

**FISCAL YEAR 2000 FOREIGN AFFAIRS BUDGET  
AND EMBASSY SECURITY FOR A NEW MILLENNIUM**

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**HEARINGS**  
BEFORE THE  
**COMMITTEE ON FOREIGN RELATIONS**  
AND THE  
**SUBCOMMITTEE ON INTERNATIONAL  
OPERATIONS**  
OF THE  
**UNITED STATES SENATE**  
ONE HUNDRED SIXTH CONGRESS  
FIRST SESSION

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FEBRUARY 24, MARCH 4, 11, AND APRIL 21, 1999  
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## 1999 FOREIGN POLICY OVERVIEW AND THE PRESIDENT'S FISCAL YEAR 2000 FOREIGN AFFAIRS BUDGET

WEDNESDAY, FEBRUARY 24, 1999

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

The committee met, pursuant to notice, at 11:10 a.m. in room SD-419, Dirksen Senate Office Building, Hon. Jesse A. Helms (chairman of the committee) presiding.

Present: Senators Helms, Hagel, Smith, Grams, Brownback, Ashcroft, Biden, Dodd, Kerry, Feingold, Wellstone, and Boxer.

The CHAIRMAN. The committee will come to order. Madam Secretary, did you get any sleep last night?

Secretary ALBRIGHT. Not a lot. Not a lot.

The CHAIRMAN. Well, we welcome you. This is the 14th time you have appeared before this committee since and including your confirmation hearing. We are always glad to have you.

Let me say at the start, Senator Biden, that this lady has been up all night working on this thing in France, negotiating to resolve the Kosovo conflict peacefully, and if we happen accidentally to ask you a question that involves a lot of detail, just say, I will answer that in writing, because you cannot be expected to remember everything, not having any more than you have had.

Secretary ALBRIGHT. Thank you.

The CHAIRMAN. Now, during the past 2 years we have worked together on significant achievements as a result of the enactment of the Foreign Affairs Reform and Restructuring Act. This past October looked pretty good for us. Two Federal agencies, the U.S. Arms Control and Disarmament Agency and the U.S. Information Agency will become a part of the State Department. Their functions will be directly under your control, which is where they ought to be, and almost as significant the Administrator of the Agency for International Development will hereafter report to you and be under your direct authority and foreign policy guidance.

Now, it may be easier to achieve peace in the Middle East than to straighten that place out. We are making certain that U.S. foreign aid used to support U.S. foreign policy objectives is now in your hands, so I commend you, Madam Secretary and others in the executive branch responsible for preparing the plan and report regarding reorganization as required by the new law.

Now, much of the plan reflects the legislative intent. I look forward to its interpretation, of course, and Senator Biden and I have

written to you outlining those areas of disagreement, and I will submit that letter to you in today's hearing record.

[The letter referred to by Senator Helms follows:]

U.S. SENATE,  
FOREIGN RELATIONS COMMITTEE,  
*Washington, DC, February 24, 1999.*

The President  
*The White House*  
*Washington, DC.*

DEAR MR. PRESIDENT: We write regarding the reorganization plan and report you submitted to Congress pursuant to the Foreign Affairs Reform and Restructuring Act.

At the outset, we commend you, the Secretary of State, and others in the Executive Branch responsible for preparing the plan and report. We recognize, and greatly appreciate, the considerable effort involved in the preparation of such a comprehensive plan. More important, we agree with much of the plan outlined in the report, and look forward to its implementation. Having said that, we share several serious concerns regarding the plan.

First, as we wrote to the Secretary of State in January 1998, we are deeply concerned that, under your plan, the function of verification and compliance of arms control treaties would not be carried out by a separate bureau, as is now the case in the Arms Control and Disarmament Agency (ACDA). Instead, these important duties would be performed by a "Special Adviser" to the Under Secretary for Arms Control and International Security Affairs, as well as staff within the proposed Arms Control Bureau. We regard this proposed structure as an unacceptable diminution of the verification and compliance function.

We are committed, as we know you are, to vigorous enforcement of arms control and nonproliferation agreements and statutes. We believe, however, that this objective cannot be adequately achieved under the proposal you submitted, because it submerges these important functions to such an extent that they will undoubtedly be viewed as a second-order priority.

Therefore, we strongly urge you to modify this portion of the plan promptly in accordance with the authority of Section 1601 of the Act in order to create an Assistant Secretary position for Verification and Compliance. As the deadline for the integration of ACDA into the State Department is fast approaching, we urge you to modify the plan to include the Verification and Compliance bureau as soon as possible.

Second, we are concerned, for both legal and policy reasons, by the proposal to combine the exchanges and information functions into one bureau under the new Under Secretary for Public Diplomacy.

Legally, we seriously doubt that the proposal you submitted can be sustained. Section 112(a) of the Fulbright-Hays Act provides that "there is established in the U.S. Information Agency, or in such appropriate agency of the United States as the President shall determine, a Bureau of Educational and Cultural Affairs." (emphasis added). Thus, even with the abolition of the U.S. Information Agency, there remains a statutory mandate for a bureau to carry out the programs under the Act. Section 112(d) of the Act further provides that "[the Bureau shall administer no programs except those operating under the authority of this Act and consistent with its purposes." We recognize that Section 1611(a) of the Foreign Affairs Reform and Restructuring Act empowers the Secretary of State to "allocate or reallocate any function transferred to the Department [under the Act]." That same provision makes clear, however, that it "does not authorize the Secretary to modify the terms of any statute that establishes or defines the functions of any bureau, office, or officer of the Department." In our view, the proposal you have submitted improperly modifies the functions of the Exchanges bureau. In sum, we believe the Fulbright-Hays Act is clear: the bureau operating exchanges and cultural affairs cannot carry out any other duties. It should go without saying that legislative history cannot override this statutory command.

As a matter of policy, we believe the responsibility of managing educational and professional exchanges is too comprehensive to be relegated to a Deputy Assistant Secretary of State. The U.S. budget for exchanges conducted by USIA is approximately \$200 million a year; with the commitment of our foreign partners in the Fulbright program, of course, the sum total of these programs is still higher. Just as other major programs are operated by the State Department at the bureau level (such as narcotics and crime, and refugees and migration), we believe these programs should be carried out by an Assistant Secretary. Indeed, we believe it unwise

to relegate the management of such substantial programmatic resources to a level below Assistant Secretary. Equally important, we are concerned that your proposal to merge the two functions (exchanges and information) could cause grave damage to the reputation our exchange programs now enjoy. If joined organizationally with our overseas public relations function, the exchanges programs may be perceived by foreign publics and students as little more than a "propaganda exercise" rather than what they are intended to be: an investment in mutual understanding.

Finally, we are unequivocally opposed to the proposal to establish a new Eastern European Bureau in the Department of State based upon the geography of the former Soviet Union. We do not accept the argument that the European Bureau as currently constituted need be unwieldy. In fact, any potential management benefit of dividing this bureau would be far outweighed by the implications of separating our policy toward Russia from our policy toward the rest of Europe. Such an action would be unhealthy for Russia's neighbors, for the further integration of Russia into the democratic West, and ultimately for U.S. foreign policy.

The Administration has repeatedly stated its strategic vision in this region to be the creation of a "Europe, whole and free." The draft proposal for a new Eastern Europe Bureau flies in the face of this stated goal. We gladly will work with you in finding the necessary resources to make the European Bureau function well. We will not, however, support the creation of a new bureau.

We appreciate your addressing these issues prior to integration of ACDA and USIA into the State Department.

Sincerely,

JESSE HELMS,  
JOSEPH R. BIDEN, JR.

The CHAIRMAN. Your most recent visit with us was exactly 1 year ago to discuss ratification of the protocols to permit Poland, Hungary, and the Czech Republic to become parties to NATO, and that was a move that I believe will strengthen NATO and ensure peace and stability to some extent in Eastern Europe, but much has happened around the world since your most recent visit.

In Iraq, the sanctions regime has collapsed, and we are in a low level shooting war with Saddam Hussein. The majority leader and I are hopeful that with the passage and signature of the Iraq Liberation Act the administration might embrace a coherent policy to remove Saddam altogether, period and paragraph.

In any case, I look forward to hearing what you have to say on that.

Now then, in my meeting with you and several other Cabinet members in late January regarding Iraq your comments were most impressive. I said that privately to you, and I say it publicly this morning. However, your marching orders to the people at the State Department must be lost somewhere in the shuffle. I have heard nothing from the Department except the word, can't, can't train an opposition force, can't get the opposition together, and I guess my favorite can't is, we can't spend money Congress has given us.

Now, I am confident that you do not share General Zinni's view that the Iraq operation was a bad idea, and I trust that you do not share Secretary Cohen's view that we are not trying to get rid of Saddam Hussein because, Saddam, if you are out there listening somewhere, we are out there to get rid of you.

Madam Secretary, you and I have spoken several times in recent weeks about the situation in Kosovo. In fact, Mr. Biden and I have invited you, along with Secretary Cohen and General Shelton, to appear before this committee at another early date to discuss the details of the United States policy in Kosovo, including the President's deployment of troops in that region.

In any event, given the grave consequences of sending U.S. soldiers into harm's way, and that is something that bothers my very

soul, I expect that we will be able to arrange a mutually convenient time for that hearing prior to the implementation of any administration decision to deploy American troops to Kosovo. I am confident that you agree that it is critical to have an open discussion on this matter with the Congress and the American people as soon as possible.

In China, we witnessed last year a lot of the chummy toasts and dinners at the United States-China summit where President Clinton, shall we say, quite graciously uttered Beijing's long-awaited three noes on Taiwan, and then promptly passed our allies, South Korea and Japan, on his way home. He may have waved at them from the airplane window, but that is all.

Beijing, needless to say, returned those favors with a draconian crackdown on dissidents and with increasing hard-headedness on trade matters, plus a military exercise in November that consisted of mock missile attacks on Taiwan and United States forces in Japan and South Korea, so I hope we may be forgiven for wondering out loud again, what are we getting from our policy of so-called engagement with China?

You and I have discussed that, and I will appreciate your discussion today.

This is also the first opportunity you have had to appear before us since the tragic terrorist bombing of our embassies in Kenya and Tanzania, and first of all I extend to the families and friends of those who lost their lives in those bombings your and my and all of us, our deep regret at that loss, and to reiterate to these people that there is unanimous agreement that we must bring to justice those who orchestrated and carried out the bombings.

I am confident that I will speak for the committee in saying that although Congress cannot and must not write a blank check, we are determined to provide the support necessary to upgrade the U.S. embassies, and you and I have discussed that, and that they proceed to provide secure work environments for U.S. Government employees working overseas; and parenthetically I understand that AID initially resisted official requirements to collocate its offices within the new embassy compounds that will be built in Kenya and Tanzania, but they have seen the light on this one finally, and I am glad they see it, and I am confident that you had something to do with that.

Closer to home, I hope that we can cooperate closely on two urgent projects in the Americas. First, we will do our part to help our neighbors in Central America rebuild their countries from the wreckage left by Hurricane Mitch, and I believe we could support the Central American efforts to rebuild.

Now, this we have got to discuss publicly and privately, Madam Secretary, and it is of grave importance to me and I think to the country. I want to be as candid as I can as I do it. Nobody needs to tell you that the world has changed a very great deal since the ABM treaty was first ratified 27 years ago. The United States faces new and very different threats today, threats which are growing daily.

China has 19 intercontinental ballistic missiles, 13 of which are aimed at the United States. Saddam is doggedly pursuing nuclear, chemical and biological weapons, and the long-range missiles to de-

liver them, and according to the Rumsfeld Commission, Iran—and I am quoting—“has acquired and is seeking advanced missile components that can be combined to produce ballistic missiles with sufficient range to strike the United States.”

Now, if Iran succeeds, the commission warns, it will be capable of striking St. Paul, Minnesota. The ABM treaty is the root of our problems, as I see it. So long as it is a cornerstone of U.S. security policy, as Mr. Berger emphasized last month, we will never, never be able to deploy a nationwide missile defense that will provide real security for the American people.

It is time for the administration to submit the ABM protocols that would expand the ABM treaty to Russia and other post-Soviet States and debate whether the ABM treaty should remain a cornerstone of U.S. security policy. I will do my best to lead the charge, saying a very loud no.

A lot of major issues, Madam Secretary, and I look forward to discussing them. Thanks again for coming, and I hope you get some sleep tonight.

Joe.

Senator BIDEN. Thank you, Mr. Chairman. Let me begin by thanking you in our meetings for organizing for this year, for your generosity and your cooperation.

Madam Secretary, the chairman and I are good friends. We came the same day to the U.S. Senate 26-plus years ago, and we truly like one another, and we truly disagree with one another on some very important things, and so I want to thank the chairman for accommodating an opportunity to fight those areas of disagreement out like we did last year, and there are going to be a lot of fights this year, Madam Secretary, and that is why I say to the chairman I am glad I have got Barbara Boxer on the committee now, and Mr. Torricelli.

Now, all kidding aside, this is our first meeting. It seems strange, but the first meeting of the committee since the Senate has been sworn in, and I would like to formally welcome Senator Boxer.

The CHAIRMAN. I join in that.

Senator BOXER. Thank you.

Senator BIDEN. And also Senator Torricelli, who has been added on the Democratic side, and I look forward to working with them.

I would like to ask unanimous consent that my entire statement be placed in the record as if read, and let me summarize as briefly as I can, Madam Secretary.

[The statement of Senator Biden follows:]

PREPARED STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Mr. Chairman, I join you in welcoming the Secretary back to the Committee. It's a long way from Paris, where she spent the last few days, but we hope this hearing will not be as difficult as those negotiations.

We congratulate you and your colleagues for bringing the Kosovo talks to a successful conclusion. I hope Congress will support the agreement and the troop commitment made by the President. You must be prepared to make the case to Congress and the American people that—as I strongly believe—preventing instability in Europe is in the interest of the United States.

The attention focused on Kosovo at this moment should not deflect us from several other pressing foreign policy challenges. Let me highlight just a few.



A preeminent challenge lies in Russia. Though the installation of Prime Minister Primakov has created a surface calm, just below that surface is the danger of political and economic collapse—a collapse that would have catastrophic consequences. We must make clear to Russia that we want its democratic experiment to succeed, and that we are prepared to help—but Russia must do more to help itself.

A primary danger to world security is the prospect that the vast arsenal of weapons of mass destruction possessed by Russia will find its way into the wrong hands.

We must expand our joint efforts to control not only “loose nukes” but also “loose chemicals”, “loose pathogens” and “loose missiles.” To his credit, the President has proposed increasing the Nunn-Lugar-Domenici programs by sixty percent for the next five years. As Russia’s economy goes south, we must reduce the risk that its weapons of mass destruction or expertise will literally go south—to Iran, or Iraq, or who-knows-where.

Equally important, we must revive the strategic arms control agenda. The second START Treaty, approved by the Senate over three years ago, languishes in the Russian Duma. We must find a way to convince Russia to approve the treaty, and move to still deeper reductions in a third START Treaty.

Your task, Madam Secretary, has never been easy, and it has been made more difficult by the rush to deploy a “thin” national missile defense. Such a missile defense may be warranted by the emerging threat, but there are profound ramifications for the strategic arms control agenda which have yet to be fully debated.

Other proliferation challenges confront us, particularly in East Asia, where we must re-energize our effort to prevent North Korea from developing nuclear weapons and the means to deliver them. The Agreed Framework has succeeded in temporarily restraining North Korea’s production of fissile material—and bought us time to strengthen our conventional deterrence on the peninsula. But we are fast approaching the point where North Korea must resolve the world’s concerns over its nuclear and ballistic missile programs, or the fading congressional support for the status quo will lead us toward a real crisis.

Here in the Senate, we must take up the Comprehensive Test Ban Treaty. This fall, a review conference will be held among nations which have ratified the treaty. Thanks to U.S. leadership, the two nations which detonated nuclear devices last year, India and Pakistan, are moving toward joining the treaty. It would be a strange irony, and a serious blow to nuclear nonproliferation, if the United States fails to ratify this treaty.

We also have some unfinished business in the Senate—paying our arrears to the United Nations. In the last Congress, the Chairman and I worked with you to forge an agreement that had broad support in the Senate. It is essential to our many interests at the United Nations that we resolve this issue quickly—and promptly put in place one of our most capable diplomats, Dick Holbrooke, to help carry it out.

Finally, to advance our foreign policy we need a first-class diplomatic corps. Unfortunately, funding for foreign affairs has been a second-order priority in recent years. We must bring the State Department into the 21st century technologically, and we must ensure that our people serving overseas are well protected.

I share the concerns stated by Admiral Crowe last week that the three billion dollars for embassy security requested over the next five years may be insufficient; it would be a dereliction of duty for Congress and the administration to ignore this pressing need.

Mr. Chairman, I appreciate your giving me a few minutes to outline what I see as the key priorities for the coming year. I look forward to hearing from the Secretary.

My mom has an expression. My mom, thank God, is alive and well, and is an 80-year-old plus woman who looks like she is 60, and still takes care of all her kids and her grandkids and great-grandkids. Every time we complain about something, my mother used to say—my mother is a very devout Catholic. She would say, dear—her maiden name was Finnegan, which explains a lot. She would say, dear, the Lord never sends anyone a cross that they cannot bear.

Well, you have been sent a whole hell of a lot of crosses. You are about to—I think your plate at State is probably more full with significant, very significant issues, that are going to have long-term consequences for this country’s foreign policy and security, and I must say to you, the way you have handled that responsibility from

emergency circumstances of consequence such as Iraq, the Middle East, Kosovo, has been admirable, but as the chairman pointed out, we have some major, major disagreements.

I have an inordinately high regard, and I mean this sincerely, for my Republican colleagues on this committee. Some of the most devoted and smartest folks in this place I think are on this committee and on the Republican side of this dais, but we have some real strong disagreements between them, among us, and they relate first and foremost in my view to arms control, the whole question of our strategic posture.

It is going to be the future of where we are going to be. I think our strategic doctrine is going to be tested more in the next 18 months than it has been at any time in the last, probably since 1972. The chairman has been very forthright. He would like to see ABM no longer the cornerstone. I believe it is the essential cornerstone of our strategic doctrine, and so we are going to have a real knock-down drag-out as we should, a legitimate intellectual debate about what our strategic doctrine should be.

In addition to that, Madam Secretary, we are going to be dealing with very, very basic and significant issues relating to proliferation. I have been letting my chairman know that I believe the Comprehensive Test Ban Treaty, if the Lord came along and said, Joe, you get one off the wish list to get passed this year, I would say the Comprehensive Test Ban Treaty. My chairman says if there is one that is going to stay on the list I think he would say Comprehensive Test Ban Treaty.

The CHAIRMAN. [Nods.]

Senator BIDEN. So a lot is at stake, as you well know, but there is some help. There is some progress going on. The efforts that you in the State Department and the President had underway with regard to India and Pakistan look like they may be bearing a little bit of fruit here. It looks like there may be a shot at it.

And I think what happens in Korea, will have a tremendous effect. Senator Brownback has made me even more aware today, of an incredibly difficult problem in Africa in terms of live, potent and flourishing slave trade going on a la the 15th century and 16th century.

So there are a lot of problems we face, but let me conclude by saying to you I think that your overall budget which is one of the purposes of this opening hearing is sound. You seek \$21.3 billion for international affairs and roughly \$3 billion in advanced appropriations for embassy security, which is an unusual thing.

We do not do that. We do not often do that, commit and appropriate and authorize 1, 2, 3, 4 years down the road. I think it is a solid sound budget. I think it gives you a platform from which to be able to begin to deal with or continue to deal with some of these very difficult problems.

I hope, and it is the chairman's wish—as you notice, since the chairman has taken over this committee he has felt very strongly about the jurisdictional responsibilities of this committee and us authorizing your budget, and if I may conclude by saying, in our discussions the chairman has a desire to try very, very early this spring for us to have an authorization bill out of this committee.

So it is going to be a very busy time, Madam Secretary. I look forward to working with you. There is going to be a lot of places we can agree, but on some of the biggest ticket items in terms of our strategic policy and our foreign policy there is not a partisan disagreement for partisan purposes. There is a genuine, ideological divide on some of these issues that is reminiscent of what occurred 35 years ago, and I think it is good for the country we have the debate. I think it is good for the country we resolve it, but it is going to be very hard on you, and I wish you well.

Again, I will end where my mother begins, the Lord does not send anybody a cross they cannot bear. I am sure you will be able to handle it, but I want you to know and understand the incredible pressure and time constraints you are under, and thank you for being here.

The CHAIRMAN. To which I say, amen. Now you may sing the Doxology for us. Madam Secretary, we welcome you.

**STATEMENT OF HON. MADELEINE K. ALBRIGHT, SECRETARY OF STATE**

Secretary ALBRIGHT. Thank you, Mr. Chairman, and thank you, Senator Biden, and thank you for your understanding of my condition. Makeup not aside, I have earned this face.

So I look forward very much to having a discussion with you today, and I thank you very much for all the kind words about the leadership role in the State Department. I am very proud of the fact that I think we have the strongest State Department that has existed in decades, and I have a very fine team. I hope that you all will recognize that along with me, because I think that it is a great team.

When I was still a professor, and shortly after the end of the cold war, with the fall of the Berlin Wall, I remember giving a lecture to one of the graduate classes and saying that the world was going to be much more complicated and much more dangerous than the period that we had just gone through. I had no idea that I would be in a position where I would actually have to deal with those dangers and complications and crosses, but as you know, I am honored to be in this position and will continue to work with you.

I am very much looking forward to the way you have both framed this as important discussion. I think these are debates that the American people have to hear, and I think this is the best forum for those debates to take place, and so I look forward to doing that with you.

And I thank you also very much for rescheduling this hearing. It is very kind of you, and I will try to keep my testimony short and get through some of the issues that you have raised, but obviously we will do more in questions.

I am sure you are interested in Kosovo, which I will discuss, but I want to at least touch on the many other challenges that we face. As I have said before, Mr. Chairman, the overarching goal of U.S. foreign policy is to bring nations closer together around basic principles of democracy and law, open markets, and a commitment to peace, and nowhere have we made greater progress than in the community of democracies we and our neighbors are building in this hemisphere.

I want to begin this morning by echoing the President's request for funds to help the people of Central America and the Caribbean recover from the terrible destruction of Hurricanes Georges and Mitch. Recovering this region matters both from human reasons and because economic dislocations there could have a serious repercussion here, and we have strong interests in helping Central America bolster its democracies and provide a good life for its people at home.

Elsewhere in the region we are working closely with Mexico to expand economic ties and achieve greater success in the war against drugs. We are helping Colombia's new President as he struggles to bring peace and the rule of law to his country, and we are pressing Haiti's leaders to end their destructive political deadlock, and we are taking steps to help the people of Cuba without helping their repressive and backward-looking ruler.

Across the Atlantic this year marks the 10th anniversary of the fall of the Berlin Wall and the birth of a new Europe, and it also marks the 50th anniversary of a remarkable alliance. In 2 months here in Washington we will meet with our allies to set the course for NATO's second 50 years, and together we will affirm NATO's success in safeguarding freedom, welcome the alliance's new members, and prepare for the challenges of the 21st century, and as we do so, we bear in mind that although NATO stands tall, it does not stand alone. The EU, OSC, NATO and its partners form the core of a broader system for ensuring security and promoting shared values.

We learned in Bosnia earlier this decade that such a system is vital, and we face a test of that system now in Kosovo. Now, as you know, I returned last night from France and efforts to lay the groundwork for a lasting peace in Kosovo. We did not reach full agreement, but we did hammer out a viable plan for autonomy and democracy in Kosovo through an interim political settlement, and we made progress on and clarified, although we did not settle the security issues.

The parties have agreed to meet again on March 15. In the interim, we call upon both sides to refrain from acts of provocation and violence and respect fully the security of the Kosovo verification mission. Officials in Belgrade know that NATO's authority to use force if necessary remains in effect. The proposed interim agreement is the best deal either side will get, and it should be agreed to by both. If a settlement does occur, the United States will participate with NATO and as partners in implementing it.

There are compelling reasons for this. Kosovo lies within the Balkans, where there is no natural border to conflict. A new explosion of fighting in Kosovo could expand into regional hostilities that could cause massive suffering, displace tens of thousands of people, undermine stability throughout South Central Europe, and directly affect our key allies.

As I said, Kosovo is also a critical test for NATO and other institutions in which we have a vital stake. These institutions are being challenged now, especially by Serb President Milosevic, who has lied repeatedly to them. If we fail in our resolve, we will weaken the institutions we rely upon not only in the Balkans but also

throughout the continent. That is a weakness we cannot risk and must not allow.

We also have an interest in seeing that the situation in Kosovo is resolved in a way that promotes ethnic tolerance and democratic principles. Failure to achieve this could harm progress elsewhere, especially in Bosnia.

Having returned from Rambouillet I can also tell you, Mr. Chairman, that there is zero chance that the Kosovo Albanians will sign on to this deal if the U.S. does not participate in its implementation. The President has made it clear that others must provide the lion's share of the troops, and we have seen our allies step forward and offer to do just that.

The stakes in Kosovo are high, and I will not sugar-coat the difficulties that we face. We did not achieve all we hoped for at Rambouillet, but Rambouillet was not the end of the road. The people of Kosovo, whether ethnic Albanian, Serb, or other, deserve to live in democracy and peace. They deserve to have their rights and heritage respected, and I am convinced that by far the majority of respected leaders within the Kosovar Albanian community support the interim agreement we proposed and they helped to refine.

The primary obstacle to peace remains Slobadan Milosevic. It was his brutal campaign of repression that gave birth to the KLA, and it was at his orders that so much of the worst violence and suffering has occurred.

Milosevic no longer has a choice. If the Kosovar Albanians accept the interim agreement, Milosevic must, too, or face the consequences.

Mr. Chairman and members of the committee, let me now move on to the Asian Pacific, where we are working with allies and partners to improve security cooperation, restore economic momentum, and build democracy.

In this region, there is no greater threat to peace and stability than the situation on the Korean Peninsula. With our allies and Japan and China we are discussing with North Korea the prospects for achieving a permanent end to tensions. We are also engaged in direct talks with North Korea on ways to resolve concerns regarding suspicious underground construction activities and long-range missile programs. These concerns must be addressed if North Korea is to improve relations with us and others in the region. In addition, the agreed framework must be implemented in good faith, and by all sides.

Also in East Asia we have continued our strategic dialog with China, and since that dialog began, China has taken positive steps on proliferation, moved ahead on economic reform, and played a responsible role during the Asia financial crisis. We need to recognize progress even as we press for more.

At the end of this week, I leave for China, where I will reaffirm our commitment to dialog and straight talk. I expect serious discussions about possible Chinese accession to the WTO, export controls, and the need to prevent renewed tensions related to Taiwan.

I will also bring a strong message of support for international norms of respect for human rights. This will come as no surprise to Beijing. President Clinton has emphasized this principle repeatedly, and in recent months we have condemned the arrest of Chi-

nese who sought peacefully to establish an opposition political party.

Let me stress that in our relations with China engagement is not endorsement. We continue to have sharp differences with Beijing, but we also believe that the best way to narrow those differences and to make progress where our interests coincide is through regular contacts and dialog.

In the Middle East we have lost King Hussein, a great leader and an eloquent partisan for peace. His memory should inspire us all to even more vigorous efforts. The United States will persist in supporting the peace process.

We are in regular contact with Israeli and Palestinian leaders encouraging them to carry out the Wye River memorandum, and I urge the committee to back the President's request for funds to help them do that and ask expedited consideration of \$300 million in assistance to support Jordan at this critical time. I have met with the new king, and am confident that he will carry on the wise policies of his father.

In the gulf, we have shown again our willingness to use force when required to respond to flagrant Iraqi violations. Our strikes have reduced Iraq's aggressive potential and we continue to defend our pilots patrolling the no-fly zone. At the United Nations, we are working with the Security Council to develop a basis for resuming inspection and monitoring of Iraq's remaining weapons of mass destruction capabilities. We are insisting that sanctions against the regime continue until Iraq meets its obligations, although we support helping the Iraqi people through an enhanced oil for food program.

Our policy toward Iraq is to counter the threat Saddam Hussein poses to his neighbors, our allies, and our interests, and to support the Iraqi people's desire to reintegrate themselves internationally and free themselves from a leader they do not want, do not deserve, and never chose.

Mr. Chairman and members of the committee, the new century will demand from us a fresh approach to the dangers and opportunities of Africa. Today, with regional leaders, we are searching for ways to end bloody conflicts from the Sudan and Horn of Africa to Congo and Sierra Leone.

These immediate crises must not, however, cause us to neglect our long-term goals. I urge your backing for our efforts to assist the hoped-for transition to democracy in Nigeria, to improve Africa's emergency response capabilities, and to gain passage of the Africa Growth and Opportunity Act which would help the continent's most determined reformers and expand our trade with the world's largest underdeveloped market.

