes. Posts newly relinquished by Commerce tend to have a higher business priority than posts where State already staffs the commercial function.

The proliferation of Free Trade Agreements (FTAs) and strategic initiatives (e.g., U.S.-India civil nuclear cooperation and the Prosperity Partnership of North America) provides a platform for concerted efforts to build business ties between the U.S. and the other parties to the agreements. Aid initiatives such as the Millennium Challenge Account for 23 developing countries and the President's Emergency Program for AIDS Relief (PEPFAR) also improve the environment for U.S. business. Businessmen have noted the shift of personnel resources to Iraq and Afghanistan. They hope transformational diplomacy will eventually create more business opportunities and bring a more level competitive playing field. They also look with anticipation to the advent of more American Presence Posts (APPs).

In recognition of the growing complexity of operating overseas, businessmen are seeking help from all elements of embassies on the full range of trade-policy issues: market structures, intellectual property protection, contract enforcement and many others. They understand the

value of a comprehensive approach to economic and trade issues by “sustained multi-stakeholder action” coordinated through the entire embassy platform.

The increased pace of globalization, the changing nature of supply-chain management, and aggressive support from state actors for national champions and/or quasi private sector competitors all mean that State will have to continue to devote significant resources to training in the promotion of U.S. economic, energy and business interests. Training modules will need regular updating to reflect new global business trends and barriers. The business community already provides speakers, publications and technical advice for Foreign Service Institute (FSI) commercial training, much of it through the Business Council for International Understanding. The business community looks to the Secretary of State to make the case to Congress for the necessary government training resources.

In general, U.S. business finds American ambassadors to be well-briefed on economic and commercial topics and receptive to requests for assistance. Because chiefs of mission set the tone at their embassies for responsiveness to business concerns, they need to be aware of what the business community expects of them.

Lastly, Fulbright program alumni, many of whom have achieved prominence in their own countries, offer a unique resource for advancing economic and commercial relationships between their home countries and the United States. They can play an important role in shaping new initiatives, as well as providing a framework for support.

#### **Accomplishments**

- Past efforts to energize and intensify engagement with the private sector have largely been sustained. Examples include collaboration on public diplomacy and exchanges; management speakers in Washington; the Industry Advisory Panel that supports the Overseas Buildings Office; and the Overseas Security Advisory Council, which now has some 3,000 organizations participating.
- When Secretary of Commerce Carlos M. Gutierrez took office, he and Secretary Rice issued a joint message reaffirming their joint commitment to supporting and facilitating business in its pursuit of investment and export goals.
- The Private Sector Advisory Council, a joint initiative of the Departments of State and Homeland Security, held its first meeting in December 2006. It is designed to provide a voice for private-sector stakeholders and to act as an ombudsman for the business community in support of “Secure Borders-Open Doors.”
- The President’s Emergency Plan for AIDS Relief has successfully piloted the creation of Public-Private Partnerships (PPPs) with firms from the health care and logistics sectors.

**Yet to be Done**

1. Ensure that resource decisions, including coordination of commercial staffing changes overseas, reflect the joint commitment of Secretaries Rice and Gutierrez.
2. Establish the resources and mind-set necessary to ensure that U.S. businesses can routinely consult with the entire embassy team as part of a comprehensive approach to trade and business issues.
3. Make sure that officers assigned to APPs have some FSI commercial training. Eventually, at all posts without an FCS presence, all State officers who may have to deal with the business community should have taken an FSI commercial tradecraft course.
4. Expand the economic-commercial module of the ambassadorial and DCM training seminars and otherwise encourage chiefs of mission and their deputies to make full use of the outreach and training programs offered by BCIU and other organizations. These offerings include business briefings, regular teleconferencing, customized consultations for host-country officials, regional meetings and (especially important) BCIU's "*Ambassador's Checklist for Promoting U.S. Business.*"
5. Institute a system of embassy-local business community joint strategies for advancing U.S. economic and commercial objectives.

**Institutionalization.** Public-private partnerships are thriving. The habits of cooperation between State and the private sector are well-ingrained and their benefits understood. Having adequate resources to meet the private sector's rising expectations will sustain the cooperation. State needs to recognize the business community's concerns about adequate resources for the economic-commercial function.

### Appendix: About the Foreign Affairs Council

The Foreign Affairs Council is a nonpartisan umbrella group of 11 organizations concerned about U.S. diplomatic readiness. Its mailing address is 2101 E Street NW, Washington DC 20037. FAC member organizations and their representatives are:

- Ambassador Thomas D. Boyatt, FAC Founder and President.
- American Academy of Diplomacy: a private, nonprofit, nonpartisan, elected society of men and women who have held positions of major responsibility in the formulation and implementation of American diplomacy ([www.academyofdiplomacy.org](http://www.academyofdiplomacy.org)).
- American Foreign Service Association: the professional association and union of the career Foreign Service. Founded in 1924, AFSA has 13,000 members ([www.afsa.org](http://www.afsa.org)).
- Associates of the American Foreign Service Worldwide: a nonprofit organization that has been an independent advocate for Foreign Service spouses, employees and retirees since 1960 ([www.aafsw.org](http://www.aafsw.org)).
- Association of Black American Ambassadors: an organization of current and former African-American ambassadors, career and non-career, working to enhance public understanding of foreign affairs, to strengthen the Foreign Service through improved diversity, and to document African-American achievements in diplomacy.
- Association for Diplomatic Studies and Training: a private, nonprofit organization founded in 1986 to advance understanding of American diplomacy and to support training of foreign affairs personnel at the Foreign Service Institute ([www.adst.org](http://www.adst.org)).
- Business Council for International Understanding: founded in 1959 to support U.S. business interests internationally by convening member company executives with senior diplomatic and Cabinet-level officials and foreign heads of state ([www.bciu.org](http://www.bciu.org)).
- Council of American Ambassadors: composed of former and incumbent non-career ambassadors, the Council aims to support the role of the ambassador and the embassy country team in carrying out U.S. foreign policy ([www.americanambassadors.org](http://www.americanambassadors.org)).
- Una Chapman Cox Foundation: dedicated to a strong, professional Foreign Service, its activities seek to enhance State's recruitment, professionalism, retention and constituency ([www.uccoxfoundation.org](http://www.uccoxfoundation.org)).
- Nelson B. Delavan Foundation: a family foundation that supports initiatives to improve the Foreign Service of the United States and the effectiveness of American diplomacy.
- Diplomatic and Consular Officers, Retired: sponsors educational, cultural and advocacy programs for retired, former, and active duty Foreign Service officers, their spouses, and others who have served in positions related to the conduct of foreign affairs ([www.dacorbacon.org](http://www.dacorbacon.org)).
- Public Members Association of the Foreign Service, USA: a nonpartisan, nonprofit organization composed of members who have served as public members on Foreign Service promotion boards or inspection teams, or on delegations or commissions.



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FAC ♦ 2101 E Street NW ♦ Washington, DC 20037