Mr. Chairman, I will be blunt. There are some both inside and outside Government who look at Africa's problems and throw up their hands. Many others throw up their hands without even the slightest glance at the cross-currents presently at work. The sources of crisis in Africa are hardly unique to that continent, and Africa does not lack the qualities out of which a freer and more prosperous future may be built. Progress may be neither universal nor as rapid as we would wish, but we owe it to ourselves and to

those striving to build a new Africa to assist their efforts when and where we can.

Mr. Chairman, many of the measures we take to protect American security and prosperity are directed at particular countries or parts of the world, but others can best be considered in global terms. These include our international economic leadership, war against terror, drugs, and crime, environmental measures, and initiatives to promote democracy, human rights, and the rule of law. They also include our strategy for safeguarding American security by preventing weapons of mass destruction and the missiles that deliver them from falling into the wrong hands.

The economic crisis in Russia adds urgency to this need. The President is seeking \$4.5 billion over the next 5 years for threat reduction programs designed to safeguard critical weapons materials and technology. We are determined that no nukes should become loose nukes.

We are striving to ensure effective implementation of the Chemical Weapons Convention, to negotiate an agreement to end the production of fissile material for nuclear weapons, and to bring the Comprehensive Test Ban Treaty into force. This last agreement holds the promise of a world forever free of nuclear explosions, but if we are to fulfill that promise we must lead the way in ratifying the CTBT just as we did in negotiating and signing it, and I strongly urge the Senate to approve the CTBT this year.

Mr. Chairman, as my written statement describes, we also want to work with you and the members of this committee to develop an effective and comprehensive response to the potential dangers posed to our citizens by missiles that may carry weapons of mass destruction.

Finally, perhaps the best way to begin the work of the new year is to finish with that of the old. We have been trying, it seems forever, to find a way to encourage further reform at the United Nations while meeting America's obligation to pay our arrears. This stalemate has dragged on for much too long, and I hope we can work together in 1999 successfully this time to pay our bills and thereby increase our leverage in keeping the U.N. on the reform road. This would serve U.S. interests and increase our leverage for further reform.

Senators, the efforts we make to advance our security, prosperity, and values are essential to our future, but we cannot lead without tools. It costs money to counter modern terrorists, protect American jobs, cool regional disputes, aid child survival, and spread the gospel of freedom, but these costs are small compared to the price we would pay if we sat passive while conflicts raged, criminals flourish, democracies unraveled, and weapons of mass destruction spread unhindered around the globe.

Unfortunately, despite the strong support from many in both parties in Congress, we have lost grounds during this decade. In real terms, funding to protect American interests abroad has declined sharply. We have been forced to cut back on training. We face critical infrastructure needs, and the embassy bombings in Africa were tragic evidence of the imperative to do far more, far more quickly to reduce the vulnerability of our diplomatic missions.

So I urge the committee to support with enthusiasm and in full the President's budget for international programs. By so doing, you will serve both our Nation and your constituents well, and you will give the people who protect American interests overseas the backing that they have earned.

Fifty years ago, only a short distance from where we are now, President Harry Truman delivered his first and only inaugural address. In what came to be known as the four point speech, he challenged Democrats and Republicans alike to lend their support to international organizations, to continue programs for world economic recovery, to join with free people everywhere in the defense of democracy, and to draw on our country's expertise to help people help themselves in the fight against ignorance, illness, and despair.

Today, we are summoned to build new institutions adapted to the challenges of our time, based on principles that will endure for all time. In so doing, we must heed the central lesson of this century, which is that problems abroad, if left unattended, will all too often come home to America.

We Americans draw immense strength from the fact that we know who we are and what we believe. We have a purpose and, like the farmer's faith that seeds and rain will cause crops to grow, it is our faith that if we are true to our principles we will succeed.

Let us, then, do honor to that faith in this final year of this turbulent century. Let us assume, not with complaint but welcome, the leader's role established by our forebears, and by living up to the heritage of our past, let us fulfill the promise of our future and enter the new century free and united, prosperous, and at peace, and to that mission I pledge my own best efforts and respectfully solicit both your wise counsel and support.

Thank you very much, and I am now ready to answer questions.  
[The prepared statement of Secretary Albright follows:]

PREPARED STATEMENT OF HON. MADELEINE K. ALBRIGHT, SECRETARY OF STATE

Mr. Chairman and Members of the Committee, good morning, I am delighted to be here to testify regarding the President's proposed Fiscal Year 2000 budget request for international affairs, and to review the principles and practice of U.S. foreign policy around the world.

I begin with the observation that we all know America's purpose. It is freedom. We Americans are dedicated to the rights of all people. We promote government with the consent of the governed. We believe in law. We cherish peace. We seek prosperity.

Having said this, we have not said very much. For it is easy to list goals. Our task, together, you and me, America and our friends overseas, is to achieve them.

About a decade ago, our generation began a journey into a new era. We set out free from cold war bonds, but were soon plagued by a viper's nest of other perils. Along the way, we have not always put our foot right, but overall we have made great progress.

Because the signposts of the past have fallen, history demands that we be innovators and trailblazers, builders of new institutions and adapters of old.

So in virtually every part of every continent, we work with others to bring nations closer together around basic principles of democracy and law, open markets and a commitment to peace.

We do this because it is right, but also because it is essential to protect the best interests of our nation and people. In this era, our security, prosperity and freedom hinge on whether others, too, have access to these blessings. And the future depends on whether we can help shape a world in which disputes are settled, prosperity is shared, criminals are caught, aggressors are deterred and basic human rights are respected.



## I. AMERICAN LEADERSHIP AROUND THE WORLD

*(A) The Western Hemisphere*

Nowhere are these truths more evident than in the community of democracies we are building with our neighbors in this hemisphere.

Earlier this month, the President and I visited Mexico, with whom we share a 2000-mile border and a host of common interests. We place a high priority on our economic ties with Mexico, and on working through the U.S.-Mexico Binational Commission to enhance cooperation on matters ranging from counternarcotics to environmental protection to immigration. We also have an urgent and shared interest in helping the people of Central America recover from the destruction caused by Hurricane Mitch.

The President's trip to that region next month will remind the world and our own citizens that, though the floods have receded, the hard work of rebuilding from that terrible storm has just begun.

This morning, I ask your support for the President's request for emergency supplemental funds to help our neighbors plant crops, replace schools, reconstruct communities and resume normal lives.

An early and sustained recovery in Central America matters to us both for human reasons and because economic dislocations in that region could contribute to social conflict, illegal immigration and crime. We have a strong interest in helping Central America strengthen its democracies and provide a good life for its people at home. Sustained recovery means expanding trade and creating jobs. These are the goals of the enhanced Caribbean Basin Initiative legislation the Administration will soon submit and for which I ask your support.

It is appropriate that we help our neighbors not only in Central America, but also in the Caribbean and Colombia, to recover from recent natural disasters. For this spirit reflects the flourishing partnership that has grown out of the Summit of the Americas process.

That process began in Miami in 1994 and gained momentum in Santiago last year. Its purpose is to build a hemispheric community based on shared interests and democratic values.

On the economic front, we have forged a commitment to growth and integration based on open markets, open books, better schools and broader participation. Already, we export more to the Americas than to any other part of the world. And the United States is firmly committed to achieving a Free Trade Area of the Americas by 2005.

We are also working closely with Brazil and other countries in the region to prevent the further spread of financial instability.

In the area of security, our hemispheric community has also made great strides. With our help, and that of others, the troubling border dispute between Ecuador and Peru has been resolved. In Central America, after decades of fighting, differences are being settled by ballots, not bullets. And overall counter-narcotics cooperation is stronger than ever, because the understanding is broader than ever that the drug plague threatens us all, and that we must all do our part in the struggle against it.

At the heart of the Summit of the Americas process is a commitment to democracy.

In nations such as Venezuela and Peru, Paraguay and the Dominican Republic, we are helping democratic forces to assemble the nuts and bolts of lasting freedom.

In Colombia, President Pastrana is committed to the rule of law and a future of peace for his people. I urge your support for our efforts to help him end his nation's bloody civil conflict, fight drug traffickers, support alternative development, and create a climate in which the rights of all Colombians may be respected.

In Haiti, the long-unresolved conflict between President Preval and majority legislators has stalled economic reforms and led to the de facto dissolution of Parliament. The Haitian people deserve better. It is in our interest to continue assisting them as they struggle to build better lives.

And in Cuba, we have taken a series of steps designed to help the Cuban people without strengthening their repressive and backward-looking rulers.

Our goal is to do what we can to help Cubans lay the groundwork for civil society and prepare for a peaceful transition to democratic rule. To this end, we have sought to make it easier for the people of Cuba to be in touch with family and friends here in the United States; and easier for the Cuban-American community to help those who remain on the island.

*(B) Europe and the New Independent States*

We will mark this year the tenth anniversary of the fall of the Berlin Wall and the birth of a new Europe—undivided, democratic and working together for peace.

With allies and partners, we are creating new institutions and adapting old ones to meet the challenges of the new era.

With the President's personal leadership, and crucial help from former Senator George Mitchell, we have supported the people of Ireland in their desire to end terror and live in peace through implementation of the historic "Good Friday" agreement.

We have joined Estonia, Latvia and Lithuania in signing the U.S.-Baltic Charter, to show support for the freedom and security of those nations and for their efforts to join western institutions. We are pursuing our Northeast Europe Initiative to build bridges among the nations of the Nordic and Baltic region.

We strongly support the expansion of the European Union (EU) into central and eastern Europe, and Turkey's desire to be part of that process. We are working hard to ease tensions in the Aegean and continue to explore every opportunity for progress toward a settlement on Cyprus.

We are among those striving to help the Organization for Security Cooperation in Europe (OSCE) meet its potential as a catalyst for democratic change, tolerance and respect for human rights.

And in 2 months, here in Washington, we will meet with our allies to set the course for NATO's second fifty years.

The Washington Summit will be the largest diplomatic gathering at the Head-of-State level in the history of our nation's capital. Together, we will affirm NATO's success in safeguarding freedom, as we formally welcome the three new members who will have joined our alliance—a step made possible by strong Congressional support—and have discussions with 25 other partners who will participate during the Summit's second day.

Together, we will recognize collective defense as the core mission of the Alliance; prepare to respond to the full range of threats the Alliance may face; further develop our partnerships with other European democracies; and coordinate our activities with key institutions such as the EU and OSCE.

The NATO of the 21st Century will confront a changed and ever-changing strategic environment. Possible threats include those posed by international terror, dangerous regional conflicts and the proliferation of weapons of mass destruction and the missiles that deliver them. As we have already seen in the Balkans, these dangers could emanate from well beyond NATO's borders, and while staying true to our character as a Euro-Atlantic Alliance, we must prepare ourselves to respond to them.

As we do so, we bear in mind that although NATO stands tall, it does not stand alone. NATO and its partners, the OSCE, and the EU form the core of a broader system for protecting vital interests and promoting shared values. We learned in Bosnia earlier this decade that such a system is vital. We face a test now in Kosovo to see how effective the system we are developing can be under demanding and complex circumstances.

As we have seen in both places, NATO's ability to use or credibly threaten to use force can be essential in countering threats to stability. But the efforts of other institutions and organizations are required to prevent such dangers from recurring.

In Bosnia, we remain deeply committed to full implementation of the Dayton Accords. Success here would remove a major threat to European security, and establish a model for inter-ethnic collaboration that is needed throughout the Balkans and around the world.

Since the peace accords were signed more than 3 years ago, enormous strides have been made. The fighting has long since stopped; tens of thousands of refugees and displaced have returned home; elections have been conducted at all levels; the symbols and substance of nationhood have begun slowly to come together; and we and our partners in SFOR have begun slowly to reduce the international military presence.

It is essential, however, that we not allow events elsewhere in the region to distract us, or conclude from past progress that the future of peace in Bosnia is assured. The nation's bitter divisions are only partially healed. The job of enabling refugees to return safely is ongoing and difficult. Local authorities have not yet assumed the responsibilities for democracy and peace that they must if Bosnia is to become truly independent, united and free.

The Dayton Accords remain the linchpin of hopes for stability in the Balkans. If those accords are to be implemented, the United States must continue to help the people of Bosnia realize the benefits of peace. The President's budget ensures that we will.

As we enter the last year of the old century, democracy and economic reform have taken firm root in most parts of Central and East Europe. However, much work remains to be done in the Southern Tier of Balkan countries, particularly in Bosnia, Albania, Bulgaria, Romania and the Former Yugoslav Republic of Macedonia. We are helping to sustain progress through the Southeast Europe Cooperative Initiative and other measures that support regional cooperation in sectors such as trade and law enforcement.

Further to the east, toward the Caucasus and Central Asia, democratic change remains very much a work in progress. In many countries, respect for human rights and the rule of law is unsatisfactory and economic reforms have been slowed by financial turmoil.

With the aid of our soon-to-be-created Bureau of East European and Eurasian Affairs, we will vigorously pursue diplomatic and programmatic efforts to help countries in the region find the right road. We do this for reasons of principle, but also because this part of the world is critical to our own long-term security and prosperity.

I want to express my appreciation for past congressional leadership, through Nunn-Lugar and the Freedom Support Act, to safeguard the handling of nuclear materials and lay the groundwork for economic and political reforms in the New Independent States. We will need your continued help this year in providing the resources and the flexibility we need to advance our goals, for we have entered a pivotal period.

Every country in the region will hold parliamentary or Presidential elections in 1999 or 2000. We hope to see progress on Nagorno-Karabakh and on withdrawal of Russian troops from Moldova. We will also renew our request this year for legislation to repeal Section 907 of the Freedom Support Act. And we will press for completion of CFE negotiations by the OSCE summit later this year.

We attach high importance to our strategic partnership with Ukraine, knowing that an independent, democratic, prosperous and stable Ukraine is a key to building a secure and undivided Europe. In 1999, we will continue to support Ukraine's economic and political reforms, press for a free and fair Presidential election, deepen our cooperation under the NATO-Ukraine Charter and strengthen our joint non-proliferation efforts. Last week, I was able to certify—after careful consideration—that the requirements of U.S. law with respect to Ukraine's business climate have been met—albeit just barely.

We are also striving to strengthen our partnership with Russia. During my visit to Moscow last month, I found a Russia struggling to cope with economic setbacks, high rates of crime, and political uncertainty. I was heartened by my meeting with leaders of Russian civil society, and urged them to persist in efforts to build democracy and to resist the forces of extremism and intolerance—including anti-Semitism—that are threatening progress.

On the official level, we continue to work closely with Russia. Our constant communication helps us to manage differences and make progress on important issues such as the CFE negotiations and Kosovo.

A peaceful and democratic Russia that is tackling its economic problems and playing a constructive international role can make an enormous contribution to the 21 Century. It should not be surprising that the Russian transition from Communism to a more open system is proving difficult. Our own democracy took many decades to mature and remains unfinished. We have an enormous stake in Russian success and will continue to help as long as Russia is committed to the path of reform.

### *(C) The Asia Pacific*

In the Asia Pacific, we are working with allies and partners to improve security cooperation, restore economic momentum and build democracy.

Our alliance with Japan remains the cornerstone of regional security, and we are reinvigorating that alliance through the implementation of new guidelines for defense cooperation. Clearly, with the world's second largest economy, Japan is also an economic key. We are encouraging Tokyo to expand its program of deregulation, open its markets, and take other measures to restore growth.

There is no greater threat to peace and stability in the Asia Pacific than the situation on the Korean Peninsula. With our Korean and Japanese allies, and China, we are discussing with North Korea the prospects for achieving a permanent end to tensions.

We are also engaged in direct talks with North Korea on ways to resolve our concerns regarding its suspicious underground construction activities at Kumchang-ni and its long-range missile development, deployment and exports.

There can be no improvement in our relations until our concerns about Kumchang-ni are resolved.

North Korea must also address our concerns about its missile program if it wishes to enjoy good relations with nations in its region and improve its standing in the world. Further, the Agreed Framework to freeze and dismantle North Korea's ability to produce fissile material must be implemented in good faith and by all sides—and we will need the help of Congress in ensuring that our own obligations to the Korean Peninsula Energy Development Organization are met.

Also in East Asia, we have continued our strategic dialog with China, a nation of increasing economic influence, diplomatic prominence and military strength.

Since our dialog began, we have seen China move from being part of the nuclear proliferation problem to becoming part of the solution. It has endorsed extension of the Nuclear Non-Proliferation Treaty; signed the Comprehensive Test Ban Treaty (CTBT); become party to the Chemical Weapons Convention; promised not to assist unsafeguarded nuclear facilities; agreed to study membership in the Missile Technology Control Regime; supported peace talks on Korea; and played a responsible role during the Asian financial crisis.

These developments matter. China's international role is evolving in a way that could aid regional prosperity and security for decades to come. We need to recognize these gains, even as we press for further progress.

Next week, I will visit China, and I will bear with me from President Clinton a two-part message. The first is a firm commitment to our continued dialog and to the spirit of mutual respect with which it has been conducted. We will seek serious discussions about possible Chinese accession to the World Trade Organization, export controls, and the need to prevent renewed tensions related to Taiwan.

But I will also bring a strong message of American concern about areas where we have differences, including human rights. This will come as no surprise to Beijing. In recent months, we have condemned the arrest, trial and sentencing of Chinese who sought peacefully to establish an opposition political party. In our human rights dialog with China, Assistant Secretary of State Harold Koh has emphasized the importance of Chinese compliance with international human rights standards, including a free press, freedom of religion and freedom of political expression. And we have urged China to open a dialog with the Dalai Lama regarding the protection of Tibet's religious, cultural and linguistic heritage within China.

As I have said before, in our relations with China, engagement is not endorsement. We continue to have sharp differences with Beijing. But we also believe that the way to narrow those differences, and to take advantage of the many areas where United States and Chinese interests coincide, is through regular contacts and dialog.

Economically, the past 20 months have been extremely painful for many in Asia. Governments have been challenged and millions of people face the prospects of unemployment, reduced living standards and a more uncertain future. Currently, we are working with a number of governments and with the international financial institutions to encourage policies that will restore growth, attract long-term investment, improve financial transparency, sustain momentum toward open markets, and help citizens adjust to change.

One of the central lessons of the current crisis is that nations with strong democratic institutions are better able to withstand the turbulence of the new global economy. This is a message I will carry with me in my visits next week to Thailand and Indonesia.

In Thailand, I will convey strong United States support for the government's economic reform programs and the efforts of the Thai people to strengthen democratic institutions across the board.

To Indonesia, I will bring a message of concern and friendship from the American people; including support for free, fair and credible elections and a commitment to stand by the Indonesian people in what promises to be an extended period of economic recovery and political change. I will also discuss with Indonesian leaders the ongoing negotiations to reach a peaceful resolution of the status of East Timor. My emphasis will be on the need to minimize violence, promote stability, and respect human rights as the transition to a new status takes place.

Elsewhere in the region, we will continue to work with ASEAN, Japan and others to strengthen democracy in Cambodia, and encourage a meaningful dialog in Burma between the authorities there and the democratic opposition, led by the National League for Democracy (NLD). We are deeply concerned by the attempts made throughout the past year to harass and intimidate NLD leaders. Burmese authorities must understand that the path to international acceptance and economic progress lies in movement toward a legitimate and popularly supported government in Rangoon.

*(D) South Asia*

If the past year was a time of disappointment and unfulfilled promise in South Asia, we are working hard to see that the coming year is one of opportunity and progress. Following last May's nuclear tests, we worked with India and Pakistan to prevent a nuclear arms race. Both agreed to adhere to the CTBT by year's end, join negotiations for a fissile materials production cutoff and tighten export controls. And both have taken encouraging steps to improve bilateral relations with the other. The two Prime Ministers just concluded a very successful summit in Lahore. In the months ahead, we will be pressing for further stabilizing actions.

Throughout the region, we will be working hard to advance our core foreign policy objectives of strengthening democracy, enhancing economic ties, countering terrorism, extending the rule of law and promoting respect for human rights—including religious freedom, worker rights and women's rights.

*(E) The Middle East*

In the Middle East, our primary objective remains a just, lasting, and comprehensive peace between Israel and her Arab neighbors.

Earlier this month, this cause lost one of its great champions with the passing of Jordan's King Hussein. As Secretary of State, I knew King Hussein as an eloquent and deeply committed partisan of peace. I hope his death will inspire us all to even greater efforts. In this regard, we are seeking expedited congressional consideration of \$300 million in additional assistance to support Jordan during this critical transition period. I have met with the new King and am confident that he will carry on the wise policies of his father; whose passing we all mourn.

Let me also note that March 26 marks the 20th anniversary of the signing of the Egypt-Israeli peace treaty, which remains the bedrock of all subsequent regional peace efforts. The anniversary also marks the beginning of our strategic relationship with Egypt, which continues to contribute to peace and stability throughout the region.

In the months ahead, we will persist in our efforts to help the peace process move forward. We are in regular contact with Israeli and Palestinian leaders, encouraging them to focus on implementing the Wye River Memorandum. To this end, I urge the Committee to support the President's request for funds to help the parties carry out that agreement.

In the Gulf, we will continue to work with our allies and friends, and within the United Nations Security Council, to confront the threats that the Iraqi regime's aggression and weapons of mass destruction (WMD) capability pose to Iraq's own people, its neighbors, the international community and our own vital interests.

In mid-December, we joined our British allies in a military operation that degraded Iraq's WMD capacity and its ability to threaten its neighbors. We have since continued to enforce the southern and northern No-Fly Zones and have repeatedly acted against Iraqi military assets in the zones that threaten our pilots and aircraft.

At the United Nations, we are working within the Security Council to develop a basis for resuming inspection and monitoring of Iraq's remaining WMD capabilities. We will insist that sanctions against the regime continue until Iraq meets its obligations, although we support easing the burdens on the Iraqi people through an enhanced oil-for-food program.

Our policy toward Iraq is to counter the threat Saddam Hussein poses to his people, his neighbors, our allies, and our interests in the region. We must and will persist in thwarting Iraq's potential for aggression. And we will support the Iraqi people's desire to reintegrate themselves into the international community and free themselves from a leader they do not want, do not deserve, and never chose.

Across the border from Iraq in Iran, there are clear signs of popular support for a society based on the rule of law and a more open approach to the world. We welcome that, though we are concerned that Iran continues to pursue policies—on proliferation, terrorism, and human rights—that violate international norms.

Iran's President Khatami has called for a dialog between our two peoples. Last summer, I endorsed that call and expressed a willingness to work with authorities in Tehran, when the time is right, to develop a roadmap for more normal relations. The official Iranian response thus far has been disappointing, but we stand ready for a dialog in which both sides would be free to discuss all issues of concern.

America's interest in a stable and prosperous Middle East also depends upon whether the nations there work together to reform their economies, attract investment, move in the direction of democracy and create opportunities for their people. In Algeria, we support a credible, peaceful, Presidential campaign, which will transcend radicalism and violence and carry out President Zeroual's stated commitment to economic and political liberalization.

Under Secretary of State Stuart Eizenstat is leading our North African partnership initiative, which aims to encourage structural reform in the region, increase regional commerce and improve political relationships. I hope we will continue to have the Committee's support for U.S. programs and policies that encourage progress in these directions.

*(F) Africa*

The new century will demand from us a new approach to the vast and diverse African continent, where both exciting opportunities and grave dangers are present.

The good news is that dozens of countries are implementing political and economic reforms. A majority of governments in sub-Saharan Africa were democratically elected. Overall economic growth is a healthy 4.5 percent. Africa's potential as a participant in world trade has barely been tapped, and yet the United States already exports more to Africa than to the entire former Soviet Union. Moreover, we import almost as much oil from Africa as from the Middle East.

On the negative side, Africa is a major battleground in the global fight against terror, crime, drugs, illicit arms-trafficking, and disease. And an array of immediate crises demand our attention.

We are actively engaged with South Africa and other regional leaders, and with the United Nations, in efforts to end the senseless war in the Horn of Africa, salvage the peace process in Angola, achieve a lasting settlement in the Democratic Republic of Congo, find a solution to the decades-long strife in Sudan, and help the West African peacekeeping force, ECOMOG, try to end the brutal fighting in Sierra Leone.

We are also working with the World Health Organization and through USAID to slow the spread of HIV/AIDS, which is causing incalculable human suffering.

It is vital, however, that we not allow immediate crises to cause us to neglect long-term goals. In Africa, as elsewhere, we must build relationships and forge institutions that will serve as the foundation for future progress.

This is the approach that drives our policy and for which I ask the support of this Committee and the Congress.

For example, I urge your backing for efforts to assist the long-delayed and often-betrayed transition to democracy in Nigeria, Africa's largest nation.

I urge your support for our efforts to assist conflict resolution through our Africa Crisis Response Initiative and the new African Center for Strategic Studies, and to approve funding for key African programs such as the Great Lakes Justice Initiative, VOA's new Radio Democracy for Africa program, the African Development Foundation, and USAID's assistance for development and democracy.

I urge you once more this year to approve the African Growth and Opportunity Act, a trade measure that would afford greater market access for selected products from the strongest reforming countries of Africa. This proposal would also benefit American companies and workers by expanding our trade with the largest underdeveloped market in the world.

I ask you to listen to the voices of the African diplomatic community here in Washington who have requested Senate approval of the U.N. Convention to Combat Desertification. This is a Presidential priority. And I invite members of this Committee to participate in next month's first-ever U.S.-Africa Partnership Conference with senior foreign ministry, trade and finance officials from 46 of the 48 countries of Sub-Saharan Africa.

Mr. Chairman, I will be frank. There are those both in and outside of public office in our country who look at the deep-rooted problems in Africa and throw up their hands. Many others throw up their hands without even the slightest glance at the cross currents presently at work in Africa.

The sources of crisis in Africa, which include ethnic rivalry, greed, unchecked ambition and ignorance, are hardly unique to that continent. And Africa does not lack the qualities out of which a freer and more prosperous future may be built.

Many in Africa are laboring hard to heal ethnic divisions, advance the status of women, clear landmines, care for refugees, and build civil society. An increasing number of leaders understand that the continent's future prosperity depends on trade, and are committed to the kind of market-opening and rule of law initiatives that will create a sound environment for domestic and foreign investment. And I have spoken with Africans from all walks of life who admire deeply the democratic institutions they equate with America and urgently desire our help in strengthening their own.

Looking ahead, we know that progress toward stability, prosperity and democracy in Africa will be neither constant, nor universal, nor as swift as we would wish. But we owe it to those striving to build the new Africa, and to ourselves, to assist their efforts when and where we can, understanding that our strategies must be based

less on the promise of short-term breakthroughs, and more on the potential for long-term results.

## II. GLOBAL OPPORTUNITIES AND THREATS

Mr. Chairman, to protect the security and prosperity of our citizens, we are engaged in every region on every continent. Many of our initiatives and concerns are directed, as I have discussed, at particular countries or parts of the world. Others are more encompassing and can best be considered in global terms.

### *(A) Protecting American Security*

The first of these is our strategy for ensuring the fundamental security of our citizens and territory—a challenge that differs substantially from the past.

The risks of cold war confrontation have ended, and for that we remain grateful. But we face a variety of other dangers, some fueled by technology's advance; some by regional rivalry; some by naked ambition; and some by outright hate.

During the past year, we were witness to terrorist attacks against two of our embassies in Africa, the testing of longer range missiles by North Korea and Iran, periodic threats from Saddam Hussein, and nuclear explosions in South Asia that challenged the global nonproliferation regime.

The new year promises little relief from such perils. In his State of the Union Address, President Clinton outlined plans for further strengthening our military, reinvigorating our alliances, and preparing—down to the community level—for the possibility of a terrorist strike.

The defense of our country requires both the capacity and the will to use force when necessary; and as the President made clear, we have both. But force can be a blunt instrument and nearly always entails grave risks.

So our security also requires the vigorous use of diplomatic tools to bolster the forces of law and prevent weapons of mass destruction and the missiles that deliver them from falling into the wrong hands.

The economic crisis in Russia and elsewhere in the New Independent States (NIS) adds urgency to the need for effective action. The President is seeking \$4.5 billion over the next 5 years for threat reduction programs in this region to dismantle or store strategic weapons safely, secure fissile material components, and engage scientists to prevent the proliferation of WMD expertise. We are determined that no nukes become "loose nukes."

Around the world, we are engaged with allies and friends in a multi-year, multi-faceted campaign to deter and defend against terrorist acts; and to pursue, prosecute and punish the criminals who commit them.

We are striving to ensure effective implementation of the Chemical Weapons Convention. We have stepped up efforts to hammer out an accord that will strengthen compliance with the Biological Weapons Convention. We have begun to make progress toward a treaty to end the production of fissile material for nuclear weapons.

And we are supporting the entry into force of the CTBT. This Treaty, sought by U.S. Presidents since Dwight Eisenhower and John Kennedy, holds the promise of a world forever free of nuclear explosions, making it harder for other nations to develop nuclear arms. But if we are to fulfill that promise, America must lead the way in ratifying the CTBT, just as we did in negotiating and signing it. The CTBT cannot enter into force without our ratification, and that of other key countries, such as India and Pakistan. Those two nations have pledged to adhere to the CTBT by September. We should not give them an excuse to delay, nor should we lag behind. I strongly urge the Senate to approve the CTBT this session.

During my recent visit to Russia, I emphasized the need to prevent the destabilizing transfer of arms and sensitive technologies. This is a problem we address not only with Moscow, but worldwide. We provide material or technical assistance to more than two dozen countries to enhance the effectiveness of their export controls. We also share information. These efforts, although rarely publicized, have prevented numerous transactions that would have threatened our allies, our friends and ourselves.

Mr. Chairman, it is especially important that we work together on a bipartisan basis to respond to the potential dangers posed to our citizens, troops, territory and friends by long-range missiles that may carry weapons of mass destruction.

We have lived with this danger for decades. But its character is changing now as more nations develop the means to launch longer-range missiles.

Our policy includes diplomatic efforts to restrain missile development, an option that a number of countries have voluntarily foregone. Almost three dozen nations are cooperating to limit technology transfers through the Missile Transfer Control

Regime. And we are strongly urging nations such as North Korea, Iran, India and Pakistan not to further develop or deploy missiles that could be de-stabilizing.

We understand, however, that nonproliferation efforts may not be enough. Our military power serves as a mighty deterrent against any potential adversary. Further, to protect ourselves and our allies abroad, we are working to develop theater missile defense systems, as allowed under the Anti-Ballistic Missile (ABM) Treaty.

To protect ourselves at home, the President is requesting \$10.5 billion between now and Fiscal Year 2005 for a national missile defense (NMD) system, including the funds that would be necessary during this period to deploy a limited NMD, should the technology prove viable and a deployment decision be made. The purpose of such a system would be to protect against attacks by outlaw nations.

I know that Congress may soon consider legislation that would mandate deployment of a national system as soon as it is technologically feasible to do so. The Administration opposes this approach as too narrow. We believe a deployment decision should be based on four factors. These include a thorough assessment of the technology and the proposed system's operational effectiveness; the status of the ballistic missile threat; and the cost of deployment. A decision regarding NMD deployment must also be addressed within the context of the ABM Treaty and our objectives for achieving future reductions in strategic offensive arms through START II and III.

I have personally made clear to Russian leaders that deployment of a limited NMD that required amendments to the ABM Treaty would not be incompatible with the underlying purpose of that Treaty, which is to maintain stability and enable further reductions in strategic nuclear arms. The ABM Treaty has been amended before, and we see no reason why we should not be able to modify it again to permit deployment of NMD against rogue nation missile threats.

We could not and would not give Russia or any other nation a veto over our NMD decisions. It is important to recognize that our sovereign rights are fully protected by the supreme national interests clause that is an integral part of this Treaty. But neither should we issue ultimatums. We are prepared to negotiate any necessary amendments in good faith.

Mr. Chairman, the threat to the security of America and its partners is most obvious from weapons of mass destruction, but that is not the only danger. In many parts of the world, instability is fueled by the unregulated and illegitimate sale of large quantities of conventional arms. These are the sales that equip brutal rebel movements, such as that in Sierra Leone, and make it harder to sustain peace processes in places such as Angola and Afghanistan.

In response, the Clinton Administration has launched a small arms initiative designed to curb the flow of weapons to Central Africa, and to negotiate an international agreement aimed at making global standards for the regulation and sale of firearms closer to our own. We are also working to negotiate an agreement to control the export of shoulder-fired missiles, which are ardently desired by many terrorist and other criminal organizations, and which pose a severe danger to civilian aircraft.

Finally, Mr. Chairman, we also protect our security by strengthening the rule of law in areas of potential misunderstanding and conflict. That is why the Defense Department and our military leaders have strongly urged Senate approval of the new and improved U.N. Convention on the Law of the Sea.

#### *(B) Sustaining American Prosperity*

A second overarching goal of our foreign policy is to promote a healthy world economy in which American genius and productivity receive their due.

The American economy is strong today because of the energy, innovation, and skills of the American people. We have the most competitive economy on Earth. Our foreign policy cannot take credit for that; but we can and do support it.

Since President Clinton took office, we have negotiated more than 240 trade agreements, including the Uruguay Round and agreements on information technology, basic telecommunications and financial services. This matters because trade has been responsible for almost one-third of the sustained economic growth we have enjoyed these past 6 years. Today, more than ten million U.S. jobs are supported by exports, and these are good jobs, paying—on the average—significantly more than non-trade related positions.

I urge the Congress to restore the President's fast track trade negotiating authority so that he may take full advantage of the opportunities for further lowering barriers to trade in American goods and services.

I ask your backing for our efforts to negotiate market-opening aviation agreements, and an international policy on telecommunications that could reduce the cost to our citizens of overseas phone calls and mail.



And I hope you will lend your support to agencies such as the Export-Import Bank, the Trade Development Agency, and the Overseas Private Investment Corporation, which help our businesspeople find new markets abroad.

The State Department also supports prosperity by using embassy expertise and contacts to provide appropriate help to American firms. Under President Clinton, the Department has worked hard to develop a dynamic partnership with the American business community and to ensure that business interests are taken into account when foreign policy decisions affecting them are made. As further evidence of this, we have included in our budget this year a proposal for a modest pilot program to help our smaller embassies work with our businesspeople to develop markets in countries where other U.S. agencies are not represented.

During the past decade, the trend toward more open rules of investment and trade has helped to spur record economic expansion and raise living standards in much of the world. Over the past 18 months, however, the financial crisis has applied the brakes to many national economies and plunged a number, particularly in East Asia, into reverse. Although the U.S. economy has remained healthy, important sectors such as agriculture, aircraft and steel have been adversely affected by shrinking export markets and increased pressure from low-priced imports.

We have responded on two levels. First, we have rigorously enforced our laws against unfair trade. For example, the Administration expedited consideration of hot-rolled steel antidumping cases; helped persuade Korea to curtail government support for its steel industry; and urged the EU to take more steel imports. These efforts have borne some fruit. Imports of steel mill products in December were 32 percent lower than in November.

More broadly, President Clinton has responded with proposals designed to restore world economic growth, reform international financial institutions, ensure fair treatment for U.S. workers and firms, and assist our trading partners in improving the management of their financial sectors.

We have encouraged Japan to implement reforms that would help make that country once again an engine of economic expansion. We have joined forces with the World Bank and the IMF to prevent the financial contagion from spreading further and to meet urgent humanitarian needs. And we have made it clear, in promoting trade and supporting the role of the international financial institutions, that serious consideration must be given to environmental and worker standards.

Unfortunately, there are no quick or simple solutions to the problems many countries now face. Success in the global economy requires sound fiscal and monetary policies, transparent financial systems, good governance and the rule of law. It is no accident that nations with these attributes have fared best in the current crisis.

Nations with deeper problems must take the tough steps required to develop broad-based and accountable democratic institutions that will earn investor confidence and engender public support. It is in our interest to help nations that are prepared to undertake these reforms and we are committed to doing so.

One example of this is by calling attention to the crippling effects of corruption on economic growth, investor confidence, political stability and popular morale. I thank Congress for backing U.S. participation in the OECD's landmark Convention against Commercial Bribery. We will be asking your support for a broader convention negotiated in the OAS. We are seeking support for anti-corruption initiatives in Asia and Africa. And, as we speak, Vice President Gore is chairing a conference with representatives from around the world to discuss ways to fight corruption.

In recent years, trade and investment have played increasing roles in efforts to foster development and raise living standards around the world. But this does not diminish the critical role played by professional development organizations such as USAID.

We know that many of our fastest-growing markets are in developing countries where the transition to an open economic system is incomplete. By helping these countries, we contribute to our own prosperity while strengthening the international system, in which the United States has the largest stake.

Over time, we hope that every country will have a seat at the table in the international system, and that each will fulfill its responsibility to observe global norms. This will not happen automatically or by accident. Certainly, globalization and the free market alone will not make it happen. It will never happen without the right kind of hands-on assistance, in the right places, at the right times, from those who understand how the process of development works.

So I urge your support for the varied and vital work of USAID. And I hope you will embrace other economic and humanitarian assistance programs such as the Peace Corps, our contributions to the multilateral development banks and support for vital U.N. organizations such as UNICEF, the U.N. Development Program, and the U.N. Population Fund.

*(C) Fighting International Crime and Narcotics*

Mr. Chairman, a third global objective of our foreign policy is to fight and win the struggle against the hydra-headed evil of international crime. Drug cartels and the criminal empires they finance threaten us every day whether we are traveling abroad or going about our daily business here at home.

President Clinton spoke to this danger last spring when he unveiled a comprehensive strategy to integrate all facets of the Federal response to international crime. Led by our Bureau of International Narcotics and Law Enforcement Affairs, the State Department is a key partner in this effort, which is designed to extend the first line of defense against crime far beyond U.S. borders.

To this end, we are working with other nations as never before to train police, prosecutors and judges, seize drug assets, help farmers find alternatives to illicit crops, expose and close front companies, halt money laundering, track criminals and bring smugglers of contraband to justice.

These efforts have paid off in significantly reduced coca cultivation in Bolivia and Peru, and the promise of a more concerted anti-narcotics program in Colombia.

In Africa, Nigeria is a key, and we are encouraged by the prospect of a democratic transition in that country. It is essential, however, that we have the flexibility in administering our anti-narcotics and crime programs to devote a higher percentage of our resources to this continent. Thirty percent of the heroin interdicted in the U.S. is traceable to African smuggling organizations.

In Asia, we are handicapped by the repressive nature of the authorities in the world's two largest producers of heroin, Burma and Afghanistan. We are doing our best to address the problem by working through neighboring states, regional organizations and the U.N.

Around the world, we strive to disrupt the vicious criminal empires which endanger citizens and threaten democratic values from Moscow to Manhattan.

There are no final victories in the fight against international crime, but—as our increased budget request for this year reflects—we are pushing ahead hard. Our purpose, ultimately, is to create a tightly woven web of agreements, laws, inspectors, police and judicial power that will deny drug kingpins and other criminals and the space they need to operate and without which they cannot survive.

*(D) Safeguarding the Environment*

The United States also has a major foreign policy interest in ensuring for future generations a healthy and abundant global environment and in working to prevent environmental problems that could lead to conflict or contribute to humanitarian disasters.

The wise stewardship of natural resources is about far more than aesthetics. Misuse of resources can produce shortages that breed famine, fear, flight and fighting. And as societies grow and industrialize, the absorptive capacities of the Earth will be severely tested.

That is why we have incorporated environmental goals into the mainstream of our foreign policy, and why we are pursuing specific objectives through regional environmental hubs in every part of the world.

It is why we are seeking an international agreement to regulate the production and use of persistent chemical toxins that have global impacts.

It is why we are working hard to bring into force better standards for preserving biological diversity and managing marine resources.

And it is why we will be working to limit the emission of greenhouse gases that most scientists believe cause global warming. Last November, in Buenos Aires, parties to the U.N. Framework Convention on Climate Change agreed to an action plan for advancing the agenda outlined in the 1997 Kyoto Protocol. In that Protocol, leading industrialized countries agreed to binding limits, at reduced levels, on greenhouse gas emissions and adopted, in key respects, the U.S. market-based approach to achieving those reductions.

In the year to come, we will continue our vigorous diplomatic efforts to implement the Buenos Aires work plan and to encourage developing country participation, without which international efforts to control global warming cannot succeed.

*(E) Human Rights, Democracy and the Rule of Law*

American policy is to promote democracy, the rule of law, religious tolerance and human rights.

We believe, and the Universal Declaration on Human Rights affirms, that “the will of the people . . . expressed in periodic elections” should be the basis of government everywhere. We are working actively to promote the observation of this principle around the world.

Earlier in this statement, I mentioned some of the specific programs we use to aid democratic transitions, support free and fair elections and help democratic forces build civil society.

These programs reflect our ideals and serve our interests.

When we support democratic leaders, we are aiding our natural partners and helping to forge a community of democratic nations that will work together to defend freedom where it exists and promote it where it does not.

We also know from experience that democratic governments tend to be more successful at preventing conflicts and coping with the turbulence of the global market than regimes that do not answer to the people.

Our support for the right to democracy is part of our broader effort to elevate global standards of human rights and respect for the rule of law. Our goal is to enter the 21st Century moving ahead in these areas, not just settling for the status quo.

Accordingly, the United States will continue to support democratic ideals and institutions however and wherever we can effectively do so.

We will continue to advocate increased respect for human rights, vigorously promote religious freedom and firmly back the international criminal tribunals for Rwanda and the Former Yugoslavia.

We will support efforts to help women gain fair access to the levers of economic and political power, work with others to end the pernicious trafficking in women and girls, and renew our request for Senate approval of the Convention to Eliminate All Forms of Discrimination Against Women.

As the President pledged in his State of the Union Address, we will continue working through the International Labor Organization to raise core labor standards, and to conclude a treaty that would ban abusive child labor.

And we will remain leaders in the international effort to prevent harm to civilians from anti-personnel landmines. Through the President's "Demining 2010" Initiative, we are working with official and nongovernmental organizations everywhere to detect, map, mark and destroy mines; increase mine awareness; improve mine detection technology; and care for the victims of mines.

### III. UNFINISHED BUSINESS

Mr. Chairman, perhaps the best way to begin the new year's work is to finish with old business. We have been trying, it seems forever, to find a way to encourage further reform while meeting America's obligation to pay our arrears to the United Nations and other international organizations.

This stalemate has dragged on far too long. We need to stop treating the United Nations like a political football. We need a fresh start based on a bipartisan consensus that falls somewhere between those who have nothing but praise for the U.N. and those who would like nothing better than to bury it. Most Americans are in this mainstream.

With their backing in mind, we need an approach that is realistic, grounded in U.S. interests, and based on a small number of constructive and pragmatic principles, of which I would offer four.

First, we should recognize that the United States has important interests in the work that the U.N. and other international organizations do. These range from our security interest in U.N. peacekeeping and multilateral sanctions against Iraq and Libya; to our economic interest in the protection of intellectual property rights and fair worker standards; to our humanitarian interest in feeding children, fighting disease and caring for the world's refugees.

Second, we should be realistic in our demands and expectations of the U.N. The U.N. provides no guarantee of global peace or prosperity. But in peacekeeping, development and other areas, it can play a vital role as catalyst and coordinator, and as a bridge spanning the gaps between the contributions of others.

Third, we must maintain pressure for reforms that will make the U.N. more effective. With help from the United States and other leading nations, the U.N. system has achieved more reform in the last half decade than in the previous 45 years. It is better led, more ably managed and far more disciplined than it was when I arrived in New York as our Permanent Representative to the U.N. in 1993. We should do all we can to see that this process of modernization and reform continues.

Finally, while insisting that others do the same, we must—as the President proposes in his budget—pay our bills. This is not just a question of dollars and cents. It is a matter of honor, of keeping our word. It is also a question of national interest because we will be far more influential—and far better able to spur further reform—within the U.N. system and other international organizations if we are meeting our obligations to them.

## IV. WORLD-CLASS DIPLOMACY

The efforts we make to advance our security, prosperity and values are essential for our future. But we cannot lead without tools.

It costs money to counter modern terrorists; protect American jobs; cool regional disputes; aid child survival; and spread the gospel of freedom.

But these costs do not begin to compare to the costs we would incur if we stood aside while conflicts raged, terrorists struck, democracies unravelled and weapons of mass destruction spread unhindered around the globe.

Unfortunately, despite strong support from many in both parties in Congress, we have lost ground during this decade. In real terms, funding has declined sharply. We've been forced to cut back on the life's blood of any organization, which is training. We must modernize our information systems. We face critical infrastructure needs. We have seen the proportion of our nation's wealth that is used to support democracy and prosperity around the globe shrink steadily, so that among industrialized nations we are now dead last. And the embassy bombings in Africa were tragic evidence of the imperative to do far more, far more quickly, to reduce the vulnerability of our diplomatic missions.

On this last point, let me stress my own personal commitment to do all I can to protect our people. Last year, Congress approved our request for \$1.4 billion to enhance security through construction upgrades, new personnel and improved equipment. The President's Fiscal Year 2000 budget includes funds to sustain those efforts. And we are asking \$3 billion in advance appropriations over 5 years to build new and safer posts. Meanwhile, I am in regular contact with White House and other senior officials to assess security threats and needs. This is a year-round, around-the-clock, concern.

Given all this, I urge the Committee to support the President's budget request for international programs in its entirety. By so doing, you will serve our nation and your constituents very, very well. And you will give deserved support to the foreign service officers, civil service personnel and foreign service nationals—who work every day, often under difficult and dangerous conditions, to protect our interests around the world.

## V. CONCLUSION

Fifty years ago, only a short distance from where we are now, President Harry Truman delivered his first and only inaugural address.

In what came to be known as the Four Point speech, he challenged Democrats and Republicans alike to lend their full support to international organizations; to continue programs for world economic recovery; to join with free people everywhere in defense of democracy; and to draw on our country's vast storehouse of technical expertise to help people help themselves in the fight against ignorance, illness and despair.

Today, we are summoned to build new institutions, adapted to the challenges of our time, based on principles that will endure for all time.

In so doing, we must heed the central lesson of this century, which is that problems abroad, if left unattended, will all too often come home to America.

We Americans draw immense strength from the fact that we know who we are and what we believe. We have a purpose. And like the farmer's faith that seeds and rain will cause crops to grow; it is our faith that if we are true to our principles, we will succeed.

Let us, then, do honor to that faith. In this final year of this turbulent century, let us assume, not with complaint, but welcome, the leader's role established by our forebears.

And by living up to the heritage of our past, let us fulfill the promise of our future—and enter the new century free and united, prosperous and at peace.

To that mission, I pledge my own best efforts, and respectfully solicit both your wise counsel and support.

Thank you very much. And now I would be pleased to respond to your questions.

The CHAIRMAN. Very well, Madam Secretary. By the way, I am counting. I think we have about 11 Senators here, and I will do a little bit of arithmetic and say maybe we had better limit the questioning to 5 minutes per Senator for the first round.

Now, Madam Secretary, we figured up yesterday that 649 days have passed since the President made a legal commitment to sub-

mit the ABM treaty amendments for the Senate's advice and consent. We talked about that earlier this morning.

Now, I have been accused from time to time of holding treaties hostage, but it seems to me that the shoe may be on the other foot, really, because it is the President who is refusing to allow the Senate to vote on this treaty.

Now, he pledged to submit the changes to the treaty almost 2 years ago. Do you think it appropriate for the President to leave office without fulfilling that promise?

Secretary ALBRIGHT. Mr. Chairman, let me say that, as we have said, we will send this agreement to the Senate along with the START II protocol after the Russians have ratified START II and its protocol. Prior to the implementation, we are committed to seeking the Senate's advice and consent to ratification of the memorandum of understanding related to the ABM treaty succession, and to the two agreed statements related to the demarcation, but I think we fully understand the necessity of sending this forward.

The CHAIRMAN. Good.

Secretary ALBRIGHT. But as we have said, it is related to the Russian action, and it is my understanding from when I was there last that they are planning to have this on their calendar in March.

The CHAIRMAN. On another subject, I was pleased and gratified to hear your statement last month, when you flatly stated that our sanctions on Cuba can be lifted only if Castro undertakes basic democratic reform, but last week we got Mr. Castro's reply to this message as he applied more draconian crackdowns on dissidents and independent journalists.

Are you in a position to assure this committee that the administration will stick to the reasonable conditions in our present law for lifting the embargo, or normalizing relations, which are that Cuba must first release all political prisoners, respect basic human and political rights, and dismantle that secret police gang that he has?

Secretary ALBRIGHT. Mr. Chairman, as you know, I have taken a great deal of interest personally in what is going on with Cuba and our relationship with it. We have no plans to lift the embargo, but what we are doing is systematically following up on some of the openings created by the Pope's visit to Cuba, and our own desire to build on the Torricelli bill and the Libertad Act to try to consistently help the Cuban people.

I have been saying that what is really going on is that Castro has an embargo against his own people. We are trying to break that embargo by providing the possibilities for ordinary Americans now to send remittances to the Cuban people so that they have more elbow room to operate outside of their very restricted regime.

We also wish to expand the number of flights going back and forth. There are a number of measures, as you know, we have taken while making very clear that the embargo is the law of the land and systematically penetrating the system.

I was very honored to be able to be in Miami 2 weeks ago, to open the new studios of Radio and TV Marti with a much stronger signal. I delivered a very strong statement myself over that broadcast saying that we wanted to support the people of Cuba.

The CHAIRMAN. On another subject, very quickly, do you think that inasmuch as credible evidence has been made and delivered

and made public that Iraq could assemble a nuclear weapon in as few as 6 months, provided it has the required fissile material? Given this, do you think we ought to actively pursue the immediate removal of Saddam from power?

Secretary ALBRIGHT. Senator, let me say that we have consistently, ever since the Gulf War, been pursuing a policy of containing Saddam Hussein and his weapons of mass destruction. The administration earlier, I believe starting last year, added something to that element, which is containment plus, the plus being regime change. This will enable the people of Iraq to have a leader who is representative of them or will allow them to choose a leader.

We are following up systematically on the Iraq Liberation Act. As you know, the President has designated some seven opposition groups that are eligible for assistance. I have named a very trusted and very capable U.S. diplomat, Frank Ricciardone, who has taken over the role of a coordinator for the transition. He will be working with these various groups as well as working on a number of plans to add, as I said, the plus to the containment plus.

We believe that Iraq would be better off without Saddam Hussein. I pride myself on many things. I most of all like it when you all have something nice to say about me, but next to that I like it a lot when Saddam Hussein has something terrible to say about me, and his newest name for me is sorceress.

So I feel OK today.

The CHAIRMAN. I think the answer to my question was yes, sort of.

Secretary ALBRIGHT. Yes.

The CHAIRMAN. Senator Biden.

Senator BIDEN. Thank you very much.

Madam Secretary, again, we appreciate your being here, and there is a lot to cover. I am not going to go into detail, because there is no time in 5 minutes, but I would like to ask unanimous consent that I would be able to submit to you a series of detailed questions on ABM, ABM modification, the test ban treaty, and ask you as soon as your staff can get a chance to look at them we would appreciate the answers to these in detail.

Now let me ask you a more generic question. The Senator has pointed out accurately that the administration is committed to submit the protocol, submit the demarcation changes to the ABM, and the administration has consistently said it will do that when the Duma acts on START.

Now, we are about to—the calendar dictates a lot of things. Hopefully in March that will happen with the Duma, but in February, next week, we are going to start a debate here on the floor of the Senate on the Cochran bill that would make it the U.S. policy to deploy a missile defense system as soon as technologically possible.

Could you give me a brief comment on what impact, if any, and it may not have any, such an action, assuming it were to pass the Senate, and it may very well, would have upon the circumstances in the Duma, in your view, or in Russia generally, in terms of them moving on START, or is there any causal connection?

Secretary ALBRIGHT. Well, one of the interesting discussions that I had when I was in Russia was the whole connection from their

perspective of the ABM treaty and our national missile defense discussions. I think it is very important if it is at all possible for them to be able to have their ratification of START take place in a way that does not put all these pieces together, because they know that we will not put our ABM ratification process forward until the START treaty is in place. I believe they have a whole discussion process of their own which also needs to go forward.

I think that this goes to something that the chairman said. I do believe that the ABM is a cornerstone of our strategic stability, and that we are committed to continued efforts to strengthen that treaty and enhance its viability. That does not mean, however, that it is not possible for us at some stage to amend it. It has been amended before, but I think that it is very important for the Russians to have their debate.

The administration has put forward a statement of administration policy on going forward with the National Missile Defense Act—that is, the Cochran bill—and we think the decision regarding this NMD deployment has to be addressed within the context of the ABM treaty and our objectives for achieving future reductions in strategic offensive arms through START II and START III, and I think it is very important to keep that in mind.

We have made clear to Russia that deployment of a limited NMD that required amendments to the ABM treaty would not be incompatible with the underlying purpose of the ABM treaty. That is, to maintain strategic stability and enable further reductions in the strategic nuclear arms.

But I think that obviously no other Nation shall have veto over our requirements, and we have our sovereign rights. We think that, as S. 257 suggests, that neither the ABM treaty nor the objectives for START II and III are factors in an NMD deployment decision, and enactment of this legislation would clearly be interpreted by Russia as evidence that the United States is not interested in working toward a cooperative solution, one that is both in our national security interests.

Senator BIDEN. Madam Secretary, my time is almost up—it will be in about 10 seconds—and I want to ask you one more quick question. It is very simple. Security, embassy security. Admiral Crowe has indicated and issued a report suggesting that maybe for financial and security reasons we might very well talk about regional embassies as opposed to embassies as we do now, where every country has an embassy.

This notion of doing away with universality in terms of our embassies, I am frank to tell you, I have not thought that through yet. On the surface, it does not seem to be a good idea to me, but do you have any general thoughts on that, on Admiral Crowe's recommendation?

Secretary ALBRIGHT. Yes, sir. First of all, I do believe that we need to maintain universality. I think that is a very important element of our foreign policy. But that does not mean that it is not possible to have certain embassies which can provide for certain services regionally, so as we are rebuilding Nairobi, for instance, it is going to contain a number of computer possibilities, and a variety of technological possibilities that can serve the region that do

not have to be duplicated in all the embassies in the African region.

But I do think universality is important, and I say that not just because it is nice to have a U.S. flag in every country, but I think people need to think of embassies to a great extent as aircraft carriers or platforms which carry on them and within them a number of other activities beyond just diplomatic activities, our commercial services, economic ability to deal with the problems of terrorists, a whole host of issues, and therefore there are many reasons for universality.

But I can assure you that as we look at rebuilding embassies we will be looking at ways to make some of them regionally more capable.

Senator BIDEN. Thank you very much, and thank you, Mr. Chairman.

The CHAIRMAN. Senator Hagel.

Senator HAGEL. Thank you, Madam Secretary. Welcome, and thank you for the good work you are doing for our country.

I want to ask a couple of questions regarding Kosovo. In light of the fact that we have allowed two deadlines to pass without moving forward on NATO air strikes on Yugoslavia, the first part of the question is, do you think that will affect NATO and U.S. credibility in that part of the world?

Secretary ALBRIGHT. No, I do not. I think that the talks themselves were very productive and useful in getting parties together, and I think that we have to remember that the deadlines, while passed, certainly focused people's minds at the time, and NATO credibility depends on the ability to carry through when necessary.

What I am saying now is that that threat still exists. I think if you remember the scenarios, if there was a clear yes from the Albanians and a clear no from the Serbs, that is what brought the bombing. There was not a clear yes from the Albanians. They want to go back, and they did what one might say initialed the agreement, and they want to go back for a couple of weeks and get the support of their people.

You know, interestingly enough, they are trying to develop a democracy. As far as the Serbs are concerned they just need one phone call to the leader to decide how they would respond.

We also still have another NATO factor effective, which is that if the Serbs do not comply with the agreements of October, which is to cut down the numbers of the military forces and their special police in Kosovo, then they are subject to NATO strikes in that regard also. I had a discussion with Secretary-General Solana on that subject, and he is watching it very carefully, and we are doing all the warning, as did all the NATO contact group members yesterday.

Senator HAGEL. There appears to be, at least according to the news reports, a rather significant buildup of forces along the borders of Yugoslavian, Serbian forces. What is the trigger? What is the threshold that we are using in order to determine whether we will attack Serbian forces, that is, Milosevic's forces?

Secretary ALBRIGHT. Well, we have issued various warnings. Secretary-General Solana I believe did again yesterday, and I believe will do so again.



Basically, it is a matter of what we are seeing on the ground and what they are doing there under warning right now. I cannot tell you specifically. I do not think it is appropriate, what the specific thing is, but they are very much under warning right now that they are not to use those forces offensively. And, they are supposed to be drawing back to the agreement that they made in October.

Senator HAGEL. Is there any sense on your part why they have moved forward that kind of heavy armor, or heavy artillery, troop concentration, if they are at all serious about coming to an agreement?

Secretary ALBRIGHT. My reading of this would be that they are getting ready for a spring offensive of some kind here, and we are going to work very hard to make it clear to them that that would be a grave mistake.

Interestingly enough, Senator, during these discussions they did begin to engage somewhat on the political part of the agreement, and the progress that was made was, as you know, they stripped Kosovo of its autonomy in 1989. Through their response to the negotiators yesterday they in effect admitted again that Kosovo could be independent. They just did not add the fact that it could have democratic institutions, but they did begin to engage on that. They engaged not at all on the military part of the document, which would allow there to be a peaceful invited implementation force and therefore I think, while they are engaged in some part of the discussion, they have not yet given up their ideas about their spring action, and our goal in the next 2 weeks is to make sure that they change their way of looking at this.

It is not easy, I have to tell you. This is a very tough negotiation, and we have to keep pushing back.

Senator HAGEL. Madam Secretary, I have not a minute but seconds left. I would go back to something you said that I think is critically important, and that is, you said in essence that this is a classic example of why we cannot lose sight of American leadership, and when we defer the tough decisions we only complicate matters.

I would say first of all that I agree with that completely, and if we are to accomplish the hope and opportunity and potential of the world, which I think we can, it is going to require American leadership.

But on Kosovo we all recall what President Bush said in December 1992 in the strong warning, and what Margaret Thatcher said early on, before we had the slaughter in Bosnia. Senator Dole has talked about Kosovo for a number of years, and I only bring that out because you have inherited a mess. You are sorting it out as best you can.

But for the record and for this hearing I think it is very important, and it goes back to what Senator Biden said. We are going to have a very significant debate in this country, and we should, over the next year and a half, about what is the appropriate role of America and the world, what kind of leadership should we provide.

This again points up to how dangerous the world is, and uncertain it is, especially when we do not have American leadership.

Thank you.

Secretary ALBRIGHT. Could I just make a point here? I think if we go forward with an implementation force, I think we will have managed what I would hope suits most of the people in the Congress that are concerned about whether we are leading, how much we are leading, and are we doing everybody else's work. Because what we will have done is to have a NATO-led force, that is, with American SACEUR General Clark in charge of it, a force of around 28,000, with an American force which is under 4,000, which in effect lets the Europeans do the lion's share of the work, but we continue to have a leadership role. I think this is just the right balance of us being a part of the system not letting down the credibility of NATO and not letting down the credibility of our leadership in NATO.

There are those who think we do not let anybody do anything, and there are those who think we do everything, and a line that I think kind of suits this is, if we wanted to be Rambo, I would not have gone to Rambouillet, and I think that we are capable of having the leadership role but have others do it with us, and if we go forward on this plan I think we have managed that balance very well.

Senator HAGEL. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman. Madam Secretary, welcome. I am once again impressed by your level of energy, knowing the travel schedule that you have kept in the last several days, and to be here this morning addressing as forcefully as you have the issues that are before us.

There are a number of issues here, and I am just going to run down a couple of them very quickly, and then we will give you a chance to respond.

Just as a personal note, I want to commend the Department of State on how it is working with this Y2K issue, the year 2000 issue. Senator Bennett of Utah and I chair the committee, and are watching very carefully how various agencies are responding and the Department of State according to the General Accounting Office, Mr. Chairman, is one of the better agencies in terms of its own computer systems and so forth. It has one of the more difficult jobs, because worldwide it is not a good story outside of the borders of this country, but I wanted to begin on that note.

Madam Secretary, the supplemental that is coming up for the victims of Hurricanes Mitch and Georges in Central American and the Caribbean, February 16 is awfully late to get that supplemental. I do not know what the administration's plans on this area, whether you want to tie it to the Jordanian supplemental or not, but the President is planning I think sometime shortly to be going down to the area, and whether or not Congress is going to move on this is an important question.

Second, with regard to Cuba, and my good friend the chairman and I have had our disagreements over the year on how to address this issue. I have had an opportunity to express myself to the Secretary and others about this. I just express here, 24 of us, including Senator Grams and Senator Warner and others, really without any effort at all, recommended the establishment of a commission,

much as we did on Central America, to examine the issues of the Cuban-United States relationship. That suggestion was rejected.

I am not, certainly, pleased with the Cuban reaction to the decision earlier with regard to several steps we took or tried to take back 4 or 5 weeks ago, but I just hope at some point here—we have 11 million people less than 100 miles off our shore, and we had better start talking about how we are going to transition that.

I do not want to dwell on that in 5 minutes here today, but would just say that there is a growing number of us up here, not on one side of the aisle or the other, who would like to see some new thinking about how we address these issues.

That is not in any way to be perceived, I hope it is not, as trying to do any favors for Mr. Castro, but it is how we watch out for our own interests in this hemisphere, so I just want to suggest that there is more than one point of view on this issue up here, and it needs to be brought into some consideration.

I am pleased with your answer on the embassy issue. I think creating large embassies regionally become a target of opportunity as well as the issue you have raised of universality, which I think is important, and let me hope that the Agency and the Department will watch very carefully.

In Central America, for instance in certain embassies back in the 1980's, some of the steps that were made for security purposes were mind-boggling, one wall that cost over \$1 million, \$1 million to build a wall, and I hope as we look at this issue, legitimate issue of protecting American personnel and protecting our people in these embassies and residencies around the world, this does not become a spending boondoggle for people out there. It can happen if we are not careful.

We want to make sure our people are secure. We also do not want to see people take advantage of a legitimate opportunity and be abusive in terms of how dollars are spent.

Mexico decertification is a critical issue coming up here very quickly. I know my colleague from California has some thoughts and ideas about this that are very important.

Last, on sanctions, we have imposed sanctions now 70 times in the last 6 years. Most of them, a lot of them are universal sanctions. Senator Hagel, myself and others, and Senator Grams have tried to come up with some different ways on how we can address this issue.

This ham-stringing the President, it ham-strings you, Madam Secretary. It has become the option of choice up here every time a country does something we rightly disapprove of. We have got to have a better response than just imposing sanctions. I think it is hurting our ability to conduct foreign policy. Too often it targets the wrong people, not the policy centers, and it constrains our ability to act with some flexibility in an ever-changing world, so I would hope we might get some additional indications of support on that issue.

I apologize for jumping around here on you, but when you have 5 minutes you have got to try to get in what you can, Mr. Chairman.

The CHAIRMAN. Very good. Senator Grams.

Senator GRAMS. Thank you very much, Mr. Chairman and Madam Secretary for taking the time to be here.

I would like to followup on an important security issue that the chairman raised, and that was the issue of collocating U.S. Government entities within chancery compounds. It just caught our attention because after the August terrorist bombings AID headquarters decided not to move their missions in Kenya and Tanzania into the more secure embassy compounds that are going to be built.

Now, this was in opposition to State Department guidelines which stated—I will quote—“all U.S. Government offices and activities subject to the authority of the chief of mission are required to be collocated in chancery office buildings or on the chancery consulate compound.”

After hearing from us and listening to U.S. officials in both Kenya and Tanzania, AID reversed itself; Madam Secretary, I would like to hear from you about this now that the Administrator reports to you and is under your direct authority and foreign policy guidance, pursuant to the Foreign Affairs Reform and Restructuring Act. First, can we agree that when the issue of collocation comes up, no exception to the above-mentioned guidelines will be made unless it can be demonstrated, of course, that it would be in the best U.S. interest to leave our people in higher-risk situations?

Secretary ALBRIGHT. Senator, let me just say that as far as I know, what was happening in Kenya is that I think they were having a hard time finding a place where they could all be together. And some of it had to do with their decision on the ground about sufficient security.

As far as I am concerned, I think that it is very important as a policy matter to be collocated, and that there needs to be some demonstrable reason for not doing so. It is my hope that as we go into this whole, finally reworking the reorganization of the State Department, that the purpose for it is for us to have a comprehensive policy which allows us all to work together, and proximity does help in that regard, aside from security reasons.

If I might make a point, and it goes back to something Senator Dodd said about security. I think that none of us can ever feel that we have done enough in terms of protecting our personnel, and I think we are all working on it very hard. It is something that lends itself easily to finger-pointing and blame-placing. Everyone is saying that they would have done more, or it requires more money. There is never enough money, and ultimately I have to say there is no such thing as perfect security.

The thing about which I would like to assure all of you, as well as the American people, is that we are doing everything we can within the resources that are available and pushing for additional resources to provide security for our personnel. But a final point is, it does not do us any good to have totally secure buildings with nobody inside them and no money to carry on programs, so we have to find the right balance while always thinking about the security. At the same time, however, being able to do America's business abroad is what we are working on right now.

Senator GRAMS. I agree with you on that, but going back to the collocation question, too, if you would.

Secretary ALBRIGHT. I would say that we want to have them collocated, and we would need to have a good reason why that policy is not being carried out.

Senator GRAMS. Would it make sense to modify the current procedures so that the Secretary would sign off on any diplomatic security decisions, or the decision to grant any waivers?

Secretary ALBRIGHT. Let me check on what the right bureaucratic procedure would be on it.

Senator GRAMS. Also, Madam Secretary, given that this is the first budget request which reflects the ACDA and the USIA that are going to be folded now into the State Department, I would like to know whether this consolidation to date has resulted in any budget savings in the fiscal 2000 year submission.

Secretary ALBRIGHT. It is my understanding, Senator, and as I said even when I was testifying about reorganization, it is not possible for us to have any short-term savings on this. We said then that would not be possible because it requires us to move people, get computers integrated, and a variety of other steps in order to really have this happen.

While I think that one of the desires for the reorganization was money-saving, in my discussions with the chairman and with all of you I think we had an even larger goal. That was to have a rational foreign policy, to try not to have duplication, and to try to make sure that both the proliferation issues and the development issues became central to American foreign policy. So cost-saving up front right now is not something that I can tell you is taking place.

Senator GRAMS. Do you expect some though in the future?

Secretary ALBRIGHT. Yes, we do in the future, absolutely. However, at this moment you can imagine that as we are trying to collocate people, trying to get computers in place that are Y2K functional, and also trying to integrate, it is very hard to point up short-term savings.

Senator GRAMS. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman, and thank you, Madam Secretary, especially for the tremendous efforts you are making with regard to Kosovo.

I do want to turn now to Nigeria, to the situation there. For years, many of us have been concerned about the human rights situation, and we have introduced various pieces of legislation in that regard. Of course, this weekend Nigeria will elect a civilian President who is scheduled to take office in May, so it has elements of hope and, as you indicated, we are always looking for success stories in Africa, and none could be more important than Nigeria.

But at the same time, I hope the administration continues to calibrate and pace any direct assistance, particularly plans to work with the military, until we can be actually assured that the old habits of the past are really gone. It is so tempting to look at each positive step in Nigeria and think that everything is going to be all right, but I hope we are careful about that.

In that light, if all goes well, what are the administration's plans for Nigeria after the transition to civilian rule? A second part is, what is your analysis of recent violent disturbances in the oil-producing regions and the Nigerian Government's response to that?

Secretary ALBRIGHT. Well, first of all let me say that we have been looking generally about how to support democracy where we can, and as we look out at the next 2 years we are hoping very much that it will be possible to take certain countries that are on the verge of really crossing over the line to see if we can make sure that they really get there. Nigeria is obviously one of the countries that we are hopeful about, and the elections that are approaching are clearly part of what we are looking at.

With regard to your concerns, Senator, we have tried very hard to do what we can to make sure that the elections are free and fair and that there are a number of NGO's and organizations that have gone in there as monitoring.

We will also have a congressional delegation going to observe the elections on February 27. We are going to be working further in terms of supporting various democratic institutions, trying to ensure civilian control over the military, advancing a variety of institutions, an independent judiciary, et cetera, that we consider the building blocks of a functional democracy.

We are concerned, as we have been for some time, about the fact that Nigeria, a huge country, has a variety of ethnic groups within it. It is actually a very rich country, and looking at how the oil revenues are dispersed and how they are used is part of the issue, so I can just tell you that I have decided that we need to have a whole country approach to Nigeria in looking at how it deals with its environmental problems, its oil problems, its narcotics issue, helping to develop the domestic functioning democratic institutions, and controlling the military. It is one of our target countries in terms of trying to bring it over the line.

Senator FEINGOLD. Thank you. I would just add the obvious point, the tremendous impact that Nigeria has on other conflicts in the area such as Sierra Leone, Liberia and others. It is such an essential country.

The other country situation I would like to ask you about is another occasion for cautious optimism. It is East Timor. Many of us on this committee and in the Senate have for years advocated for the rights of the people of East Timor, and there are some hopeful signs. I am encouraged that the Government of Indonesia has seen fit to move Sunamma Guzmal from prison to house arrest, which I interpret as a gesture of goodwill, but the situation is very complex, and there is violence on the island.

You mention that you are going to Asia next week. I urge you to continue your efforts to call for the release of political prisoners, and the withdrawal of troops from East Timor in order to help during this transition period, and the question I would like to ask you is what you see happening with regard to the United Nations role during a transition period.

It will probably be crucial to have an international presence in East Timor during such a period of transition to whatever form of self-determination may occur. Would the United States support a monitoring or a peacekeeping operation in East Timor?

Secretary ALBRIGHT. If I could just go back to one thing on Nigeria and your point about it helping in other areas, they have been very important, first in Liberia and now in Sierra Leone, and we have been trying to support ECOMOG, which is the overall organi-

zation that does that, and Nigeria, even in its worst days, actually, was very helpful in terms of its support in trying to deal with peacekeeping matters.

Indonesia I have to tell you is another one of the countries that I have targeted for trying to move over the line. They are going to have elections. They have undertaken some significant reforms, although not enough, and I will be going to Indonesia on this trip after I leave China.

The East Timor developments are truly fascinating, and I think are very hopeful. We are supporting the U.N. action there, and the U.N. Special Representative there is looking at a variety of ways for us to be able to help move that forward. I will be discussing the issue actually today again with Secretary-General Kofi Annan, and I think we need to figure out what the most supportive thing is that the United States can do.

There have been discussions about an international or U.N. presence. I do not think they have jelled yet, but we clearly do see what is happening there as an opportunity to deal with one of the most troublesome issues that has been out there for all of us.

Senator FEINGOLD. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Wellstone.

Senator WELLSTONE. Mr. Chairman, I wonder if I could follow Senator Boxer. She has been sitting here the whole time, and I had a conflict, so I will follow her.

The CHAIRMAN. By all means. Again, we welcome you to the committee and look forward to working with you.

Senator BOXER. Thank you so much, Mr. Chairman, for your graciousness since I got onto the committee, the same with Senator Biden, and Senator Wellstone carries on that spirit, and I am very grateful, because I have a commitment coming up on the Brady bill that I have to go forward to.

I want to say, Madam Secretary, how proud I am of the work you are doing. I have seen you look tired because there are reasons to. You need to get rest. You need to get rest.

Senator WELLSTONE. I was going to say that, too.

Senator BOXER. I know. Paul and I say you need to get rest.

The CHAIRMAN. Well, I think you look pretty good myself.

Senator WELLSTONE. You look wonderful, just exhausted.

Senator BOXER. You look good and tired.

I am going to go very quickly through, because some of the issues we have covered, and there are so many more issues we could not do justice to your portfolio.

I wanted to quickly mention what Senator Dodd said. I am working on an alternative to the Mexican situation so that we do not have to choose between certification, basically, and decertification, and Mr. Chairman, I am looking forward to presenting that to you for your consideration, because I am excited that I have come up with some ideas on that, and we hope it will be bipartisan.

I thought because I am the only woman on the committee I might take a different tack to my questions, so let me speak quickly and leave enough time for you to comment. At least one woman dies every minute from causes related to pregnancy and childbirth, and in developing countries maternal mortality is the leading cause of death for women of reproductive age.

These are terrible trends, and I know we are all trying to bring our own background to solve this, but in the congressional fog we have been in for about 6 weeks there was a very important Hague forum, and the Hague forum, without going into details, pointed out that developed countries are not doing enough to financially help with family planning and child and maternal health, and they said, it is interesting, developing countries are doing more than we are doing in proportion to our ability to help.

Now, this administration has taken a step in the right direction. We have \$25 million in your budget for the U.N. population fund, and I know it is very controversial, but yet we have to talk about these issues.

The UNFPA operates in more than 140 countries, and one of your Under Secretaries in a speech, it was Under Secretary Loy, said that just last year's contribution would have prevented the deaths of 1,200 mothers and 22,000 babies, as well as would have prevented 200,000 abortions, because family planning, when done right, stops the unwanted pregnancy and women do not have to go seek abortions, so I wanted to let you know I support this, and I would like to get your view as to whether you subscribe to those numbers.

Another issue of great concern is the Taliban's treatment of women in Afghanistan. Anyone who has seen the burka, what they have to wear—and Mr. Chairman, I have one I want to show you, what women are forced to wear living under Taliban rule. They are not allowed to go to school. They are not allowed to go to work. If women are seen in public with as much as a bare ankle, they are beaten by the police, and we have to continue to denounce this. I wanted to ask, I know you have already done some, do you have plans to talk about this more?

In a related issue, I wanted to express my support for the convention to eliminate all forms of discrimination against women. This is a very important treaty. It would set international standards regarding discrimination on the basis of gender. It would establish rights for women, and we were an active participant in drafting the convention. President Carter signed it 1980.

Twenty years later, 162 nations have ratified the convention. We have not, and I know that we did make a push. We could not get it done for reasons that have to do with what I consider to be ancillary issues. I was going to ask if you would speak about that.

So if you could comment on that estimate that 22,500 infants lives would have been saved if we had made that contribution to UNFPA, 1,200 mothers, also, are you still committed to this convention to eliminate all forms of discrimination, and could you speak a minute about the Taliban?

Secretary ALBRIGHT. Yes. Thank you very much, Senator Boxer, and I cannot tell you how pleased I am to have you on this committee. It is going to be a pleasure to work with you.

First of all, as in 1999, the President has again requested \$25 million for family planning, and I think that is, given all the various priorities that we have, a sign of our really strong commitment to population and reproductive health programs.

I do not have the exact numbers, but I am sure those are correct. I had met with a number of the NGO's before they were going over



to the Hague, and we discussed these kinds of issues and the fact that there are so many problems caused when women are not allowed to have access to information.

I think there is such a misunderstanding about something, and I think it needs to be stated flat out. U.N. family planning programs do not fund abortion services. I think people get this all confused. There is a difference between family planning and funding abortions and, categorically, the United States does not fund abortions, and the majority of activities support maternal and child health care programs, including the provision of voluntary family planning.

And I think also something that should be noted, the U.N. family planning funding supports programs aimed at the spread of HIV/AIDS, and trying to prevent that. I think if you look at the maps of how that is spreading, I think that is something that is very important, and enhancing the status of women.

Senator BOXER. Maybe just a yes answer, because my time is up. Will you speak out on the Taliban, and do you still support the convention against discrimination?

Secretary ALBRIGHT. Well, first of all on the Taliban, of course, and I visited with women before, and I do everything I can. And Mr. Chairman, the Convention on the Status of Women is something that is so important to all of us.

I speak very often on our support for that. Our desire for support for that always gets an applause line. It is very important to the women of the United States, and I do hope very, very much that we can move this. I think it would be a tribute to the work that we do together if we could move this. I would be very grateful.

The CHAIRMAN. Very well. Now, I would say to you two ladies that even the Iranians describe the Taliban as medieval, so it is pretty universal that people hold their noses about it, but thank you, ma'am. I welcome you to the committee.

Last but not least at any time, the Senator from Minnesota.

Senator WELLSTONE. Thank you, Mr. Chairman, and I apologize profusely. Something I have been working on for a year, Madam Secretary, came up with a press conference. It had to do with kids and mental health, and that is where I was.

Let me thank you for your heroic work. You have really been at it, and I will be hoping and pulling for you and the people of Kosovo and for all of us. Thank you very much for what you are trying to do.

Madam Secretary, this question will not surprise you. We are probably going to have a freestanding resolution, thanks to the support of the chairman today, which basically says it is the sense of the Senate that at the 55th session of the United Nations Human Rights Commission in Geneva, Switzerland, the United States should introduce and make all necessary efforts to pass a resolution criticizing the People's Republic of China for its human rights abuses in China and Tibet, and I think we will probably get 96 votes. This is a bipartisan resolution.

During your visit to China next week, do you intend to inform the Government that the United States is ready to sponsor a resolution on China at this U.N. Commission on Human Rights?

Secretary ALBRIGHT. Well, first of all, Senator Wellstone, I think you know my views on human rights in China, and I even went to their celebration of the 20th anniversary of normalization and told them how critical I was of their human rights. I do not think usually people are invited to a party and then do something like that.

What we are doing, and I am very much aware of congressional expressions of support, we are now considering what our approach should be, which would be the most effective approach to try to get China's attention on this.

I will be discussing human rights when I am in China. It is very much a part of my agenda, but we have not yet made a final decision about how we are going to deal with Geneva.

Senator WELLSTONE. So we have not made a final commitment as to whether or not we will introduce this resolution. Have we made any commitment if the European Union by some chance does it that we would join in?

Secretary ALBRIGHT. Well, we are exactly at this moment consulting with our allies. Assistant Secretary Koh has been over there consulting, and I just cannot tell you at this moment what our strategy is going to be. I will get back to you on that.

Senator WELLSTONE. Do you have any idea as to when the administration will make this decision? You know, we went through this last year. I do not think there have been improvements since the President's visit. If anything—and you have spoken out about that.

Secretary ALBRIGHT. Yes, I have.

Senator WELLSTONE. I really believe, and I think the Senate believes and the Congress believes that our Government ought to be the leader here. We ought to respond to this resolution in Geneva. Do you know when it will happen?

Secretary ALBRIGHT. We have it under active consideration. It is a priority decision for the administration. I am just trying to collect all the information on it now.

Senator WELLSTONE. Let me just switch and say to you that I appreciate your response, for I was hoping you would say yes, I am going to go there, I am going to inform them, we are going to do this. Please let us know as soon as you have made a decision.

Secretary ALBRIGHT. I will.

Senator WELLSTONE. I really hope that our Government will take the lead. I think it is long past the time to do so.

Could I ask you real quickly, this is another area that is certainly near and dear to my heart. This is the country that my father lived in before he fled persecution. For a quick briefing on your part—maybe you have done it in response to other questions about relations with Russia. I have the sense that we have seen some strains, and I am trying to figure out how we repair this. Could you give us just a quick overview?

Secretary ALBRIGHT. Strobe Talbott is there right now, and I was there 3 weeks before. I think we do have some very serious strains at the moment, and they have to do with some disagreements that we have about how to handle regional issues, one specifically now Kosovo, and we have some questions about Iraq.

At the same time, we are very concerned about their economic situation and how we can help them help themselves. Part of the problem is that they are having trouble helping themselves. They have now passed a budget. I think that will help us in the IMF to be able to give greater assistance.

What we are concerned about also, as I mentioned in my testimony, is the fact that it, as an economy, does not do well, and they have a great many things out there that can be sold that do not help our proliferation policy, and a great many scientists who are unemployed.

The President's threat reduction proposal is one that I think does two goods. It helps to transfer some hard currency into the Russian system, but in a way that makes sure that it goes to the right people so that some of these scientists are employed, that the materials are not sold.

I do think, Senator, that we are yet again at a tense time with the Russians, but both Prime Minister Primakov and Prime Minister Ivanov and I in our discussions understand the importance of the overall Russian-United States relationship, and the importance of keeping it on an even keel as we deal with the START and ABM and various issues, that while we may disagree on certain elements, that we understand the importance of keeping the relationship going in a positive way.

I can assure you we will work on this, as we do consider that a key element of our foreign policy.

Senator WELLSTONE. Thank you, Madam Secretary. Thank you, Mr. Chairman.

The CHAIRMAN. Madam Secretary, I had hoped that I could fulfill my commitment to get you out of here at 12:30, but you have provided so much information for the members, and everybody is interested.

For the record, before I recognize Senator Grams, the record will be kept open for 5 days, and also Senator Lugar and others who wanted to be here are presiding over subcommittees and could not be here, so that means that you may be receiving some written questions to which you can give written answers.

I thank you so much for coming. It is always a pleasure to see you. I do not know when number 15 will come up, but I hope it comes up soon.

Before you leave, Senator Grams wants to ask you one more question.

Senator GRAMS. Three short ones. We will get this done within an hour. We will wrap this up.

Just briefly, Madam Secretary, I could not leave without asking you some questions about the United Nations. Madam Secretary, it appears that there is a lack of focus on our part at the U.N. at this time. Why didn't the United States support the U.N. budget outline for the year 2000-2001 biennium?

Secretary ALBRIGHT. Well, first of all I think that they are in a very preliminary part of the U.N. budget considerations, and we will continue to be as tough as we have been in terms of trying to keep the U.N. budget within the basic caps. We are working and will continue to work on that.

Senator GRAMS. But that is when we should really have a loud voice in the preliminary part. Why didn't the U.S. decision, again, to disassociate, which is basically voting present and not taking leadership there—invoke the Kassebaum-Solomon condition, which requires withholding if there is not a consensus budget at the United Nations? Even though it is in the preliminary stages of the U.N. budget process, doesn't that vote just go against our position?

Secretary ALBRIGHT. Well, first of all, the United States and Japan made clear our opposition to the budget outline, which was a preliminary step for the 2000–2001 biennium, which exceeds the current budget level.

But as I said, this is a first step in the process. We have made our position clear. The outcome is ultimately going to be determined at the General Assembly in December, and the U.N. has made clear that additional savings could reduce that number.

As I mentioned, I am going to have lunch today with Kofi Annan, and we will talk about this again, because this is something that is obviously of great importance to us, but I have to say it is a little hard to keep threatening what we are not going to do or do if we do not give them any money in the first place.

Senator GRAMS. We passed that bill, you know.

Secretary ALBRIGHT. I know, but I am just saying that this is the problem.

Senator GRAMS. It did not make it through the White House.

One final thing, Madam Secretary. What is the status of the U.N. Secretary-General's reform proposals to establish a sunset mechanism for all new U.N. programs?

Secretary ALBRIGHT. I think he is working on it. Again, this is one of the questions that I have planned for him this afternoon.

Senator GRAMS. Thank you. Madam Secretary, I also have some other questions that I would like to submit in writing. Mr. Chairman, if I could do so. I appreciate your time.

The CHAIRMAN. Very well. Thank you again, and there being no further business before the committee, we stand in recess.

Secretary ALBRIGHT. Thank you very much, Mr. Chairman, for everything.

The CHAIRMAN. It has been a pleasure to have you here.

[Whereupon, at 12:41 p.m., the committee adjourned.]

### **Responses to Additional Questions Submitted to Secretary Albright by Members of the Committee**

#### QUESTIONS SUBMITTED BY SENATOR HELMS

##### U.S. SUPPORT FOR UNFPA'S CHINA PROGRAM

*Question.* In light of AID Administrator, Brian Atwood's, pledge in a September 10, 1995 letter to me that, ". . . if there are not significant improvements in China's population program, the United States will not support continued UNFPA assistance to China beyond 1995 when the current program ends," and given the fact that decisions to start or renew UNFPA programs are made by consensus by UNFPA's board (thereby allowing the U.S. to single handedly veto any proposal)—as well as the fact that there are no "significant improvements" in China's one child per family population control program—why then did the Administration choose to renege on the above-mentioned pledge and actively support UNFPA's proposal for a new program in China at the January 19, 1998 UNFPA Board meeting?

Answer. Official Chinese policy opposes coercion in family planning. However, Chinese programs have included numerical targets or quotas for family planning staff which can create pressure that can lead to abuses.

Removing targets and quotas at the family planning service provider level should help reduce such pressure and encourage non-coercive behavior by officials and service providers. This is what China agreed to do in the 32 counties participating in the UNFPA program.

We believe that this is an important step by the Chinese. It is a new feature of UNFPA operations in China, which took two years to negotiate and, as such, marks a significant improvement in Chinese policy.

I should clarify that the U.S. did not “actively support” the proposed China program in January 1998. We stated very clearly our continued concerns regarding UNFPA assistance to China. Every other Board member supported the program and, given its significant merits, we did not oppose consensus.

#### ADMINISTRATION DECISION ON UNFPA'S CHINA PROGRAM

*Question.* Why did the Administration choose not to consult with the Chairman of the Foreign Relations Committee or, to my knowledge, any other member of the Foreign Relations Committee before the decision (notified to Congress on February 13, 1998) to renege on the above-mentioned promise?

Answer. We endeavor to have periodic informal discussions with Congressional contacts on China and other issues of interest, and to consult more formally with Members when needed.

As noted in my response to your earlier question, we followed USAID Administrator Atwood's pledge not to support UNFPA assistance to China in the absence of significant improvement in China's population program.

As our February 13 letter noted, the UNFPA program reflects the principles of voluntarism and non-coercion which we and the international community have been asking China to adopt, and begins to address many of the concerns we have about China's family planning policy.

#### U.S. CONTRIBUTION TO UNFPA

*Question.* If UNFPA is really interested in receiving \$25,000,000 from the United States, why cannot it simply terminate its \$5,000,000 program in China?

Answer. UN agencies do not want to close down country programs that are fully consistent with agency mandates, that are needed, and that can be effective, in order to increase their revenues.

As a multilateral organization, UNFPA's major interest is in meeting its mandate to help developing countries, at their request, to improve reproductive health care and to promote sustainable development.

UNFPA negotiated with China for two years to develop a program which follows the principles, including voluntarism and non-coercion, that 180 nations agreed to at the 1994 International Conference on Population and Development (ICPD).

An ICPD-consistent program to improve reproductive health care and promote sustainable development in a country with one-fifth of the world's population is a very significant effort for UNFPA.

UNFPA's management, all other members of UNFPA's Executive Board, and this Administration believe that ICPD-consistent UNFPA programs are most needed in countries—and there are many—where reproductive rights and reproductive health services are deficient. That is where improvements can be made, and people can be helped.

#### VOLUNTARY NATURE OF UNFPA'S CHINA PROGRAM

*Question.* UNFPA claims that its new \$5,000,000 program in China is “voluntary” (this is the basis for U.S. support). How can the United States be fully confident that it is truly “voluntary” and verify this in an oppressive, totalitarian regime such as Communist China?

Answer. We can be reasonably sure of the voluntary nature of population activities in UNFPA program counties because of the high level of access and oversight afforded by UNFPA, the Chinese authorities, and our China mission.

Program monitoring is an integral part of UNFPA's China program, and includes explicit Chinese agreement for external monitors.

The State Family Planning Commission (SFPC) has invited UNFPA Executive Board members and representatives from their Congresses to visit and monitor the UNFPA program. We have begun talking with Congressional contacts, other Executive Board members, UNFPA management and our China mission about possible monitoring trips.

For independent checks on local compliance with UNFPA's program requirements, last year the Department requested our Embassy and consulates in China to add monitoring visits to UNFPA program counties to their travel and reporting plans. We asked them to report on issues such as the presence/absence of birth quotas and targets, public awareness of quota/target policy changes, and other measures to enforce family planning policies.

Our officers in China have attended SFPC meetings with program county officials, talked with family planning staff at various levels, and visited a number of program sites. Reports so far indicate that SFPC officials have been spreading the message in all UNFPA program counties that targets and quotas are not to be used.

Our monitoring will continue throughout the four-year program cycle.

#### U.S. BILATERAL POPULATION ASSISTANCE

*Question.* To your knowledge, does any other single country in the world contribute more bilateral assistance to international population programs than does the United States?

*Answer.* We can be proud that, in its bilateral population assistance, the U.S. has consistently been—as you suggest—the world's largest single donor. This reflects the recognition by one Administration after another that international population and development efforts are critical to human well-being, require long-term attention, and deserve continued U.S. support.

That said, it is also true that bilateral U.S. population assistance has shrunk dramatically in recent years. It was reduced by Congress almost 30 percent in just two years, from fiscal 1995 to fiscal 1997, and has been completely flat since then.

Furthermore, while the U.S. is the largest bilateral donor, we are far from the most generous in terms of our economic size and wealth. Proportionally, Denmark provides almost four and a half times more international population assistance than the U.S. (\$371 per one million dollars of GNP in 1996, compared to \$84 from the U.S.) Norway, the Netherlands, Sweden, Finland, the U.K., and Australia also provide proportionally more than we do.

#### GOVERNMENT OF HONDURAS

*Question.* As Congress is considering a multi-million dollar humanitarian relief package for Hurricane Mitch affected countries, the Government of Honduras has yet to pay (pursuant to a legal contract more than a year old) an American company, Advanced Navigation and Positioning Corp., for a Transponder Landing System for Toncontin Airport at Tegucigalpa. Inasmuch as this is a security concern for Americans traveling to Honduras, as Toncontin Airport is one of the most dangerous airports in the world in which to take off and land, will you recommend that the resolution of this case be placed on the agenda for the upcoming meeting between Presidents Clinton and Flores?

*Answer.* The Department places a high priority on ensuring that U.S. investors abroad are treated fairly and that their rights are respected. We also convey to foreign governments the message that the existence of unresolved investment disputes against them may send foreign investors negative signals about the investment climate in their countries.

Officials from our Embassy in Tegucigalpa have raised this matter with senior officials of the Honduran Government and have facilitated discussions between government officials and representatives of Advanced Navigation and Positioning Corp. in an effort to resolve the dispute.

These discussions are ongoing and our Embassy in Tegucigalpa will continue to monitor their progress with interest.

#### CAMBODIA: FBI INVESTIGATION OF 1997 GRENADE ATTACK

*Question.* It has been nearly two years since the grenade attack in Cambodia which killed nearly 20 people and injured an American citizen, prompting an FBI investigation. At the time, many people suspected that Prime Minister Hun Sen's forces were involved. After two years, have you been able to make any kind of judgment as to whether forces close to Hun Sen were involved?

*Answer.* The FBI's report on the grenade attack was delivered to Congress late last year. According to the report, all investigative leads are complete and the FBI has presented its findings to the Department of Justice for a prosecutive opinion.

We understand that the Committee has discussed this report further with the FBI. We cannot comment on discussions to which we were not a party.

PRESSURE ON CAMBODIAN GOVERNMENT TO SOLVE 1997 GRENADE ATTACK/HUN SEN  
CLAIM THAT SAM RAINSY WAS INVOLVED

*Question.* What kind of pressure are we bringing to bear on the Hun Sen regime to find the perpetrators of this crime? Do you give any credence to Hun Sen's claim that Sam Rainsy staged the attack on himself?

Answer. Any questions on the current status of the FBI's investigation of this incident should be directed to the FBI. Any questions regarding responsibility for this crime should also be directed to the FBI, which stated in its report to Congress that it has presented its findings to the Department of Justice for a prosecutive opinion.

Again, we understand that the Committee has discussed this report further with the FBI. We cannot comment on discussions to which we were not a party.

DENIAL OF VISA FOR CAMBODIAN GENERAL NHIEK BUN CHHAY

*Question.* Last month your Assistant Secretary Stanley Roth made the decision to deny a visa to Cambodia General Nhiek Bun Chhay based upon the General's alleged connections with the Khmer Rouge. Given that most of the dominant CPP in the Cambodian Government, including Foreign Minister Hor Nam Hong, who visited the U.S. in October, are former Khmer Rouge, and that most everybody in Cambodia, including King Sihanouk, have in one way or another had contact with the Khmer Rouge, how can we justify singling out this one man?

Answer. General Nhiek Bun Chhay applied for a visitor visa last December. He was found ineligible under U.S. law for a visa based on his coordination last year of military activity and active cooperation with the Khmer Rouge, a designated terrorist organization under U.S. law.

The relevant section of the Immigration and Nationality Act (section 212) states that a visa cannot be issued to an individual who has engaged in: "the providing of any type of material support . . . to any individual the actor knows or has reason to believe has committed or plans to commit a terrorist activity."

We have conducted a careful review of this case drawing on numerous sources in reaching a decision to refuse the visa.

ENGAGEMENT

*Question.* Just recently, the Chinese Government initiated a draconian crackdown on dissidents, reportedly conducted military exercises that consisted of mock missile attacks on Taiwan, as well as on U.S. forces in Japan and South Korea. They have made additional aggressive moves in the Spratly Islands. Our trade and investment problems with China also seem to be growing. All of this despite the fact that last year we declined to sponsor the annual UN resolution on human rights in China, held a summit in July, and yielded to Beijing's "three no's" on Taiwan. What benefits do you see for us and for the Chinese people in our policy of engagement with the Chinese Government? Why don't we seem to be getting more?

Answer. Put simply, engagement is aimed at producing closer cooperation and concrete results that benefit U.S. interests. As the President noted in Guatemala, had we not engaged China, we would not have seen China accede to the CTBT and CWC, would not have seen restraint on transfers of sensitive materials and technologies to Iran and Pakistan, and would not have had close cooperation on the Korean peninsula and on nuclear proliferation in South Asia. Sharp differences do exist, particularly on human rights, and we do not hesitate to raise them frankly and directly. In this regard, engagement provides us a channel to communicate these concerns at all levels of the Chinese Government, even when it cannot always produce agreement.

Moreover, not engaging is simply not an option. China's presence as a permanent member of the UN Security Council, remarkable economic achievements and potential markets, increasing diplomatic prominence and growing military strength, all mean that we must deal with China in order to protect significant U.S. interests in the Asia-Pacific region and around the world. Not to seek to influence China's actions that have a critical bearing on U.S. interests would be irresponsible.

UN COMMISSION ON HUMAN RIGHTS (UNCHR)

*Question.* Will the U.S. support a UNCHR resolution on China this year?

Answer. The United Nations Commission on Human Rights (UNCHR) in Geneva is an important multilateral mechanism for encouraging change in China. The Administration supports the Geneva process, and intends to participate vigorously in this year's Commission activities.

I am aware of Congressional expressions of support in favor of a resolution, and assure you that your concerns are being considered seriously in our ongoing decision-making process.

Last year, our Government did not sponsor a resolution because of positive steps the Chinese had taken, but made clear that we were keeping our options open for the future.

At this time, we are consulting within the Administration and with our Allies about the specific actions we will undertake at Geneva and how best to promote human rights in China.

#### RUSSIAN ARMS SALES TO CHINA

*Question.* I understand that China is to take first delivery of Russian destroyers equipped with the supersonic Sunburn missile by mid-year. What are we doing to discourage this transfer?

*Answer.* We monitor Russian military sales to China closely in order to assess their impact on the region and on U.S. strategic planning. Russian and U.S. arms transfers are a subject of regular bilateral discussion with Russia. We are aware of the contracts that China has signed to purchase Russian destroyers. We have made clear to the Russians our view that promoting regional stability should be an important consideration in arms transfer policy.

No international treaty or understanding proscribes transfers to China of such arms, nor does U.S. law penalize conventional arms transfers by third countries to the PRC. Russia is a member of existing international regimes to control conventional arms transfers (e.g. the COCOM-successor Wassenaar arrangement, which monitors destabilizing arms accumulations). We expect that Russia will abide by its commitments.

*Question.* What are we doing to prepare our forces and Taiwan's forces for this threat? Does this situation perhaps dictate that we rethink our refusal to sell submarines to Taiwan?

*Answer.* The Administration remains firmly committed to fulfilling the security and arms transfers provisions of the Taiwan Relations Act (TRA). We will continue to assist Taiwan in meeting its legitimate defense needs in accordance with the TRA and the 1982 Joint Communiqué with the PRO.

Consistent with our obligations under the TRA, we regularly consult with Taiwan on its defense requirements.

#### SOUTH CHINA SEA

*Question.* Do we believe that the structures China is building on Mischief Reef are military in nature, or are they just fishing structures, as the Chinese claim? What are we doing to dissuade the Chinese from continuing their aggressive unilateral actions on Mischief Reef and the Spratly Islands in general? Are we prepared to assist the Philippine military upgrade its capabilities as a response to this situation?

*Answer.* We believe the reinforced concrete "castle-style" structures constructed by the PRC on Mischief Reef have dual-use capability.

The United States has repeatedly spoken out, both publicly and through diplomatic channels, against unilateral actions that increase tensions in the region and has called for all claimants to resolve their differences in a peaceful manner, consistent with international law. We have strongly denounced the use of force or the threat to use force to resolve the conflicting claims.

We regularly remind claimants of their past statements on the South China Sea, including the December 1997 joint statement by China and ASEAN, which have indicated a willingness to resolve territorial disputes through peaceful means and in accordance with universally recognized international law, including the 1982 UN Convention on the Law of the Sea. We have urged all claimants to use all appropriate diplomatic channels to resolve the dispute. In this regard, we are pleased to see that China and the Philippines are scheduled to hold bilateral experts' meeting talks in Manila on confidence-building measures (CBMs) in the South China Sea.

While the United States takes no position on the legal merits of competing claims to sovereignty in the area, we have made clear that maintaining peace and stability in the region and freedom of navigation are fundamental interests of ours. Unhindered navigation by all ships and aircraft in the South China Sea is essential for the peace and prosperity of the entire Asia Pacific region, including the United States. Construction activities by various claimants have raised tensions in the region and are not helpful to achieving a peaceful resolution of the competing claims; however, such activities to date have not hindered freedom of navigation.



As we have repeatedly stated, the basis of our defense cooperation relationship with the Philippines is not linked to the current situation in the Spratlys/South China Sea. We seek to maintain a normal and appropriate security relationship with the Philippines.

Ratification by the Philippines of the proposed Visiting Forces Agreement now before the Philippines Senate will help form the basis for strengthening our defense relationship by enabling us to resume ship visits to Philippine ports, to hold joint military training exercises, and to undertake other forms of military-to-military cooperation in order to enhance our overall security relationship.

TAIWAN & WTO

*Question.* Given that Taiwan is so far ahead of Beijing in its preparations for WTO membership and is nearing fulfillment of its requirements, are we prepared to launch a vigorous push for Taiwan's membership, ahead of Beijing if necessary?

*Answer.* The Administration does not link the applications of China and Taiwan to the WTO. The Administration finalized its market access agreement with Taiwan in August 1998. We are now actively working with Taiwan to resolve outstanding multilateral issues.

We have publicly expressed our support for Taiwan's accession on its own commercial merits. Final action, however, on Taiwan's application will require a consensus decision by the members of Taiwan's Working Party and a two-thirds majority vote of the WTO membership.

DPRK: SUSPECT UNDERGROUND CONSTRUCTION

*Question.* How long are we prepared to give North Korea to grant us access to the suspect underground site which we were informed of last summer? Why haven't we given them a deadline?

*Answer.* Since last summer, the U.S. held four rounds of talks about the suspect underground construction at Kumchang-ni.

In the fourth and latest round, the U.S. reached an agreement with the North Koreans on access to the suspect underground site at Kumchang-ni.

Under the terms of the agreement, the first visit to the suspect site will be in mid-May, with follow-up visits continuing as long as our concerns about the site remain.

During each visit, the U.S. team will have access to the entire site.

DPRK: SUSPECT UNDERGROUND CONSTRUCTION

*Question.* Is there any evidence that North Korea has attempted to sanitize the site?

*Answer.* This question is best directed to the intelligence community.

It is also a question that can be discussed in closed session only.

DPRK: ONLY ONE SUSPECT SITE?

*Question.* Is the site at Kumchang-ni the only suspect site in North Korea, or do we believe there are others?

*Answer.* This question would be best directed to the intelligence community.

It is also a question that can be discussed in closed session only.

If the Administration were to receive information about another site which prompted serious suspicion about the DPRK's compliance with the Agreed Framework, we would raise the issue with the North Koreans and take appropriate steps.

DPRK: AGREED FRAMEWORK

*Question.* Should North Korea continue to delay us access to its suspect sites, engage in proliferation, and conduct provocative actions such as its missile launch over Japan, how long are we prepared to continue subsidizing North Korea through the Agreed Framework.

*Answer.* The U.S. does not subsidize North Korea through the Agreed Framework.

The Agreed Framework requires the DPRK to freeze, and eventually dismantle, its nuclear-related facilities at Yongbyon and a 200MW reactor under construction at Taechon. Additionally, this freeze is monitored by the IAEA, which also has placed approximately 8000 spent fuel rods, or over 98 percent of the estimated total, under seal. In effect, this prevents the DPRK from using these facilities and nuclear material to acquire a nuclear weapons capability. This is in the U.S. security interest.

In return, KEDO (the Korean Peninsula Energy Development Organization) is obligated to provide the DPRK with two proliferation-resistant, light-water reactors

(LWRs). Pending the completion of the first reactor, KEDO also provides heavy fuel oil (HFO) as an alternative energy source.

This Administration has made absolutely clear to the DPRK that we saw its cooperation in resolving our concerns about the suspect underground construction at Kumchang-ni as essential to the survival of the Agreed Framework and to continued improvement in U.S.-DPRK relations.

We were thus pleased to have reached March 16 an agreement with the North Koreans that—if implemented fully—addresses all of our concerns about both the current and future use of the site through multiple visits beginning in mid-May of this year.

The North Korean missile program represents a different but related threat to regional and global stability.

The U.S., along with our ROK and Japanese allies, continues to press North Korea to cease all development, testing, deployment and export of long-range missiles and related missile technology. We have made clear to Pyongyang, as have our allies, that any further long-range missile tests would have very serious consequences for our relations with North Korea.

The next round of missile talks with North Korea is scheduled for March 29.

#### IRAQI OPPOSITION

*Question.* Where are we on putting together a viable opposition to get rid of Saddam Hussein?

Answer. We are working with groups inside Iraq, outside of Iraq, and neighboring states who share the common goal of wanting to work towards a new regime in Iraq, one that respects its own people and accepted norms of international behavior.

The Secretary has named a senior foreign service officer, Frank Ricciardone, as the new Special Coordinator for the Transition of Iraq, and he took up his activities full-time on March 1.

We are implementing the Iraq Liberation Act. In early February, the President formally designated seven opposition groups as eligible to receive assistance under the Act. We are intensifying our contacts with Iraqi groups and will consider how we can help them more effectively oppose Saddam's rule and help Iraqis to achieve the kind of government they deserve and desire.

We are assisting the Iraqis in their efforts to restore Iraq to its rightful place in the region. We are funding INDICT in its international campaign to indict Iraqi war criminals. We are looking at ways to help Iraqis outside Iraq work more cooperatively, and we are also looking at ways we can help Iraqis inside Iraq, such as by providing election preparation assistance in advance of likely elections in northern Iraq later this year.

We have made important progress in reconciling the Kurdish parties in northern Iraq. The Principal Deputy Assistant Secretary of the Bureau of Near Eastern Affairs traveled to the region in January to encourage them in their efforts to unify the regional government apparatus and to care more equitably for the needs of the people in the region.

We are also looking at ways to provide assistance to:

- leadership confidence building seminars and organizational meetings;
- Iraqis who will make their case before international organizations such as UN agencies; and
- seminars that explore "the day after" and such topics as constitutional modeling, debt restructuring and rebuilding a health care network.

#### UN/LIBYA/PAN AM 103

*Question.* The press is telling us that an agreement with Libya on releasing the two suspected bombers of Pan Am 103 is close. Apparently, Qadhafi is looking for assurances that once his two agents are in custody, nothing will be done to try and tie his regime to the bombing. Has Qadhafi received such assurances? Press accounts of Secretary General Annan's letter to Qadhafi on the matter lead me to believe that is a possibility. It has also been reported that UNSYG Annan sent another letter to Qadhafi last week. Was that letter coordinated with the U.S. Government? Did it contain further reassurances?

Answer. On March 19 Colonel Qadhafi told visiting South African President Nelson Mandela that the PA 103 suspects would be transferred to Dutch custody for trial by April 6. Libya confirmed its pledge in a letter to the UNSYG. We welcome President Mandela's effort and now await action by Libya.

In addressing Libya's requests for clarification, the SYG has consulted the U.S. and UK Governments—and, particularly in the initial phase, the Dutch Govern-

ment—to ensure accuracy. His messages have conveyed the same points we and the UK have made publicly. There has been no negotiation.

Regarding the trial, our proposal calls for a trial under Scottish law, with Scottish judges, in the Netherlands. It will be a criminal trial focusing on the suspects' guilt or innocence in the bombing of PA 103. The prosecution will pursue the case just as would occur in any similar trial in Scotland. I cannot predict how such a trial might unfold. That is a matter for the court.

#### PA OUTLAWING OF MILITANT/TERRORIST ORGANIZATIONS

*Question.* Have all militant and/or terrorist organizations been outlawed by the PA as required by the Wye Memorandum?

*Answer.* The Wye River Memorandum obligated the Palestinian side to “inform the U.S. fully of the actions it has taken to outlaw all organizations (or wings of organizations, as appropriate) of a military, terrorist or violent character . . .”.

The Palestinians have provided to us a March 3, 1996 statement issued by the Palestinian Authority stating that a meeting of the Higher Palestinian National Security Council, chaired by Chairman Arafat, had decided to ban the activity of all paramilitary groups, including the armed wings of HAMAS and the Palestinian Islamic Jihad.

We have some questions regarding the legal status of this statement. We are discussing this with the Palestinians.

The Palestinian security services have been effective in taking action against those terrorist groups.

We continue to press the PA to do everything possible to prevent terror and to cooperate fully with Israel in this effort.

#### LEBANON: TERRORISM LIST?

*Question.* Hezbollah, as well as several other terrorist groups, continue to operate on Lebanese soil. Why have you made no determination regarding Lebanon as a state sponsor of terrorism?

*Answer.* We have no evidence that the Government of Lebanon itself is supporting acts of international terrorism.

Hezbollah and some other terrorism groups operate from parts of Lebanon, such as the Bekaa Valley, that are not under effective Lebanese Government control.

Some of these areas, particularly the Bekaa Valley, are under Syrian control. Indeed, that is among the reasons that Syria is on the list of state sponsors of terrorism.

#### INDIA/PAKISTAN—CTBT COMMITMENTS

*Question.* Both India and Pakistan have made commitments of some kind regarding signature of the CTBT. Have any reciprocal commitments regarding the lifting of sanctions been made by the Administration to India and Pakistan, implying that the lifting of sanctions could be contingent upon signing the CTBT?

*Answer.* The Indian and Pakistani Prime Ministers both made conditional commitments in their speeches to the UN General Assembly last fall to adhere to the CTBT by September 1999. Since then, their governments have reiterated that it is their intention to do so. In the South Asian press, there have been suggestions that they may be considering signing the treaty before September. For example, Pakistan's Foreign Minister was quoted to that effect recently.

Early, unconditional adherence to the CTBT has been among our highest near-term priorities in the talks which Deputy Secretary Talbott has conducted with his Indian and Pakistani counterparts.

We have carefully crafted a staged approach to these negotiations, recognizing the importance to a successful outcome of acknowledging progressive steps by India and Pakistan toward the nonproliferation benchmarks.

In recognition of progress up to that time, the President on December 1 exercised the waiver authority established by the Brownback Amendment in a limited, targeted way.

The waivers, which expire on October 21, 1999, have permitted Export-Import Bank, Overseas Private Investment Corp., Trade Development Agency, and International Military Education and—Training programs to resume in India and Pakistan. Restrictions were also waived on lending by private U.S. banks in India and Pakistan.

In light of Pakistan's dire economic straits, we also decided not to block International Financial Institution lending to that country to the extent necessary to support a one-time IMF rescue package.

However, legislative prohibitions on military sales and financing, as well as on the export of military items and dual-use technology, remain in place, as do other policy measures.

We believe the sanctions we now have in place are well targeted and properly focused.

At the same time, we look forward in coming months to concrete steps by both India and Pakistan to meet the nonproliferation benchmarks that will make possible a reassessment of these sanctions.

We have no intention of waiving additional Glenn sanctions against India or Pakistan, however, until they have taken additional significant, concrete steps to meet the nonproliferation benchmarks.

#### HAITI: POLICY CHALLENGES

*Question.* In Haiti, there seems to be little to show for 4 years of work and more than \$3 billion spent since the U.S. intervened to return Aristide. There has been no Prime Minister or Cabinet in Haiti for 19 months. The Parliament has been effectively dissolved, as your written testimony states. Local officials serve at the whim of President Preval. The privatization process is stalled. Political murders remain unsolved—and new murders have taken place. Drug trafficking is rampant and Haiti has been decertified. Despite this abysmal track record, the Administration plans to spend more than \$100 million in Haiti in FY2000.

How can you justify these expenditures given the current situation in Haiti.

What is the Administration's "exit strategy" for Haiti?

When can we expect to see the U.S. troops depart and ESF funding distributions adjusted to reflect other priorities in the Hemisphere.

*Answer.* Haiti's 21 month political impasse has caused understandable frustration and impeded the flow of much needed international assistance. The political gridlock prevented elections last year that were needed to replace parliamentary and local officials whose terms, according to the 1995 Electoral Law, were to end in January. The dispute over whether these officials should continue in office has added another complex dimension to the crisis. On the positive side, President Preval and several parties have entered into an understanding that appears to lay the basis for a way forward. Pursuant to this understanding, the President has named a provisional electoral council that shows promise of being capable of organizing fair elections. For such elections to be credible and broadly inclusive, considerable international support will be needed. Consistent with U.S. law, we would expect to contribute to such support.

As Haiti moves through and beyond its political impasse, we should not lose sight of what has been accomplished. The government in Haiti, held in check for many months by the stalemate, to date has only been able to complete one privatization and one telecommunications licensing agreement. Nonetheless, technical preparations for further privatizations has continued, and the President remains committed to seeing them through. While Haiti has not yet been able to take the actions needed for its long-term development, we should bear in mind that there is freedom of speech, association and commerce, and the human rights situation in the country has steadily improved. Illegal immigration, which surged to some 40,000 during the 1991–94 period of de facto military rule, is now greatly reduced. The police, with less than four years of experience, remains embryonic in capability. But it has won the respect of all sides for being apolitical—and it is clearly the best police or security force the country has had in recent memory. Its anti-drug efforts, largely dependent on U.S. assistance, have steadily improved over the past several months. A main reason that Haiti did not achieve full certification last year was the political impasse that prevented passage of effective anti-drug and money laundering legislation.

Against this background, it is essential that neither the U.S. nor the international community lose the will to stay the course. Disengagement is not an option. We should not consider an "exit strategy" from support for democracy. We will need to continue to provide substantial assistance to Haiti for a long time. That said, we expect that the level of such assistance will decline as Haiti begins to take advantage of the quantities of international aid that is available.

The U.S. Support Group has been engaged in mutually beneficial engineering and medical training projects since 1996. Consistent with our commitment to reduce and eventually withdraw our troops from Haiti, in August 1998 the President approved a modest reduction in force strength and in the frequency of engineering projects undertaken. For the time being, these mutually beneficial exercises are continuing.

## HAITI: U.S. APPROACH

*Question.* Current tactics are clearly not producing results. Don't you think it is time for the U.S. to try a new approach and ask the democracies of the OAS to step forward to address the political impasse in Haiti? If not, why not?

*Answer.* Current tactics, in fact, are working in Haiti. On March 16, President Preval formed a new Provisional Electoral Council (CEP), which appears to have significant political acceptance and has begun preparations for the delayed legislative and local elections. On March 24, President Preval announced an interim government that was formed in consultation with five political parties.

The OAS has played an active and visible role throughout Haiti's political crisis. OAS Secretary General Gauria traveled to Port-au-Prince January 28 at the height of tensions. The UN/OAS International Civilian Mission in Haiti (MICIVIH) continues its critical activities in support of human rights and democracy. MICIVIH Executive Director Cohin Granderson has been key in facilitating dialogue between President Preval and opposition political leaders. In the absence of a full legislature, MICIVIH monitors in the field have helped ensure the continued apolitical behavior of the Haitian National Police (HNP). We are concerned that the potential closure of MICIVIR would greatly reduce the influence of the OAS in promoting democracy and human rights in Haiti at a politically sensitive time.

In addition, five OAS members—the U.S., Canada, Argentina, Chile, and Venezuela—participate in the UN Secretary General's "Friends of Haiti," a forum we have worked with actively in coordinating international efforts to resolve the impasse and help Haiti move forward.

## HAITI: PRIVATIZATION

*Question.* Has the Government of Haiti completed the privatization of three of the nine major public entities slated for privatization?

*Answer.* The Government of Haiti has completed one of the three major public entities slated for privatization. The Haitian flour mill was legally transferred to a consortium of Continental Grain, Seaboard, and Unifinance, a Haitian bank, on May 22, 1998. The new company, under the name of Moulins d'Haiti, began operations in mid-November 1998 with approximately 250 employees.

The GOH awarded the winning bid for the cement plant, another public entity, on December 19, 1997 to a European/Latin American consortium. (There were no U.S. bidders.) Because Article 12 of Haiti's modernization law stipulates that sales of government entities must be signed by the prime minister, the delay in the confirmation of a prime minister has delayed completion of the sale. GOH officials told us recently that as soon as Prime Minister Alexis forms an acceptable government, he will sign the transaction.

Some of the other parastatals, especially the electricity company and the phone company, are more complicated and politically sensitive. The consulting firms preparing the bid documents for these two firms must also write a regulatory framework under which the firms will operate. While the Modernization Council has demonstrated a commitment to push ahead with the program, both domestic politics and the complicated nature of these two privatizations has retarded progress of the program.

We, nevertheless, remain optimistic that privatizations will proceed when the competent authorities are in place.

## HAITI: MIGRATION ISSUES

*Question.* Has the Government of Haiti re-signed the bilateral Repatriation Agreement with the United States?

*Answer.* The Haitian Government continues to enforce the terms of our bilateral Repatriation Agreement although it has not yet been resigned.

*Question.* Has the Government of Haiti been cooperating with the United States in halting illegal emigration from Haiti?

*Answer.* The Government of Haiti's cooperation in halting illegal emigration to the United States has been limited due to its lack of resources and personnel.

*Question.* What contingency plans do you have for addressing refugee outflows should the Government of Haiti decide not to cooperate?

*Answer.* INS is in charge of coordinating the USG's Caribbean mass migration contingency planning effort. Since 1995 INS has worked with the Coast Guard, the U.S. Southern Command, and FEMA to organize the USG response. Eighteen agencies now have roles in mass migration planning.

The main objective of current contingency planning is to detain migrants away from U.S. shores so that processing may be done overseas. Migrants who are de-

tained will be screened for fear of persecution before any are returned to their homeland. The decision as to which are returned will be based on country conditions at the time of the crisis. Yet, migrants often make it to U.S. shores, so domestic processing centers are necessary.

The planning effort is guided by PDD 56, which grants the NSC authority to oversee Caribbean mass migration contingency operations during a crisis. The White House at the outset will identify funding requirements for mass migration operations, since costs incurred will exceed the budget of any single agency.

There are three phases to the mass migration planning process. The first phase required INS to determine how to utilize its resources. This phase is now complete. The second phase involves locating a temporary staging facility in Florida suitable for short-term (24–72 hours) detention of migrants while they are screened and processed. The objective of the third phase of the program is to identify temporary staging facilities for migrants detained along the U.S. southwest border. The Department of Justice is actively working on phase two and three.

#### HAITI: POLITICAL KILLINGS

*Question.* Has the Government of Haiti conducted thorough investigations into extrajudicial and political killings?

Are there ongoing investigations into murders committed after President Aristide was returned?

In how many cases have they made substantial progress in bringing to justice a person or persons responsible for one or more extrajudicial or political killings in Haiti?

How many of those cases involved any of the extrajudicial or political killings committed in Haiti since the return of President Aristide?

Is the Government of Haiti cooperating fully with United States authorities and with United States-funded technical advisors to the Haitian National Police in such investigations?

*Answer.* With the exception of the murder case of Antoine Izmary, killed in 1993, the Government of Haiti has not brought to trial individuals responsible for the political murders that occurred both before and after the return of former President Aristide to Haiti. The investigations, nonetheless, have contributed to the sharp drop in political violence seen in recent years.

In part, the absence of convictions reflects the fact that key suspects in several of the high-profile murders that occurred prior to President Aristide's return in October 1994 have fled Haiti or cannot be located. Two members of the gang allegedly involved in several of the murders after Aristide's return are deceased. Police killed Eddy Arbouet, the leader of the gang, in December 1997 in a failed arrest effort. His bother, Emmanuel Arbouet, died of AIDS-related complications in August 1998 while in police custody.

A further complication has been Haiti's dysfunctional judicial system. Thus, despite the priority given by the GOH to the prosecution of the 1994 killings in the town of Raboteau, efforts to bring the alleged murderers to trial were derailed when the judge responsible for the case fled to Canada at mid-year.

Politically motivated murders have clearly diminished since 1995, and especially since the formation of the Haitian National Police's Special Investigative Unit (SIU), the entity charged with investigating political murders. In all, the SIU was assigned or worked on some 88 cases during 1998, including the recent murder of Senator Toussaint. Nevertheless, there remain disturbing reminders that political violence has not been completely ended. Some ten of these cases (in addition to that of Senator Toussaint which, at this point, has not been established as being politically motivated) involve high-profile killings in the post-1994 period.

These ten cases were, among others, singled out for concern in this year's Foreign Operations Appropriations Act (P.L. 105–277). The Act requires that the Secretary submit an annual report to Congress on the Government of Haiti's investigation and prosecution of these murders, and I will shortly submit this year's report. The report, as last year's, will be classified in order to protect sensitive intelligence and law enforcement information.

Without going into the classified details of the report, I would note that we remain concerned that the Government of Haiti did not make credible progress in investigating the crimes mentioned in the legislation. While the SIU is vigorously pursuing the investigation of Senator Toussaint's murder, the GOH's cooperation on some of the more sensitive post-1994 murders has not been as complete as we have sought. In particular, there has been an apparent reluctance to investigate former members of the Presidential Security Unit that were allegedly at the scene of one of the murder cases.

This is a matter of concern, and we remain committed to keeping pressure on the appropriate Haitian authorities to fully investigate all the murders.

#### HAITI: REMOVAL FROM SECURITY FORCES OF ALLEGED MURDERERS

*Question.* Has the Government of Haiti taken action to remove from the Haitian National Police, National Palace and Residential Guard, Ministerial Guard, and any other public security entity or unit of Haiti all individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights or credibly alleged to have engaged in or conspired to engage in narcotics trafficking?

Is the Administration confident that any individuals removed from these positions are no longer associated with and/or working for any public security entity in Haiti?

*Answer.* The Government of Haiti has removed individuals credibly alleged to have been involved in political murders from the units in which they were serving. As an example, former members of the Presidential Security Unit who allegedly were present at the scene of the murder of Pastor Antoine Leroy and Jacques Fleurival, and the PSU leadership that ordered them to the scene of the murder, were separated from the unit.

In addition, the Government of Haiti separated from the Haitian National Police over 100 agents during 1998, many of them suspected of involvement in narcotics trafficking.

The record is less clear regarding whether any of the individuals who were removed have been reemployed with other public security units. We are currently looking into the possibility that at least two individuals previously removed are now back in different units. There are also persistent reports that some of those removed still remain on the GOH payroll.

In part, because of these unresolved issues, the Administration has not been able to certify that Haiti has fulfilled all the conditions contained in Section 561 of the 1999 Foreign Operation Act (P.L. 105-277).

#### HAITI: MARITIME AGREEMENT

*Question.* Has the Government of Haiti ratified the maritime counternarcotics agreements signed in October 1997?

*Answer.* Haiti and the U.S. signed a six part comprehensive maritime counternarcotics interdiction agreement on October 17, 1997. Haiti has not yet ratified the agreement because of its political deadlock, which has left its Parliament nonfunctioning.

*Question.* Is Haiti implementing these agreements?

*Answer.* The Government of Haiti is honoring the terms of the comprehensive maritime counternarcotics interdiction agreement even though it has not yet been ratified.

#### HAITI: NEED FOR U.S. PERSONNEL

*Question.* Some observers of counter-drug operations in Haiti believe that in the absence of U.S. personnel none of the ongoing counternarcotics operations would be sustained. Do you agree with this assessment?

*Answer.* We believe that the Government of Haiti is committed to the counter-drug effort.

However, Haiti's comparatively new law enforcement agencies lack the resources, training, experience, and professional traditions to effectively combat narcotics trafficking on their own. As a result, most of Haiti's counternarcotics law enforcement accomplishments are those for which USG programs have provided firm structure, mentoring, and support.

The presence of U.S. law enforcement agencies in Haiti—the U.S. Coast Guard, the DEA, and U.S. Customs—are currently vital to the counter-drug efforts of their Haitian counterparts. INL-funded training and equipment provide critically needed support to Haitian law enforcement.

Without this U.S. presence and assistance, Haitian efforts against drug trafficking could not be sustained, the flow of drugs through Haiti to the U.S. would increase significantly.

The purpose of our counternarcotics law enforcement training programs is to develop the institutional capabilities of the Haitians to the point where they eventually will be able to combat drug trafficking without the intense level of effort currently required from U.S. law enforcement agencies in Haiti.

## HAITI: 1997 ELECTIONS

*Question.* Has a transparent settlement of the contested April 1997 elections been achieved?

*Answer.* We continue to urge Haitians to achieve a transparent settlement of the contested April 1997 elections. We hope the selection of a new Provisional Electoral Council (CEP) will facilitate such a resolution.

## HAITI: PROVISIONAL ELECTORAL COUNCIL

*Question.* Has concrete progress been made on the constitution of a credible and competent provisional electoral council that is acceptable to a broad spectrum of political parties and civic groups?

*Answer.* President Preval announced March 16 the composition of a Provisional Electoral Council (CEP) to carry out delayed legislative and local elections. The initial response concerning the individuals chosen has been broadly favorable. We are watching developments closely and will remain engaged, together with the international community, to encourage the broadest possible political consensus for the election process.

## HAITI: ELECTION SCHEDULE

*Question.* A USAID grantee, the International Foundation for Elections Systems, has set forth a nine month election calendar which begins after the April 1997 elections are resolved and credible CEP has been installed as the minimum requirement to organize "good" elections. Does the Administration accept this timetable? If no, why not?

*Answer.* We hope to work with others in the international community to help Haitians hold the delayed legislative and local elections in a free and transparent manner as soon as the necessary conditions are in place.

We are inclined toward the nine-month timetable laid out by the International Foundation for Elections Systems (IFES). We would welcome, however, any efficiencies that would shorten the timetable without jeopardizing the overall credibility of the elections.

## HAITI: MICIVIH

*Question.* When asked about the MICIVIH by committee staff, the most positive things that most Haitians have to say is "inutile." To what do you attribute the negative assessment that many Haitians appear to have about this mission?

*Answer.* Many Haitians—including the Secretary of State for Public Security and the Director General of the Haitian National Police (HNP)—have told us the UN/OAS Civilian Mission in Haiti (MICIVIH) has been invaluable in monitoring, protecting, and promoting human rights in Haiti. This sentiment has been shared by key international human rights NGOs, including Amnesty International, Human Rights Watch, and the Lawyer's Committee on Human Rights.

MICIVIH's activities have directly contributed to the release of numerous individuals illegally detained in Haitian jails—including prominent lawyer Osner Fevry and former senator Reynold George. Its 80 monitors have documented and curbed police abuse throughout the country. Its comprehensive and reliable reporting has provided an international spotlight both on Haiti's progress and its many continued problems in improving respect for human rights.

In the current atmosphere of executive branch-parliamentary tensions, MICIVIH has played a prominent role in international efforts to end the impasse. It has also been a strong proponent of political pluralism, speaking out forcefully against interference in activities of organizations such as a key opposition radio station, and the International Republican Institute (IRI).

Haiti has one of the most oppressive and politically violent histories in this Hemisphere. Haiti's nascent human rights community continues to gain experience. A departure or cutback of MICIVIH, however, would be premature at this point and put at risk all we have achieved in improving the human rights situation in Haiti since 1994.

MICIVIH has sought to maintain impartiality and has called attention to abuses against individuals from both sides of the political spectrum. Among MICIVIH's critics are those who fault the organization for defending individuals with opposing political views. Other critics of MICIVIH focus on Haiti's continued human rights problems without recognizing tremendous progress. There have been an unprecedented four consecutive years of elected government, and the level of political violence has diminished, due in large part to continued attention by the international



community through MICIVIH, the UN Civilian Police Mission, and other bilateral and multilateral programs.

#### MURDER OF MAX DALTON IN COSTA RICA

*Question.* What progress has been made by the Costa Ricans on the investigation into U.S. citizen Max Dalton's murder in Pavones? Has anyone been brought to justice for this crime? Do we expect that anyone ever will be?

*Answer.* On November 13, 1997, U.S. Citizen Max Dale Dalton, a resident of Costa Rica, was killed by gunfire during a confrontation with squatters who were occupying his land in the town of Pavones, Costa Rica. Embassy San Jose was aware of Dalton's problems with the squatters for many years and had been assisting him in his efforts to energize the Government of Costa Rica to protect him and his property interests when he was killed. After Mr. Dalton's murder, the Embassy actively engaged the Costa Rican Government to bring justice to his killers.

The Costa Rican Police conducted an investigation regarding the deaths of U.S. citizen Max Dalton and Costa Rican citizen Alvaro Aguilar in Pavones on November 13, 1997. That investigation concluded that the two men had shot each other.

It further concluded that Costa Rican citizen Gerardo Mora struck Mr. Dalton with the back edge of a machete after Mr. Dalton fired a pistol at him.

Gerardo Mora was charged with manslaughter in the death of Mr. Dalton. No one else was charged with any crime in connection with Mr. Dalton's death. The charges against Mora were dismissed at the request of the prosecutor on March 9, 1999. The prosecutor concluded that the evidence available was insufficient to convict and, therefore, decided not to take the matter to trial.

We are not aware of any ongoing investigation into Mr. Dalton's death or of any outstanding indictments. We do not anticipate any further attempted prosecutions in this matter. The Dalton family lawyer expressed regret that an appeal would be futile since key evidence was lost through mishandling by the authorities.

#### COSTA RICAN LAND LAW

*Question.* What have the Costa Ricans done to close the loopholes in existing law, which have been exploited by squatters to the detriment of property owners in Costa Rica?

*Answer.* Landowners' problems with squatters have generally not been the result of loopholes in legal statutes. Landowners, regardless of nationality, have had problems obtaining enforcement of existing statutes designed to protect property rights while preventing land from becoming unutilized.

A more systemic problem is that Costa Rican law affords speedy rights to people who openly and peaceably enter unused land and put it to "productive" use. Acquisition of property rights through adverse possession is well established in Costa Rican land law. Unlike our common law, which grants rights for adverse possession after many years, Costa Rican law grants protections to adverse possessors within a few months after peaceable, unchallenged and open entry onto idle land.

Costa Rican law clearly distinguishes between peaceful, uncontested occupation of land and "usurpation" of land, which is a criminal offense. The courts and law enforcement authorities take usurpation statutes into account in squatter cases, but they are not applied consistently or with equal force in all instances. This problem affects Costa Rican and foreign landowners alike.

*Question.* What specific steps has the U.S. taken to encourage the Costa Ricans to do so?

*Answer.* The U.S. Embassy in Costa Rica has raised these issues many times with Costa Rican authorities at all levels and will continue to do so. Our Consular Information Sheet on Costa Rica has been updated to point out the many pitfalls in buying real estate in Costa Rica. We continue to believe and articulate the view that a legal system that allows quick and easy establishment of property rights through adverse possession will, in the long run, discourage investment and act as a brake on the country's development. To date, the Government of Costa Rica has shown no willingness to change its laws concerning land ownership.

In the most prominent squatter cases in the Pavones area, the government has evicted squatters, has prevented them from reoccupying the land from which they were evicted, and now provides better security for property owners. It also is seeking other sites to which squatters could be resettled. The government is also working on zoning plans that could finally permit unambiguous titling of the land, or at least clarify the property rights concessions in the highly desirable maritime zone. These steps are all positive. We are currently waiting to see if prosecutors or the courts will use existing law to charge squatters criminally for land invasions.

## MONITORING USE OF HURRICANE RECONSTRUCTION ASSISTANCE

*Question.* What indigenous and international monitoring mechanisms are in place or being put into place to ensure that post-hurricane assistance will be used as it was intended to be used in Central American and the Caribbean?

*Answer.* The transparent and effective use of funds is a top priority. We have created an inter-agency working group in part to coordinate donor efforts to guard against corruption. We are focusing on solutions that ensure both the proper use of funds and the quality of the reconstruction work.

The supplemental request includes up to \$10 million to design and implement anti-corruption programs. In addition, \$12 million is slated to help local governments manage reconstruction assistance, including anti-corruption training for local officials.

The countries themselves have shown a commitment to creating strong accountability mechanisms. The Nicaraguan Government has requested that the IDB fund the creation of a body to work with the ministries carrying out reconstruction and to report directly to donors. The Hondurans have asked USAID to support an independent Inspector General, and USAID has pledged \$500,000. USAID is also providing \$400,000 to enhance the Honduran Comptroller General's auditing capability. In Guatemala and El Salvador, controls are in place to monitor the flow of assistance in support of the peace processes in those countries, and these same mechanisms will be used to monitor the hurricane assistance.

*Question.* Are you satisfied that these mechanisms are sufficient?

*Answer.* We have made an excellent start, but this issue requires constant vigilance over the long term. We have recognized the potential for abuse since day one. Certainly, USAID will insist on transparency and accountability in any of its projects.

As the reconstruction effort grows in scope and volume, we must not only remain vigilant, but we must continue our efforts to help the Central American countries improve their own anti-corruption mechanisms.

## IMPACT ON U.S. BUSINESS OPERATIONS

*Question.* What is the assessment of the impact of the natural disasters in Central America and the Caribbean to U.S. business operating in the regions?

*Answer.* The majority of damage to U.S. companies occurred in Honduras, primarily in the banana and shrimp industries. The Embassy reported that damage to U.S. business operations was in excess of \$75 million.

Although the damage to the infrastructure of Nicaragua, Guatemala and El Salvador was also extensive, and thereby affected the transportation of U.S. imports, U.S. operations in those countries suffered relatively little direct damage.

## U.S. ASSISTANCE FOR U.S. BUSINESS OPERATIONS

*Question.* What assistance is being provided to U.S. business impacted by the hurricane in Central America and the Caribbean?

*Answer.* The Overseas Private Investment Corporation (OPIC) and the Export-Import Bank of the United States (ExIm Bank) offer insurance and other financing assistance to U.S. companies. Officials from both OPIC and ExIm Bank have visited the region since the hurricane to promote use of their services.

The insurance and financing provided by OPIC or ExIm Bank will facilitate U.S. trade and investment in the region by offering exporters and investors the means to reduce transaction and investment risk.

On February 10, 1999, OPIC President Munoz and Citibank President Menezes signed the \$200 million Investment Facility for Central America and the Caribbean. The facility offers loans ranging from \$500,000 to \$40 million with terms of one to ten years. In El Salvador, Caterpillar and the Salvadoran cement producer CESSA immediately made use of the facility.

## OPIC AND CENTRAL AMERICAN AND CARIBBEAN RECOVERY

*Question.* What role will OPIC play in assisting the recovery of U.S. business?

*Answer.* OPIC is working closely with several different U.S. companies interested in doing projects in at least half a dozen Central American and Caribbean countries. The investments in Central America alone, if they go forward, would represent OPIC political risk insurance and/or financing totaling \$675 million.

This new investment will complement OPIC's existing support in the Central American and Caribbean region, which today totals \$1.5 billion. This total includes the Latin American Investment Funds, which can invest in some Central American countries.

The total also includes the new lending agreement that OPIC signed in February with Citibank. It establishes a 22-country \$200 million investment facility for Central America and the Caribbean that will help meet the need for medium- and long-term capital in the region. The facility will encourage private sector investment in rebuilding the economies of the countries that were devastated by hurricanes and natural disasters.

Under a ten year agreement, OPIC will guarantee one half of each loan made by Citibank under the facility for projects in the region and will provide political risk insurance for the other half. Citibank will perform credit screening and OPIC will assure compliance with such standards as environmental protection, labor rights, and protection of jobs here in the U.S.

#### ARGENTINA: INTELLECTUAL PROPERTY PROTECTION

*Question.* Argentina failed to provide adequate protections for intellectual property of American companies, particularly the pharmaceutical industry. In what ways do Argentina's IPR protections fall short of U.S. expectations?

*Answer.* Argentina's lack of patent protection for pharmaceutical products has been a contentious bilateral issue. In 1997 it cost Argentina 50% of its GSP benefits. Argentina's IP regime does not yet meet WTO standards.

Among the problems with the pharmaceutical patent law: it contains onerous compulsory licensing provisions; it does not provide patent protection until November 2000; and it does not provide WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) consistent protection for exclusive test data.

Argentina remains one of the few major pharmaceutical markets in the world without protection for pharmaceutical inventions. In addition it is used as an export base for pirate products to countries where legitimate products enjoy patent protection.

Two recent actions that appear to violate Argentina's current TRIPS obligations provide evidence that IP protection for pharmaceutical and agrochemical products is weakening. First, the GOA has failed to provide Exclusive Marketing Rights (EMR) for a drug patented by a U.S. firm, as required under TRIPS.

Second, in August, the GOA issued new regulations that eliminated the 10-year data exclusivity period for the protection of confidential data. Agrochemicals, which enjoy patent protection under Argentine law, received protection of confidential test data until August 1998, when this practice was changed.

Argentina's copyright laws are currently under review by the executive branch.

Effective enforcement remains a problem. U.S. industry estimates 1998 losses due to copyright piracy, such as video and software piracy, at \$275.7 million.

*Question.* What is the annual cost of piracy by Argentina's drug manufacturers to American drug companies?

*Answer.* The pharmaceutical industry estimates losses at nearly \$600 million per year.

*Question.* What additional sanctions are under consideration to demonstrate the importance of this issue to the U.S. Government?

*Answer.* We have thus far removed 50% of Argentina's GSP benefits. Argentina is one of the countries which has lost GSP benefits because they have not given intellectual property adequate and effective protection.

We emphasized our concerns regarding Argentina's intellectual property regime to the GOA during the recent visit of President Menem.

In consultation with industry, USTR is examining the possibility of initiating WTO proceedings in the absence of progress.

We continue to consider all policy options at our disposal in working to ensure that Argentina brings its IP regime into compliance with its TRIPS obligations.

#### COMMISSION ON HUMAN RIGHTS RESOLUTION ON CUBA

*Question.* What specific steps has the State Department taken to ensure the adoption of a strong resolution condemning Cuba's human rights record at the upcoming UN Human Rights Commission session in Geneva? If no other country introduces such a resolution, will the U.S. delegation do so, as Assistant Secretary of State Harold Hongju Koh assured this committee would be the case? Has the Department made clear to all member countries the importance we attach to this issue and explained the negative impact on bilateral relations with countries that fail to support such a resolution?

*Answer.* A number of members of the Commission on Human Rights have expressed an interest in having a country-specific resolution on the human rights situation in Cuba at the session which is starting this week in Geneva.

The Czech Republic has announced that it will introduce a resolution on Cuba at the 1999 session of the Commission on Human Rights. The Poles have just announced that they are officially co-authors of the resolution.

We have been consulting with government officials of countries who are members of the Commission on Human Rights, and others, both in capitals and with their representatives in Geneva, to urge their support of a Cuba resolution.

#### NEW CUBA MEASURES

*Question.* Congressional authors of the Cuban Liberty and Democratic Solidarity Act of 1996 have asserted that the Administration is prohibited from licensing the sale of food to Cuba. Please provide a thorough written explanation of the Administration's legal justification for its contention that it has the right to license such sales of food to Cuban independent non-governmental organizations.

*Answer.* On January 5, the President announced new measures to support the Cuban people. These modest and reasonable adjustments to the regulations that implement the Cuban embargo are in full compliance with the law. In particular, they are well within the scope of the President's licensing authorities under various provisions of law already in force when the 1996 Libertad (Helms-Burton) Act was passed. One of the new measures authorizes the licensing of sales of food and agricultural inputs to independent non-governmental entities in Cuba.

The Libertad Act codified the Cuban embargo as of March 1, 1996. This means that it codified the restrictions, but also preserved the licensing authorities set out under prior provisions of law. These provisions include section 620(a) of the Foreign Assistance Act, section 5(b) of the Trading with the Enemy Act (TWEA), the Export Administration Act, the 1992 Cuban Democracy Act (CDA), Presidential Proclamation No. 3447 establishing the embargo, and applicable federal regulations.

Section 5(b) of the TWEA provides the basic authority for enforcement of the Cuban embargo. This law authorizes the President, "through any agency he may designate, and under such rules and regulations as he may prescribe, by means of instructions, licenses, or otherwise," to regulate or prohibit financial, trade and other transactions with any foreign country or nationals thereof by persons subject to U.S. jurisdiction. This statutory authority remains in force.

The Export Administration Act (EAA) sets forth additional licensing authorities. Section 4 authorizes the Secretary of Commerce, "under such conditions as may be imposed by the Secretary which are consistent with the provisions of this Act," to license the export of goods from the United States. Section 6 authorizes the President to "prohibit or curtail the exportation of any goods . . . to the extent necessary to further significantly the foreign policy of the United States . . .".

The Department of Treasury's Cuban Assets Control regulations, 31 CFR, Part 515, and the Commerce Department's Export Administration regulations, 15 CFR, Parts 730 et. seq., make up part of the regulatory scheme that implements the Cuban embargo. These programs incorporate reasonable administrative flexibility to ensure that they serve the foreign policy objectives for which they were imposed without unintended or counterproductive consequences.

Sales of food and agricultural commodities to Cuba require a specific license and are generally subject to denial. The President's new initiative does not remove the license requirement, but does provide case-by-case review for a defined scope of commodities to non-governmental end-users in Cuba. In particular, the Administration will consider, on a case-by-case basis, applications for sales of food and a limited range of agricultural commodities in order to support independent non-governmental entities in Cuba.

Sales to independent entities not only will help get food to the Cuban people, but will contribute to the development of a civil society independent of the current Cuban government. This is a regulatory step that furthers the foreign policy purposes of the embargo. This represents a modest and reasonable exercise of licensing authority that is fully consistent with the existing regulations.

Indeed, the Helms-Burton Act clearly contemplates actions that provide support to the Cuban people. Section 109 of that Act, for example, specifically authorizes, indeed encourages, support for individuals and independent non-governmental organizations to support democracy-building efforts for Cuba.

#### USG FINANCIAL SUPPORT FOR BRAZIL

*Question.* How much financial support has the U.S. Government committed to the international financial rescue plan for Brazil?

*Answer.* The U.S. Government has guaranteed \$5 billion of the \$41.5 international assistance package announced in November 1998. Other contributions to the package included \$18 billion from the IMF, \$4.5 billion each from the World

Bank and IDB, and \$9.5 billion in bilateral contributions from nineteen other countries.

*Question.* What is the financial exposure to U.S. taxpayers if Brazil defaults on its obligations to the United States?

*Answer.* We certainly do not foresee that happening. Brazil has taken major steps to reduce its government budget deficit and to enact needed fiscal reforms, and we expect they will continue on this path. Of the funds disbursed so far as part of the international package, the U.S. share of the guarantee amounts to approximately \$1.5 billion. We anticipate these funds, as well as any additional funds that may be disbursed up to the original \$5 billion pledge amount, will be repaid fully and in a timely manner.

*Question.* Which of the conditions imposed by international financial institutions as part of the rescue package has the Brazilian Government satisfied and which have yet to be fulfilled?

*Answer.* The original IMF program announced last November called on the GOB to implement a substantial package of fiscal measures designed to raise revenues and reduce expenditures. All of these measures—which amount to a budget adjustment of about 2.6% of GDP—have been approved. As a result of Brazil's change in exchange rate policy in January, a new IMF program was developed to adjust monetary and other targets. The new agreement was announced March 8, but it has yet to be formally approved by the IMF Board. The agreement calls on the Government of Brazil to take additional steps to further reduce the government budget deficit and abide by strict anti-inflationary monetary policy targets. The agreement also requires Brazil to persuade private sector commercial banks to maintain credit lines to the country. So far, Brazil has progressed in all these areas.

#### CHILE AND MLAT WITH SPAIN

*Question.* If the Government of Chile were expressly to request that the U.S. Government not provide documents to the Spanish court in the Pinochet case inasmuch as doing so would recognize the competence of the foreign court, would the State Department use its discretion under the Mutual Legal Assistance Treaty with Spain to withhold documents in the interest of good relations with the sovereign Government of Chile?

*Answer.* While we would certainly bring to the attention of the Department of Justice any concerns expressed by the Government of Chile, the United States is obligated to respond to the Spanish request in accordance with the terms of the 1990 U.S.-Spain Mutual Legal Assistance Treaty (MLAT). As the Central Authority for the United States under the treaty, the Justice Department is responsible for making and receiving all legal assistance requests, and for communicating directly with the Spanish Central Authority about requests made to or from the United States. The Justice Department is also responsible for deciding whether the exceptions to the requirement of compliance under the treaty with Spain are applicable. As do most other MLAT's, the treaty with Spain provides that compliance may be refused where the "security or similar essential interests" of the United States would be prejudiced. There has been no determination that such extraordinary circumstances exist in this case.

#### CHILE DECLASSIFICATION PROJECT

*Question.* What is the rationale for declassifying Pinochet-era U.S. documents before Allende-era documents? Why is this not being done in chronological and historical order? What is the estimated total cost (not merely incremental cost) of the Chile declassification process that is now under way in the State Department and in various U.S. Government agencies? How does the Department intend to pay for this declassification process? How does the Department justify these expenditures?

*Answer.* On behalf of the President, the NSC asked State and other agencies to undertake a compilation and review for release of documents that shed light on human rights abuses, terrorism, and other acts of political violence during and prior to the Pinochet era in Chile. The Department is working to carry out that instruction.

In the first phase, agencies will retrieve and review documents from 1968–1978. A second phase is expected to address the period 1979–91. In conducting the review of documents in the first phase, agencies will begin with documents from the 1973–1978 period. This corresponds to the period of greatest concern regarding allegations of human rights abuses in Chile.

A preliminary estimate of the total cost of State Department action in compiling, reviewing and releasing documents covering the 1968–78 period is \$825,000.

Many of these costs are fixed overhead. Department personnel have added fulfillment of the NSC instruction to their other duties. The Department is still examining options for funding the incremental costs.

The Department believes that the expenditures related to the Chile Declassification Project are fully justified by the fact that reviewing such documents for declassification is an important element in the Administration's foreign policy. Release of the information may assist Chilean efforts to address such lingering questions as the fate of the disappeared. This policy is consistent with other efforts by the Administration, as in El Salvador, Guatemala, and Honduras, to clarify the facts surrounding human rights abuses and terrorism by releasing information in U.S. Government files as appropriate. It is also consistent with the Administration's commitment to greater openness, as exemplified by Executive Order 12958.

#### CUBA: 1996 SHOOT-DOWN

*Question.* Besides seeking an ICAO inquiry and UN inquiry, what effective steps has the Administration taken to comply with President Clinton's promise to surviving family members to bring to justice those Cuban officials responsible for the February 1996 murder of the Brothers to the Rescue pilots?

Answer. After the shoot-down, the Department of Justice launched an investigation, which remains open. I refer you to the Department of Justice for additional information about the investigation.

As the President said in 1996, the brutal shoot-down provided the world with "a harsh reminder of why a democratic Cuba is so important, not only to us but to the people of Cuba."

We are pressing forward in our efforts to promote peaceful, democratic change in Cuba. Part of this effort is to provide humanitarian support for the Cuban people and assistance in the development of independent civil society.

We believe that increasing the flow of information to, from, and within Cuba, fostering people-to-people contacts, and facilitating outside support for independent groups increases chances that the inevitable transition will be peaceful and take democratic directions. The measures the President announced on January 5 are designed to facilitate these goals.

#### ALEJANDRE CASE

*Question 1.* State Department official Michael Ranneberger asserted in a declaration filed before the U.S. District Court for the Southern District of Florida that the Cuban state-run telecommunications firm Empresa de Telecomunicaciones de Cuba, S.A. (ETECSA) is "a separate legal entity" from the Cuban state, i.e., having "a legal status distinct from" the Cuban state. Did the Department rely on information provided by ETECSA, the Cuban Government, or representatives thereof in preparing the Ranneberger declaration (particularly those characterizing in detail the inner workings of ETECSA)? If so, is it sound judgement on the part of the Department or Mr. Ranneberger to rely on information provided by Cuba, particularly since the Department and Mr. Ranneberger are taking the Government of Cuba's side in a court case against American citizens? What independent source of information does the Department and Mr. Ranneberger have detailing in the inner workings of a state-run Cuban entity? If the Administration considers ETECSA an independent entity, would it consider ETECSA eligible to purchase food from the United States under the measures announced in January 1999? If not, why not? Does the Department of State possess similar insight in the importation of cocaine to Cuba for transshipment to the United States? If not, why not?

Answer. The U.S. Government intervened in the case of *Alejandro v. Republic of Cuba* for the limited purpose of protecting U.S. Government equities and the national security and foreign policy interests of the United States as set forth in the Cuba Democracy Act of 1992, P.L. 102-484, Title XVII; 22 U.S.C. 6001 et seq. Section 6004(e)(3) of this Act specifically authorizes the President to issue licenses in order to permit telecommunications contact between individuals in the United States and the people of Cuba. Both the Executive and Legislative Branches have determined that maintaining direct telecommunications services between the United States and Cuba is a critical element of our policy towards Cuba. In particular, such services support our policy of encouraging development of a civil society independent of the Cuban Government and promoting an eventual peaceful transition to democracy. In a declaration filed in that case, the Department asserted that the Cuban company Empresa de Telecomunicaciones de Cuba, S.A. ("ETECSA") is a corporation organized under the laws of Cuba. *Declaration of Michael E. Ranneberger, Coordinator, Office of Cuban Affairs, U.S. Department of State*, ¶ 6. The Department further asserted that ETECSA "appears to conduct its business as a separate legal en-

tity.” *Id.* At ¶ 7. As noted in the declaration, various statements contained therein were based on information provided by ETECSA. For your convenience a copy of the Ranneberger declaration is attached.

UNITED STATES DISTRICT COURT

FOR THE

SOUTHERN DISTRICT OF FLORIDA

SOUTHERN DIVISION

[CASE NOS. 96–10126–CIV–KING, 96–10127–CIV–KING, 96–10128–CIV–KING]

Marlene Alejandre, individually  
and as personal representative  
of the Estate of Armando  
Alejandre, deceased, *et al*  
Plaintiffs

v.

The Republic of Cuba and  
The Cuban Air Force,  
Defendants

v.

AT&T Corporation (Formally, American  
Telephone and Telegraph Company), *et al*  
Garnishees

DECLARATION OF MICHAEL E. RANNEBERGER

I, Michael E. Ranneberger, declare and say:

1. I am the Coordinator, Office of Cuban Affairs, in the U.S. Department of State. I have held this position since July 1995, and have been employed as a Foreign Service Officer by the Department of State since 1975. Since July 1995, I have been the director of the office within the Department of State responsible for coordinating U.S. relations with Cuba, including bilateral telecommunications matters. During the course of these responsibilities, I have become familiar with all aspects of our relations with Cuba, and have participated in discussions with Cuban government officials on various bilateral matters. The following is based on my personal knowledge and information available to me as part of my official duties.
2. In 1992, with strong bipartisan support, Congress enacted the Cuban Democracy Act (the “CDA”) (Pub. L. 102–484, Title XVII; 22 USC 6001 et seq.). The CDA declares that U.S. policy toward Cuba should be “to seek a peaceful transition to democracy and a resumption of economic growth in Cuba through the careful application of sanctions against the Castro government and support for the Cuban people” (22 USC 6002(1)). As part of the policy of “support for the Cuban people,” the CDA authorizes the resumption of direct telecommunications services between the United States and Cuba (22 USC 6004(e)(1)). The law permits the provision of telecommunications facilities “in such quantity and of such quality as may be necessary to provide efficient and adequate telecommunications services” between the two countries (22 USC 6004(e)(2)). The CDA also authorizes the licensing of payments to Cuba of amounts due “as a result of the provision of telecommunications services,” consistent with the public interest, but not from blocked accounts (22 USC 6004(e)(3)).
3. Direct telecommunications form a critical element of “support for the Cuban people.” The goal is to improve people-to-people communications between the United States and Cuba, including contacts between family members in both countries, to open the Cuban people to new sources of information and ideas, and to encourage the development of civil society independent of the Cuban government.
4. Following enactment of the CDA, the Department of State and the Federal Communications Commission (FCC) developed policy guidelines (issued in July 1993). Among other measures, the policy guidelines authorize the Treasury Department to “license each U.S. company or U.S. subsidiary to remit to Cuba the full share of Cuba’s earnings from the service approved by the FCC.” The De-

partment of State interprets the policy guidelines, as well as the CDA, to authorize the licensing of payments to Cuban nationals or entities separate from the Cuban government, as well as to the Cuban government and its agencies. Several U.S. companies subsequently negotiated agreements to provide telecommunications services between the United States and Cuba.

5. The Treasury Department's Office of Foreign Assets Control (OFAC) amended the Cuban Assets Control Regulations to provide for specific licensing on a case-by-case basis for certain transactions related to telecommunications, including the settlement of charges under the agreements (31 CFR 515.542(c)). OFAC has issued eight licenses under this regulation authorizing transactions related to telecommunications between the two countries. The service agreements became operative in November 1994, and licensed payments began to flow from U.S. companies to their Cuban counterpart entity. The licensed payments totaled about \$39.5 million during the latest available six-month reporting period (January 1 to June 30, 1998). These figures demonstrate that the telecommunications policy authorized by the CDA is working, as intended, to encourage enhanced people-to-people contacts between residents of the two countries.
6. The payments from U.S. carriers under the agreements are made to the Cuban company Empresa de Telecomunicaciones de Cuba, S.A. ("ETECSA"). According to information provided by ETECSA and its legal counsel to the U.S. Government, ETECSA is a corporation (*sociedad anonima*) organized under the laws of Cuba. It has five shareholders: three are separate Cuban government owned or controlled corporations with a combined 59% share, the fourth is STET International of Italy (through a wholly-owned subsidiary in the Netherlands) with a 29% share, and the fifth is a Panamanian-registered corporation known as Universal Trade and Management Corporation (UTISA) with a 12% share. Under Cuban law, ETECSA is a "joint venture," which is defined as "a Cuban commercial company which adopts the form of a nominal share corporation, in which one or more national investors and one or more foreign investors participate." Cuban Foreign Investment Act, Law No. 77 of September 5, 1995, Art. 2(i). According to Article 13.1 of the same law, "Joint ventures imply the establishment of a legal status distinct from that of any one of the . . ." Thus, under Cuban law, ETECSA has a separate legal status from its shareholders.
7. In practice, ETECSA appears to conduct its business as a separate legal entity distinct from the Cuban government. According to information provided to the U.S. Government by ETECSA, its funds are not intermingled with Cuban government funds. Unlike wholly-owned entities of the Cuban state, ETECSA does not make "contributions" (*aportes*) to the Cuban government. ("Contributions" are fixed assessments set by the Cuban government at the start of each year, which are determined without regard to expected revenues or profits.) The only direct payments from ETECSA to the Cuban government are taxes. ETECSA bills the Cuban government for services rendered, just as it does other customers. ETECSA works in other countries on its own, not through Cuban diplomatic missions. The ETECSA board of directors acts for the shareholders, which are paid quarterly dividends. Members of the board do not hold positions with the Cuban government.
8. The garnishment of debts owed or payments made by U.S. carriers to ETECSA could result in the termination of direct telecommunications services between the two countries. On January 8, Ricardo Alarcon, President of the Cuban National Assembly, speaking on Cuban television, said that if the payments due the Cuban enterprise were not received, Cuba would not allow the service to continue "free of charge." This point was reiterated in a demarche made to my office by the Cuban Interests Section of the Swiss Embassy in Washington on January 14. Referring to the possibility that payments due ETECSA might be interrupted, the Cuban Interests Section said that such a development would lead to the interruption of telephone service between the two countries. The Department of State takes these statements by the Cuban authorities very seriously, and believes that a disruption in direct telecommunications between the two countries would have serious adverse consequences for U.S. foreign policy interests.
9. Congress and the executive branch both have strongly supported direct telecommunications between the United States and Cuba, as set forth in the CDA. In my judgment, the continuation of these services advances the national interest of the United States, and their disruption would cause serious harm to U.S. policy toward Cuba. Direct telecommunications encourage humanitarian contacts between families in this country and their loved ones in Cuba, encourage other people-to-people contacts between the two countries, open new sources of information and ideas for the Cuban people and promote the development of an



independent civil society on the island. Direct telecommunications form a critical element of U.S. policy to promote a peaceful transition to democracy. The garnishment of licensed payments owed by U.S. carriers to their Cuban counterpart would disrupt the continuation of these services, and frustrate the policy approved by the legislative and executive branches.

I declare under penalty of perjury that the above declaration is true and correct.

MICHAEL E. RANNEBERGER  
*Coordinator, Office of Cuban Affairs,  
 Department of State.*

Executed at Washington, D.C.  
 January 26, 1999.

RE: THE ALEJANDRE CASE

*Question 2.* Is it sound judgment on the part of the Department or Mr. (Michael) Ranneberger to rely on information provided by Cuba, particularly since the Department and Mr. Ranneberger are taking the Government of Cuba's side in a court case against American citizens?

Answer. Mr. Ranneberger did not rely on the Government of Cuba for information. The Declaration conveyed publicly available information and information provided by ETECSA and made clear the source of the information.

The USG is not "taking the side" of the Government of Cuba in this case. The USG has intervened in the litigation to defend important U.S. national security and foreign policy interests. These interests include preserving the ability of the USG to use asset blocking programs as a means of influencing the behavior of countries that threaten our interests and our interest in ensuring that similarly situated U.S. nationals with claims against the Government of Cuba are treated equitably.

*Question 2(a).* What independent source of information does the Department and Mr. Ranneberger have detailing the inner workings of a state-run Cuban entity?

Answer. The Department has no independent source of information that details or provides information on the inner workings of ETECSA.

*Question 2(b).* If the Administration considers ETECSA an independent entity, would it consider ETECSA eligible to purchase food from the United States under the measures announced in January 1999? If not, why not?

Answer. The Administration did not say that ETECSA is an organization independent of the Government of Cuba, but rather that it is an independent legal entity. ETECSA would not qualify under the regulations issued by the Department of Commerce to purchase food and/or agricultural goods from a U.S. supplier.

*Question 2(c).* Does the Department of State possess similar insight into the inner workings of the joint venture or Cuban ministry implicated recently in the importation of cocaine to Cuba? If not, why not?

Answer. We are aware of the recent attempted shipment of cocaine to Cuba, which is still under investigation by Colombian and Spanish authorities. What information is available indicates that the narcotics were destined for Spain after a stop in Cuba. The Department has no information on the "inner workings" of the joint venture firm reportedly involved in this trafficking incident.

HELMS-BURTON TITLE IV

*Question.* If the Assistant Secretary of State for Western Hemisphere Affairs has personal knowledge of activities by a company doing business in Cuba that leads him "reasonably to conclude" that such company is trafficking in the property of U.S. national, is not the Assistant Secretary obligated under law and regulation to sanction such company under Title IV of the LIBERTAD Act? In light of the delegation of authority in U.S. regulations, does not the final legal authority and obligations to enforce this provision rest solely with the Assistant Secretary of Western Hemisphere Affairs, regardless of whether or not other officials agree with such a determination?

Answer. In regulations implementing Title IV the Department has stated that, "Determinations of ineligibility and excludability under Title IV will be made when facts or circumstances exist that would lead the Department reasonably to conclude that a person has engaged in confiscation or trafficking after March 12, 1992." The Assistant Secretary of State for Western Hemisphere Affairs has been delegated authority to make determinations of excludability and visa ineligibility under Section 401(a) of the Act. As a matter of practice, the Assistant Secretary may consult with other agencies in making such determinations. Nonetheless, authority for implementing Title IV rests with the Assistant Secretary.

## MEXICAN LAW ENFORCEMENT VETTING

*Question.* How many persons have been vetted and are actively pursuing their duties in each of the following Mexican law enforcement units: bilateral border task forces, organized crime unit, special prosecutor for crimes against health (FEADS)? How many persons from each of these units have failed polygraph examinations or otherwise been implicated in wrongdoing?

*Answer.* In accounting for personnel, the Government of Mexico considers the Bilateral Border Task Forces (BTF) to be part of the FEADS. All personnel in FEADS, including BTF personnel, have been vetted. That is, 106 vetted law enforcement officers. All 106 are considered on active duty, whether stationed on the border or on airport interdiction duty.

No member of the FEADS has failed a polygraph test. However, five have been implicated in wrongdoing. Two were arrested in September 1998, on kidnapping and drug trafficking charges. The U.S. Government believes the allegations are unfounded. These two remain in jail. In March 1999, three members were arrested and are in jail on extortion charges.

The organized crime unit (OCU) has 194 agents, all of whom have been vetted. All 194 officers are on active duty.

During a September 1998 re-vetting, 19 members of the OCU failed polygraph examinations. All personnel who failed have either been removed from the unit or re-assigned to sub-units of the OCU with no access to counternarcotics information.

One member of the Special Investigations Unit (SIU), a vetted sub-unit of the OCU, was arrested in February 1999 for drug trafficking. The agent escaped custody and his whereabouts are unknown.

## IMMUNITY FOR U.S. LAW ENFORCEMENT OFFICERS IN MEXICO

*Question.* Has the Department of State requested full diplomatic immunity, consular immunity, or other immunity for all U.S. Drug Enforcement Agency or Federal Bureau of Investigation agents who are carrying out law enforcement activities in Mexico, in order to protect them from arrest or conviction by Mexican authorities for carrying weapons needed for their self-defense? If not, why not? If so, how has the Mexican Government responded?

*Answer.* We have conveyed to senior levels of the Mexican Government U.S. interest in having the immunities of DEA agents—and FBI Resolution 6 agents assigned to the DEA contingent in Mexico—upgraded from the consular level (i.e., criminal and civil immunity both limited to official acts) to the administrative and technical level (i.e., full criminal immunity, but civil immunity limited to official acts). They would then enjoy the same level of immunity customarily accorded to law enforcement agents at embassies.

DEA and FBI country attaches continue to enjoy diplomatic immunity (i.e., full criminal and comprehensive civil immunity).

The Mexican Government has reaffirmed its commitment to the physical safety of DEA personnel in Mexico. However, it has not agreed to administrative and technical immunity for DEA agents.

## EXTRADITION OF U.S. CUSTOMS AGENTS

*Question.* What is the status of the Mexican Government's publicly stated plans to seek the extradition of U.S. law enforcement officials involved in Operation Casablanca? Would the U.S. Government ever agree to extradite to Mexico or any other country any U.S. law enforcement official for actions taken in good faith and in the line of duty?

*Answer.* The Mexican Government announced on February 7 that it had not found evidence that U.S. Customs agents involved in Operation Casablanca had violated Mexican law.

While we cannot rule out the possibility of extradition should a very unusual case arise, we of course would generally not expect to extradite U.S. law enforcement officials for actions taken in good faith and in the line of duty.

## MEXICAN NATIONAL EXTRADITIONS

*Question.* How many Mexican drug kingpins were extradited and surrendered to U.S. custody in 1998?

*Answer.* Based on U.S. Government records, there were three Mexican national drug traffickers authorized for extradition in 1998: Jesus Amezcua Contreras, Arturo Paez Martinez, and Florentino Blanco Mesa. The Department of State has also received confirmation from the Government of Mexico that Luis Amezcua Contreras was found, in February 1999, to be extraditable.

Mexico's legal system provides for the appeal of extradition orders through the *amparo* process, similar to the U.S. due process right of appeal. During 1998 all of the traffickers authorized for extradition filed appeals which are being processed through the Mexican legal system.

#### MEXICO'S NEW COUNTERNARCOTICS INITIATIVE

*Question.* Mexico recently allocated \$400 million to its anti-drug efforts. Does this amount represent an incremental increase in funding for such activities? How much of an increase is programmed on an annual basis for such newly funded activities?

*Answer.* The Government of Mexico recently announced a new comprehensive national effort to confront the top national security threat it faces—illicit drug trafficking, production, and use. In announcing its new counternarcotics strategy, the Government of Mexico indicated that it would be spending up to \$500 million over the next three years to improve surveillance and rapid response capability and strengthen land, air, and sea interdiction.

In 1999, Mexico has provided an initial investment of \$160 million to begin procurement of equipment. This investment will be in addition to the \$770 million counter-drug budget the Mexican Congress approved for 1999.

While the Government of Mexico makes public the budget for various government agencies, it has not previously organized or made public its total counternarcotics spending. The 1999 budget is the first time interagency counternarcotics spending is brought together in one place and thus the relationship to prior years funding cannot be determined. Further, future year funding is not yet known because the Mexican Congress must approve annually the national budget. However, this effort represents a major commitment by the Mexican Government to participate fully in the fight against illicit drugs.

#### FORWARD OPERATING LOCATIONS

*Question.* What specific alternatives is the Administration considering for the forward operating locations to replace the U.S. military bases in Panama? What countries have been asked to allow such activities on their territory? Have any of these countries agreed to such an arrangement? Is there any alternative more ideal than the facilities in Panama (provided that the Panamanian Government concurred in such a presence)? If the new president of Panama were to ask the U.S. military to remain at bases in Panama, would you advocate doing so?

*Answer.* We are actively discussing the establishment of forward operating locations (FOLs) for the purpose of aerial counter-narcotics interdiction with the Government of Ecuador and the Government of the Netherlands regarding Aruba and Curacao.

We are not seeking the establishment of bases in these or other countries, but rather access agreements for the use of existing airport facilities. We believe the FOLs identified will satisfy our requirements though we may seek and benefit from agreements with other countries too.

Panama's new president takes office September 1. By that date, no significant element of U.S. forces will remain in Panama. However, nothing in the Panama Canal Treaty prevents future discussions with the Government of Panama regarding a U.S. military presence.

#### NICARAGUA: U.S. CITIZEN PROPERTY CLAIMS

*Question.* What is the status of American-citizen property claims in Nicaragua? Please provide a table indicating the number of settlements of American-citizen claims by month during each of the last three years.

*Answer.* Sandinista-era property disputes still figure prominently in our bilateral policy concerns and are a significant impediment to promoting economic growth. We take every occasion in meetings with the Nicaraguan Government to press for the rapid resolution of pending American citizen property claims. The Nicaraguan Government has been responsive and has made significant progress over the years, as indicated in the attached table.

Nevertheless, we would like to see the rate of resolutions accelerated. Our Embassy in Managua works closely with American citizen claimants and meets regularly with Nicaraguan officials to press for the rapid and fair resolution of U.S. citizens' claims. A U.S. Foreign Service Officer and two local employees work full-time assisting American citizen claimants.

Since the 1990 electoral defeat of the Sandinistas, 796 American citizens have filed 2,306 claims with our Embassy in Managua. 1,342 of these claims have been resolved; 964 remain pending. 306 American citizen claimants registered with the Embassy have had all of their claims resolved, nearly 38 percent of the total.

The Nicaraguan Government has resolved another 941 American citizen claims not registered with our Embassy—resolutions that the Embassy has confirmed—for a total of 2,283 resolutions.

While the Nicaraguan Government has made significant progress (resolution of 2,283 claims), newly naturalized American citizens continuously bring new claims to the Embassy. Since January 1995, 758 new claims have been filed with us.

In addition, the Nicaraguan Government has resolved 98 claims relating to properties held by the government. Only five are pending at the current time and the Embassy, the claimants and the Nicaraguan Government are actively working on resolving them.

The Nicaraguan Government has worked to raise the value of the bonds used to pay compensation. They are in the process of standardizing the bonds, making them more attractive to investors and claimants. The Nicaraguan Government expects to have the new bonds ready in April. Claimants would then be able to exchange their old bonds for the new ones—or can choose to keep their old bonds.

Legislation is also pending in the Nicaraguan National Assembly that would allow direct payment of bonds to the occupants of confiscated properties in exchange for their agreement to return such properties to their original owners.

This same legislation would also authorize land swaps, but would first require the Nicaraguan Government to establish a “land bank” of properties that would be available for exchange.

In addition, the Nicaraguan Supreme Court is in the process of developing a mediation mechanism, along with new property courts, which could encourage resolutions and accelerate processing of claims through the judicial system.

We have encouraged the Nicaraguan Government to make greater efforts to contact claimants and encourage them to pursue their claims. As a result, the Vice Minister for Property began about two years ago making regular trips to Miami to meet with claimants to discuss their cases. This has resulted in a number of resolutions and saved claimants the expense of traveling to Managua.

#### WAIVER YEAR RESOLUTIONS

1994-1995		1995-1996		1996-1997		1997-1998		1998-1999	
Aug-94	8	Aug-95	7	Aug-96	33	Aug-97	32	Aug-98	32
Sep-94	4	Sep-95	5	1-Sep	27	Sep-97	34	Sep-98	34
Oct-94	11	Oct-95	19	Oct-96	32	Oct-97	20	Oct-98	29
Nov-94	89	Nov-95	83	Nov-96	26	Nov-97	17	Nov-98	28
Dec-94	34	Dec-95	6	Dec-96	5	Dec-97	16	Dec-98	29
Jan-95	29	Jan-96	21	Jan-97	7	Jan-98	23	Jan-99	64
Feb-95	25	Feb-96	27	Feb-97	0	Feb-98	23		
Mar-95	38	1-Mar	40	Mar-97	22	Mar-98	34		
Apr-95	44	Apr-96	102	Apr-97	43	Apr-98	46		
May-95	36	May-96	88	May-97	65	May-98	64		
Jun-95	100	Jun-96	92	Jun-97	78	Jun-98	97		
Jul-95	4	Jul-96	46	Jul-97	15	Jul-98	28		
Additional	118								
Total	540		536		353		434		216
New Claims									
Filed:									
Jan-95	44	Aug-95	16	Sep-96	52	Aug-97	8	Aug-98	6
Mar-95	16	Oct-95	46	Nov-96	28	Sep-97	7	Sep-98	6
Jun-95	65	Jan-96	128	Dec-96	10	Oct-97	7	Oct-98	10
		Jun-96	54	1-Jan	7	Nov-97	7	Nov-98	0
		Jul-96	31	May-97	79	Dec-97	1	Dec-98	0
				Jul-97	11	Jan-98	9	Jan-99	1
						Feb-98	30		
						Mar-98	23		
						Apr-98	4		
						May-98	26		
						Jun-98	17		
						Jul-98	4		
Total	125		275		187		143		23

#### NICARAGUA: STATUS OF MILITARY-TO-MILITARY RELATIONS

*Question.* What is the status of military-to-military relations between the U.S. and Nicaragua? Has the Department of State abided by its commitment to me and my

House counterpart to withhold all such formal contact until the Nicaraguan military has taken significant steps to improve its notorious human rights record? Are there any persons cited in the reports of the Nicaraguan Tripartite Commission still in the ranks of the Nicaraguan military today? If so, who and why? Are there any persons cited in the “La Maranosa” massacre still in the ranks of the Nicaraguan military today? If so, who and why?

Answer. We do have relations with the Nicaraguan army in the sense that we collaborate with them on issues of mutual interest. For example, the Nicaraguan army provided invaluable security and logistical support to U.S. armed forces personnel who recovered last April the remains of pilots of a B-26 downed in the mountains of northern Nicaragua after participating in the Bay of Pigs operation. Similarly, but on a greatly magnified scale, the Nicaraguan army collaborated closely and effectively with U.S. armed forces to ensure that our humanitarian engineering and medical assistance to Nicaragua following Hurricane Mitch (“Task Force Build Hope”) was delivered promptly and had a beneficial impact. In both instances the conduct of the Nicaraguan army was professional and competent.

In addition, we have facilitated Nicaraguan army participation in a limited and carefully selected number of Southcom and other seminars dedicated to issues of mutual and humanitarian interest. For example, Nicaraguan civil defense personnel participated in a series of Southcom-sponsored seminars and exercises on disaster preparedness and relief. This experience unquestionably left the civil defense unit—a part of the army—better prepared to respond to Hurricane Mitch.

Because of concerns about human rights and U.S. citizen property cases, we have withheld other aspects of a normal relationship with the Nicaraguan army, in particular the provision of training to Nicaraguan military personnel and the accreditation of a Nicaraguan defense attache in Washington (We do have a defense attache’s office in Managua). The Sandinista government pulled its Defense attache out of Washington in 1989 in protest over Operation Just Cause in Panama.

Since 1995, however, the Nicaraguan military has made important strides on both human rights and property:

Human rights abuses by the Nicaraguan army have dropped significantly. Communication and respect between the army and Nicaraguans in rural areas—where most abuses had previously occurred—has improved dramatically. The OAS (Organization of American States) and the CRS (Catholic Relief Services), which are involved in grassroots human rights organizations known as peace commissions, verify these findings. Moreover, in the most significant abuse to have occurred in the last three years, the killing of a young woman in Wamblan in December 1996, the army collaborated in a civilian judicial process that found six army personnel guilty in absentia of murder. The six soldiers deserted during the investigation and their whereabouts are unknown.

Effective March 12, 1999, the Nicaraguan army retired the former head of the Sandinista secret police and four other senior members of the Defense Intelligence Directorate, who also would have had close ties to the former secret police.

In addition, the army has taken a more active and cooperative role in trying to resolve property cases in the hands of the army as an institution, which are claimed by American citizens. One case was resolved in December 1998. Of the remaining three: the Embassy and the Nicaraguan Government have been waiting since October 1998 for one claimant to present necessary documentation; in the second case, the Embassy and the Nicaraguan Government are analyzing recently presented documentation; and, in the third case, the claimant is waiting for the suspension of judicial action relating to property cases to be lifted in order to continue her case in the Nicaraguan courts.

We were impressed with Nicaraguan army actions in these two important areas, even before the close and effective cooperation necessary in the Hurricane Mitch relief and reconstruction effort increased contact between our militaries.

We know of one military officer cited in the Tripartite Commission reports who remains on active duty; we have encouraged the Nicaraguan Government to comply with the recommendations contained in the Commission’s various reports. Those recommendations focus principally on reopening judicial processes in individual cases.

We have not yet determined whether the officer mentioned in judicial proceedings related to the “La Maranosa” case remains in the army. We would note, however, that a civilian judicial process acquitted this officer.

## GUATEMALA: MURDER OF BISHOP GERARDI

*Question.* What is the status of the investigation of the murder of Bishop Juan Jose Gerardi in Guatemala? Has the U.S. Government offered technical support for this investigation? If so, what has been the result of this assistance? If not, why not? Does the U.S. Government have any information that implicates any member of Guatemala's security forces or other government official in this heinous murder or in any effort to impede the investigation. If so, please explain in detail.

*Answer.* The investigation is open and active. Recent and ongoing activities include taking testimony and a crime scene reconstruction (a common procedure in Guatemala criminal investigations).

At the request of the Government of Guatemala, the USG has provided technical support for the investigation. The FBI has been involved from very early in the investigation. FBI investigators have traveled to Guatemala to provide assistance at various times. Material evidence has also been brought to the FBI crime laboratory for testing.

I refer you to the FBI for additional details. Since the investigation is ongoing, the results have not been made public.

We are not aware of any concrete information implicating members of Guatemala's security forces or other government officials in this heinous murder. However, because the Bishop's murder occurred so soon after his public delivery of a report which held the military, military commissioners and civil patrols responsible for approximately 80 percent of war-related rights violations, some observers suspect a political motive for the crime.

There are allegations of impropriety in the investigation. The apparent failure of the original prosecutor to investigate thoroughly all reported leads has raised questions about the efficacy and impartiality of the investigation. That prosecutor withdrew from the case in December.

We have and will continue to urge a thorough investigation to bring to justice the perpetrators of this deplorable crime.

## PARAGUAY

*Question.* What steps has the U.S. Government taken to support constitutional democracy in Paraguay?

*Answer.* Since the restoration of democracy in Paraguay in 1989, the United States has played a crucial role in support of Paraguay's democratic consolidation. In 1996, when the democratically elected government of Juan Carlos Wasmosy was threatened by then-Army General Lino Oviedo, the USG called an urgent meeting of Foreign Ministers at the OAS and supported the Government of Paraguay (GOP) in Asuncion as it successfully stood up to Oviedo. In 1998, the USG supported the GOP as it carried through with scheduled national elections, in the face of attempts by some senior civilian and military leaders to postpone the elections unconstitutionally. Following the election of President Cubas and an opposition legislature in 1998, the USG has repeatedly urged all sides to work out their differences through constitutional processes. While the democratic process has been severely strained, the institutions of democracy continue to function and are seeking, through constitutional means, to resolve the current impasse.

The USG has further supported democracy in Paraguay throughout the last decade through programs of several agencies (e.g., State Department, USAID, USIS, Peace Corps, ODC, DEA, NIMA). The USG provided critical support to the Supreme Electoral Tribunal that enabled it to carry out the 1998 elections in a transparent manner. We continue to support a civil-military dialogue aimed at helping the military establish its role in a democratic society.

*Question.* What more can be done to stress the importance of resolving this crisis?

*Answer.* USG officials have made clear to President Cubas, the military, Vice President Argania, all factions of Congress, and the Supreme Court our support for democratic institutions and the rule of law. We have been especially clear that the independence of the judiciary is key to any democracy. We have emphasized that the international community would react sharply to any rupture of constitutional order.

*Question.* Please list all forms and amounts of U.S. assistance (including trade benefits) as well as international financial institution loans or assistance for Paraguay.

*Answer.* USAID plans to provide \$5.3 million in assistance in fiscal year 1999. This aid, much of which will go to non-governmental organizations, will strengthen local government, help ensure democratic elections, improve the criminal justice system, combat corruption, promote civil-military dialogue, increase coverage and quality of family planning services, and help develop and manage environmental re-

serves. \$200,000 in IMET training funds will encourage military professionalization. The State Department is currently planning to provide \$250,000 in counter-narcotics funds and \$111,000 in anti-terrorism training.

In 1998, Paraguay received \$66 million in approved loans and guarantees from the Inter-American Development Bank and \$40 million in approved World Bank loans.

*Question.* Has the U.S. Government considered suspending such assistance if the Paraguayan Government continues to ignore the decision of the Supreme Court in the Oviedo case?

*Answer.* The USG has made it clear to President Cubas that we disagree with his decision to not carry out the order of the Supreme Court in the Oviedo case. With the exception of a small military-to-military cooperation program, the GOP currently receives very little direct assistance from the USG. Most USG assistance to Paraguay goes to non-governmental organizations and is in areas of priority interest to us (e.g. environment, population) and of less immediate concern to the GOP. We have made it clear that a rupture of the constitutional process would have sudden and severe consequences for the GOP from the U.S. and the international community.

#### QUESTIONS SUBMITTED BY SENATOR BIDEN

##### SECURITY FUNDING

*Question.* Do you agree that the Department probably requires more than the \$3 billion you have requested to meet its security needs?

*Answer.* Yes, I agree that the Department needs more than the \$3 billion requested. However, the Department's budget request for security, as well as for other international affairs programs and operations, was limited by the provisions of the Budget Enforcement Act and addressed the need to eliminate deficit spending.

The security requirement will most certainly not be met in the next five years—a multi-year, sustained level of investment in buildings, equipment, and personnel is essential. The \$3 billion requested in advance appropriations is only the start of this multi-year program. Far more will be required.

A viable construction program requires careful planning—from ascertaining the number of personnel to be housed (not just today but into the future), designing the building, acquiring an appropriate site, awarding the construction contract, and then proceeding with the construction and outfitting of the facility.

The Department is now well-positioned to execute an aggressive construction program. We have made great strides since the tragic bombings last August. We must move out smartly to ensure that our people and facilities overseas are adequately protected from threats of terrorism.

##### ADMINISTRATION CONFLICT RESOLUTION MEASURES IN AFRICA

*Question.* In the past year, the security situation in sub-Saharan Africa has taken a dramatic turn for the worse. There are now four new major conflicts underway across the region. Civil war has broken out in Angola and Sierra Leone. Fighting between Ethiopia and Eritrea escalates each day. Perhaps most alarming is the unprecedented involvement of eight sub-Saharan states in the war in the Democratic Republic of Congo. Nations that have enjoyed good relations may potentially have troops facing each other over the barrel of a gun.

The State Department has sent several envoys to the region to try to mediate these various disputes, including Assistant Secretary of State Susan Rice, and Special Envoys Anthony Lake, Howard Wolpe, and Jesse Jackson. I support these efforts; the suffering and loss of human life in each of these situations is tragic. The Administration must continue to be actively engaged in trying to bring peace to the region.

What specific measures is the Administration taking to help African States resolve the conflicts currently underway? What additional steps are planned?

*Answer.* Armed conflict continues to hinder development and democratic transformation in Africa. Peace and stability are the foundations upon which economic growth and democratic transitions are built. The USG supports Africa's search for peace and contributes to conflict resolution in four ways.

First, we actively mediate in conflict situations. Assistant Secretary Susan Rice has traveled throughout the continent in support of mediation efforts in various areas of conflict. Former NSA Anthony Lake has sought to mediate the border dispute between Ethiopia and Eritrea, visiting the area four times since October 1998. President Clinton has also been active in trying to resolve the Ethiopian/Eritrean dispute and has written and called both leaders on the matter. Former Congress-

man Howard Wolpe, Special Envoy to the Great Lakes, has interceded with all eight Africa nations that have forces fighting in the Congo. Special Presidential Envoy Jesse Jackson has facilitated peace talks in Guinea, Liberia and Sierra Leone and other West African nations.

Second, we support conflict management capabilities within Africa. The USG has contributed nearly \$9 million over five years to the OAU to build and equip a Crisis Management Center within OAU Headquarters and to equip a 100-man Rapid Deployment Military Observer Force. OAU has deployed military observers to Comoros, and has mediated in every major conflict on the continent. The USG has supported financially the efforts of the Intergovernmental Authority on Development (IGAD) to find peaceful solutions to the civil wars in Somalia and Sudan. The USG also spends nearly \$20 million annually to train African military units in peacekeeping and humanitarian relief operations under the African Crisis Response Initiative (ACRI). ACRI-trained personnel and equipment are employed in peacekeeping operations in Guinea Bissau, Sierra Leone, and the Central African Republic. The Department of Defense has allocated \$41.7 million over the next five years to build an African Center for Security Studies modeled on the Marshall Center in Germany.

Third, we directly assist with our Africa regional peacekeeping operation funds. In FY 1998, the U.S. contributed \$6.7 million in support of ECOMOG peacekeeping operations in Sierra Leone and Liberia, and plans to contribute over \$10.8 million this year for ECOMOG/Sierra Leone, pending Congressional approval.

Fourth, we assist African conflict resolution activities through multilateral organizations like the UN. In FY 1998 the USG provided \$37 million for the UN Observer Mission to Angola (MONUA), \$2.5 million for the UN Observer Mission in Sierra Leone (UNOMSIL), and \$6.5 million for the War Crimes Tribunal in Rwanda (ICTR).

We also aggressively engage other donor nations to assist in conflict prevention and resolution, and support for non-governmental organizations such as the International Foundation for Electoral Systems (IFES), the International Republican Institute (IRI), and the National Democratic Institute (NDI), and the African Center for Constructive Resolution of Disputes (ACCORD).

*Question.* It would appear that, in the post-Cold War era, our influence in sub-Saharan Africa has declined.

Has our influence in sub-Saharan Africa waned so profoundly since the end of the Cold War that we are unable to effectively encourage our African allies to resolve their disputes?

Do we still have the same amount of leverage that we once did? If so, can you cite specific examples of when we have done so? If such leverage exists, and we have not used it, why haven't we?

*Answer.* Our influence in sub-Saharan Africa may be stronger since the end of the Cold War since we have no colonial history in Africa, and are not choosing to back rulers in Africa based on Cold War alliances. We are more actively engaged in regional, sub-regional, and bilateral relations than ever before. Notwithstanding our engagement, we cannot always successfully influence events in Africa, as evidenced by the conflicts ongoing from the Horn, across the continent, to West Africa. Even so, our posture and influence in Africa is highlighted by the historic, first-ever U.S.-Africa Ministerial meeting, which attracted 46 sub-Saharan African countries and a number of African regional organizations in March 1999. President Clinton has forged a long-term partnership with Africa. UN Secretary General Kofi Annan, OAU Secretary General Salim Salim, and others have underscored their support for U.S. engagement and efforts to work with Africa to promote sustainable development, combat transnational threats, prevent the spread of HIV/AIDS, and create a brighter future for the youth of Africa.

Also, over the recent years there have been a number of successes and improvements in democracy and stability in Africa to which we have contributed: Mozambique, South Africa, Chad, Liberia, Guinea Bissau, and most recently, Nigeria. In June, South Africa will hold its second national democratic elections following its shedding of apartheid, and in Nigeria, a steady transition to civilian, democratic rule is well on track. Over half the region's countries will have completed a second set of national elections by the year 2000—this on a continent almost universally dominated by one-party states in 1990.

There are also a number of specific examples of our leverage and ability to influence key events in Africa. Although the border dispute continues between Eritrea and Ethiopia, the President was able to broker an important air strike moratorium between the two countries. A visit to Kigali by Assistant Secretary Susan Rice resulted in the Government of Rwanda publicly announcing that it had military forces operating in the DROC—an important admission for mediating the dispute in the



Congo. In the Horn, we influenced the establishment of a Permanent Secretariat in IGAD for exclusive support to the Sudan peace talks, and we are working toward the establishment of a continuous, sustained mediation process. Through U.S. initiatives, the IGAD process has been revitalized, and dialogue on the civil war in Sudan has resumed. Our direct involvement in the Burundi peace talks in Arusha has had a substantial impact on the direction and progress of negotiations in the Arusha Accords. In West Africa, we leveraged significant African and international support for the ECOMOG missions in Sierra Leone and Liberia. ECOMOG has become Africa's most consistent and reliable peacekeeping force. Finally, African endorsement of the African Crisis Response Initiative and the Department of Defense's African Center for Security Studies are also examples of the influence that we continue to enjoy in Africa.

These successes in Africa are due in no small part to our influence and programs that cross the entire spectrum, from conflict resolution to economic development, democratization, good governance, and respect for human rights.

Even with our successes, we readily admit that there are limits to our leverage in Africa, and that our ability to influence is not the same in all situations. Our leverage is amplified when we are able to move in partnership with African interests, and with the multilateral support of the Europeans and the UN. It is also amplified with the confidence and support of Congress—an essential element for us—as we address the magnitude of evolving challenges in Africa. In that endeavor, we need to better identify and address the systemic causes of conflict in Africa, including arms flows, illicit diamond and resource sales that finance the arms and sustain conflict, and the transnational entities that are entering into the equation more and more.

#### INVIOIABILITY OF AFRICAN BORDERS

*Question.* Since the end of colonialism, sub-Saharan African states have largely adhered to the principle that the inherited boundaries between them should remain inviolate and that the sovereignty and territorial integrity of African states should be respected. This principle is clearly spelled out in the charter of the Organization of African Unity and was cited by Robert Mugabe as one of the main reasons for Zimbabwe's involvement in the war in the Democratic Republic of the Congo. In the past two years, we have seen a gradual shift away from the principle, the most obvious example being the aforementioned war.

Have the rules among African states changed regarding the inviolability of borders and sovereignty?

If so, what are the implications for African international relations and interstate conflict, and how will this affect U.S. foreign policy in the region?

*Answer.* In recent years, as internal conflict has weakened several African countries, others with the ability to project force have intervened—sometimes at the request of the government, sometimes not. However, in general we do not believe the rules have changed among African states regarding sovereignty and the inviolability of borders. To abandon these principles, after decades of adherence to them, would only exacerbate instability in Africa. We believe that African governments on the whole continue to support these principles endorsed by the OAU. (NB—The Ethiopia/Eritrea conflict involves a border dispute over frontier locations.)

The DROC government invited Zimbabwe, Angola and Namibia to assist it in the fight against the rebels and the troops from neighboring countries who had violated the borders of DROC.

The United States spoke against the Angolan troops in Congo-Brazzaville and the non-invited forces in DROC.

Although three SADC states, led by Zimbabwe, have intervened militarily in the Democratic Republic of the Congo, SADC is also attempting to mediate the conflict there. We support these mediation efforts to secure a cease-fire and withdrawal of forces and have encouraged national dialogue in the Congo. We remain hopeful that mediation will succeed.

#### IRAQ: REGIME CHANGE

*Question.* What can you say today to assure the Iraqi people that were they to rebel against Saddam Hussein, that we would not stand idly by as we did in 1991?

*Answer.* The U.S. looks forward to the time when Iraq can be restored to its rightful place in the region, a time when the Iraqi people can once again be proud to be Iraqis. We do not believe this is possible as long as Saddam Hussein rules Iraq. We are working with Iraqis inside Iraq, outside Iraq and others who share the goal of regime change.

We have designated seven Iraqi based groups as eligible for assistance under the Iraq Liberation Act. We are considering what further assistance we could provide to them under the Act. However, we are not going to take any precipitate action that might risk more lives unnecessarily. We will proceed in a deliberate manner in addressing this very serious issue.

In the meantime, we continue to enforce the No-Fly zones in northern and southern Iraq. These zones were designed to prevent Saddam from using even more lethal air power against Iraqis living in the north and south.

As we have stated, we are also committed to responding should Saddam Hussein move against the people of the north.

Questions about any specific response we might take would have to be addressed to DOD.

*Question.* I'm sure that you are familiar with the plan advocated by some which calls for raising an "Iraq Liberation Army," inserting it in American-protected enclaves, and supporting it with U.S. military power as it marches toward Baghdad. What is your assessment of this plan?

*Answer.* In November, the President stated publicly that the U.S. supports regime change in Iraq. In accordance with the Iraq Liberation Act, the President designated seven Iraqi opposition groups as eligible to receive assistance under the Act. We are considering how to proceed.

We have of course heard a variety of descriptions for a plan for inserting Iraqi fighters into Iraq and supporting them. For a military assessment of the feasibility of such a plan and the likely USG commitment to either support or extract the Iraqi fighters, we defer to colleagues at Defense.

However, it must be clear that for any such plan to be seriously contemplated, the support of at least one neighboring country to provide logistical and other assistance would be essential. Our policy of continuing to contain Saddam while working toward regime change has met with mixed responses in neighboring countries. Most regional states agree stability and security would be well served by a new government in Baghdad. But they have traditional reservations about openly advocating what could be considered as interference in domestic affairs. They also have little confidence in the ability of Iraqis outside Iraq to be able to effect such change.

For our part, we believe that Iraqis outside Iraq have a role to play in the effort to achieve regime change through delegitimizing the regime, developing a unity and coherence of purpose and demonstrating through discussions and cooperative action that there can be a better future for Iraqis. However, we currently believe that Iraqis inside Iraq are better placed to effect serious regime change.

*Question* Do you envisage supplying lethal arms and training to Iraqi opposition groups? If so, when could that begin?

*Answer.* No decision to drawdown any goods or services under the Act has yet been taken. We are considering several options, among them the possibility of providing lethal arms, non-lethal equipment and training.

While we remain committed to implementing the Iraq Liberation Act, we are also committed to ensuring that our actions move the process toward a better day for the Iraqi people and do not needlessly or precipitately subject Iraqi citizens—or Americans who might be called upon to support or extract them—from unnecessary risk or loss of life.

*Question.* What incentives can you offer to a new leadership in Iraq? What can we do to guard against some of the dangers that might accompany regime change?

*Answer.* The biggest incentive for a new leadership in Iraq is clearly the possibility to lead Iraq forward into the community of nations where it can once again participate within the normal pattern of international discussion and interaction.

Such a future assumes that a new leadership would meet Iraq's outstanding obligations under the UN resolutions, be prepared to live in peace with its neighbors, respect its own citizens and maintain the territorial integrity of Iraq.

We are supporting Iraqis who have begun thinking and publishing about the key issues that a new government would face, from participatory government to debt restructuring to restructuring and renewing the key sectors of the economy, from oil to health. It seems clear to us that not only the U.S., but the entire international community would welcome such a new regime and seek to facilitate its re-entry into the family of nations as a proud and positive participant for peace. We would do everything we could to promote such a response on the part of the international community.

Regime change, once begun, is unpredictable. We are very conscious of this fact, as are the Iraqi people. That is why we want to work with groups inside and outside Iraq interested in creating a better future for Iraq so that they may work with greater coherence and mutual respect. Change, when it comes, must provide real

and lasting benefit to the Iraqi people. We are not prepared to precipitously advocate change—change that might inadvertently lead to great risk of Iraqi—or American—life.

But let me also be clear. We cannot and will not make these decisions for the Iraqi people. Change, when it comes, must be brought about for Iraqis by Iraqis. It cannot be imposed from outside.

*Question.* How effective do you believe containment has been in serving our fundamental objectives? Do you believe containment is eroding, or is it sustainable, especially given Saddam's continuing reckless actions and statements? Is there a tension between containment and an overt and aggressive policy of regime change?

*Answer.* Containment has been and remains a key U.S. and international policy in dealing with Iraq under Saddam Hussein. Containment, through the international sanctions and arms control regimes provided for in UNSCRs, has gone far to disarm Saddam of his weapons of mass destruction and to ensure that he does not have the ability to reconstitute those weapons. At the same time, by allowing Iraq to export oil but controlling the revenue from those exports, the UN has been able to mitigate the effect of sanctions on the Iraqi people by providing needed humanitarian assistance.

The U.S. and others have backed up the policy of containment through the threat of force and, when necessary through the use of force.

Since 1991, Saddam's regime has consistently refused to comply with Iraq's obligations to the international community. There is general frustration with Saddam's defiance of the international community, just as there is genuine concern about the long-term effect of sanctions on the people of Iraq. But there is no division about the fundamental issues: Iraq under Saddam Hussein must be disarmed and monitored and it must comply with its obligations under all the relevant UNSCRs.

After eight years of prevarication and obfuscation, it is plain for all to see that Saddam Hussein will not meet his international obligations. That is why we publicly have stated our support for regime change.

No other nation openly supports a policy of regime change. In fact, many nations have expressed concern with a policy that both seeks to force Saddam to cooperate with the international community while at the same time calling for regime change.

We agree that there is an inherent tension in the policy, but we believe firmly that containment must remain a pillar of U.S. policy until such time as there is regime change.

#### IRAQ: FRENCH AND RUSSIAN PROPOSALS

*Question.* What is your view of recent proposals on weapons monitoring and inspections made by France and Russia?

*Answer.* Neither the French nor the Russian proposal adequately addresses the dangers posed by Iraq's continuing refusal to disclose and destroy its weapons of mass destruction and long-range missiles as required by UN Security Council resolutions. Nor can we support lifting UN sanctions on Iraq until Iraq has complied with all of its obligations.

We are actively engaged with the French, Russians and other members of the Security Council to reestablish an effective disarmament and monitoring presence in Iraq.

A UN assessment panel is meeting now to review disarmament issues. We expect that its conclusions, due in mid-April, will provide a baseline for further Council discussion.

#### INDICTING SADDAM HUSSEIN

*Question.* Why haven't we sought a resolution in the U.N. Security Council to establish a Commission of Experts that would systematically gather evidence as a prelude to a possible war crimes prosecution of Saddam Hussein?

*Answer.* Saddam Hussein and members of his inner circle are responsible for numerous incidents that bear investigation as war crimes, crimes against humanity and genocide.

These incidents range from the use of chemical weapons against Iraqi civilians at Halabja and other locations in northern Iraq in 1988–89, to the ongoing draining of the southern marshes, to the use of civilian "human shields" to deter military operations. As I noted a year ago, Saddam Hussein is a "repeat offender." Finding a way to hold him accountable for these crimes is a key goal we have long supported.

We are supporting the work of a number of non-governmental organizations that are working to educate the international community about the war crimes of Saddam Hussein and his regime. We announced the first of these grants last week, to the INDICT organization, and we hope to support other groups, notably the Human

Rights Alliance and the International Monitor Institute, that are doing important work in this area.

To be successful, all of these efforts require a great deal of careful preparatory work on which we are well embarked. David Scheffer, Ambassador at Large for War Crimes Affairs is leading the effort inside and outside the USG to move this process forward.

#### RUSSIA: POLITICAL AND ECONOMIC STABILITY

*Question.* What is your assessment of Russia's prospects for maintaining a reasonable degree of stability in the near-to-medium term?

*Answer.* As President Clinton stated in Moscow in September, Russia can build a prosperous and stable future for itself if it completes the transformation begun seven years ago. As I said in Chicago last fall: "The drama of Russia's transformation from a dictatorship and an empire to a modern democratic state is far, far from over . . . A true and lasting transition to normalcy, democracy, and free markets in Russia is neither inevitable nor impossible. It is an open question, the subject of a continuing debate and struggle."

Russia has accomplished a great deal in its transformation in the last seven years. Three democratic elections, two for the Duma, and one for Presidency. Governments have been chosen according to procedures established in the Russian constitution. Russians enjoy more basic freedoms than ever before in this history, and those freedoms rest on better constitutional foundations. Those freedoms will be particularly important as Russia holds Duma elections in December and then Presidential elections in June of 2000.

Russia is going through difficult economic times. And there is no doubt that Russia's 74-year experience with communism makes a transition to a free-market economy a difficult one. No one is seeking to impose a specific type of market economic system, but economic realities exist that any country ignores at its own peril. Russia must deepen its reform effort if it wants to enjoy the benefits that increased investment (foreign and domestic) could bring. We should be supportive, but at the same time we must acknowledge it is up to the Russian leadership, together with the Russian people, to build sound economic policy that ultimately helps guarantee political stability.

#### RUSSIA: U.S. POLICY AND RUSSIAN DOMESTIC POLITICS

*Question.* How likely is Russia to have a new leader with whom we can deal? Are we beginning to prepare for a post-Yeltsin Russia?

*Answer.* U.S. policy has been to support Russia's transformation to a democratic, free-market oriented society, rather than any single leader or personality. President Yeltsin has been elected twice by the Russian people to serve as President of the Russian Federation. In that capacity we work with him and his government on issues of concern to our two countries.

At the same time, we maintain regular contact, through our Embassy in Moscow, with Duma deputies of all parties and with political leaders throughout the country. We also encourage regional leaders and Duma deputies to visit the U.S., some through U.S. Government-sponsored exchange programs.

Russia faces Duma elections in December of this year followed by Presidential elections in June, 2000. Although we are watching developments closely, it would be premature to speculate now on what might happen in Russian domestic politics in the next eighteen months.

#### QUESTIONS SUBMITTED BY SENATOR BROWNBACK

##### PA OUTLAWING OF MILITANT/TERRORIST ORGANIZATIONS

*Question.* Have all militant and/or terrorist organizations been outlawed by the PA as required by the Wye Memorandum?

*Answer.* The Wye River Memorandum obligated the Palestinian side to "inform the U.S. fully of the actions it has taken to outlaw all organizations (or wings of organizations, as appropriate) of a military, terrorist or violent character. . . ."

The Palestinians have provided to us a March 3, 1996 statement issued by the Palestinian Authority stating that a meeting of the Higher Palestinian National Security Council, chaired by Chairman Arafat, had decided to ban the activity of all paramilitary groups, including the armed wings of HAMAS and the Palestinian Islamic Jihad.

We have some questions regarding the legal status of this statement. We are discussing this with the Palestinians.

The Palestinian security services have been effective in taking action against those terrorist groups.

We continue to press the PA to do everything possible to prevent terror and to cooperate fully with Israel in this effort.

#### REVOLVING DOOR FOR PALESTINIAN PRISONERS?

*Question.* Has the "revolving door" policy whereby security offenders are subjected to token arrests and then released come to an end?

*Answer.* We have been outspoken publicly and directly with the Palestinian leadership that there can be no "revolving door."

Earlier this year, the Palestinians have released people without consulting us. We told the Palestinians of our dissatisfaction with how those releases were handled.

We have explored these releases of Palestinian prisoners thoroughly with both the Palestinians and the Israelis. Based on everything we know, we do not believe that the Palestinians have released individuals who pose a threat.

Although it is no longer being alleged that the PA released prisoners who were responsible for the killing of Americans, I want to make clear that we have investigated this issue thoroughly and, from all available information, there is no evidence that anyone suspected of such involvement has been released.

We believe the Palestinians recognize the seriousness of our message on the handling of any future releases, and have made some improvements in the mechanism for carrying out such releases.

The Palestinians will discuss these with us and the Israelis.

We made clear to the Palestinians that there should be no surprises in future releases.

#### ILLEGAL FIREARMS

*Question.* Could you tell us how many illegal firearms have been collected? How many do you estimate are still unaccounted for?

*Answer.* From early December through early February the Palestinians confiscated 124 weapons. We have not received updated figures since then, but we are aware that registration of weapons by Palestinian police is ongoing, with some confiscations as appropriate. Additionally, the Palestinian Civil police recently destroyed a number of munitions, explosives, and other confiscated materials.

We do not have an estimate for the number of illegal weapons in areas under PA jurisdiction. Clearly, there are grounds for concern regarding weapons possessed by extremist elements. Civilian Police statistics demonstrate an exceptionally low level of crime committed through the use of individually owned weapons; for example, there was only one recorded-armed robbery in all of 1998.

#### SIZE OF PALESTINIAN POLICE FORCE

*Question.* Have the Palestinians cut their police force to the agreed upon size of 30,000?

*Answer.* The Wye River Memorandum obligates the Palestinians to provide a list of its policemen to the Israeli side in conformity with the prior agreements between the Israelis and Palestinians.

It was agreed at Wye that the Palestinian police force should number no more than 30,000.

The Palestinians have prepared a list of all those who would remain in the trimmed-down police force. The Palestinians and Israelis have yet to come to agreement on how such a list should be handled, and that is the reason the Palestinians have not yet handed the list over to the Israelis.

The Palestinian have prepared and provided to the USG a list detailing the excess number above the agreed limit. We are encouraging the parties to come to agreement directly on this issue.

#### COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM FUNDING

*Question.* I am disappointed that the Administration did not request any funding for the Religious Liberty Commission formed by the International Religious Freedom Act. The budget made no provisions for the functions of the Commission which was authorized at \$3 million by last year's legislation. Can you please ensure that this \$3 million is included in both the FY 1999 Supplemental Appropriations bill and the FY 2000 Appropriations bill?

*Answer.* It is our understanding that the Congress intended the Commission to be independent. Specifically, the Act authorizes a Congressional appropriation to the

Commission, while not providing the Executive Branch with direct authority to fund the Commission.

The Act does, however, call on the Secretary of State to provide administrative support for the Commission.

Within tightly constrained Department resources, we have already allocated funds to facilitate the Commission's startup and administrative support (\$125,000 for the remainder of fiscal year 1999). We have also established an office of International Religious Freedom, headed by Robert Seiple, the Ambassador at Large for International Religious Freedom, and staffed by four professional officers.

While the Department will provide administrative support to the Commission, as called for in the Act, we must recognize that the Act did not appropriate money to support the activities of the Commission described in the Act. Without such an appropriation, the Commission will be unable to carry out its mandate up to its own expectations and those of Congress.

We hope that the Congress provides the \$3 million appropriation for the Commission under the authority provided in the Act.

#### FUNDING FOR RADIO FREE ASIA

*Question.* What is your budget submission for Radio Free Asia? Is this amount adequate to allow RFA to continue its 24-hour per day broadcasting to China, as well as to its other 5 mandated countries?

*Answer.* Of the FY 2000 appropriations requested for International Broadcasting Operations, \$23 million would be allocated for Radio Free Asia.

RFA is confident that this will allow it to continue its 24-hour per day broadcasts to China, as well as to fully maintain its regular broadcasts of two hours per day in the vernacular to Burma, Cambodia, Laos, North Korea, and Vietnam.

#### QUESTION SUBMITTED BY SENATOR COVERDELL

##### PROTECTION OF U.S. INVESTMENTS IN THE DOMINICAN REPUBLIC

*Question.* What specific actions are being taken to protect U.S. investments in the Dominican Republic and to guarantee the rights of U.S. companies in their contractual relations with the Dominican Government? Specifically, I am concerned at the Dominican Government's failure to comply in a timely manner with its contractual obligations to pay U.S. companies for services and products provided.

*Answer.* Protecting U.S. investment, resolving property and investment disputes, and ensuring that the Dominican Government respects its contractual obligations are at the forefront of our bilateral economic agenda.

Our Charge d'Affaires Linda Watt in Santo Domingo has been intensely involved in supporting the interests of U.S. independent power producers, which have particularly complained about difficulties in receiving timely payments. In addition, U.S. officials in Washington as well as in the Dominican Republic have been actively involved in pressing institutional reform in this sector, as well as across the economy.

Our Acting Assistant Secretary for Western Hemisphere Affairs, Pete Romero, has also raised our concerns on this issue, including directly to President Fernandez.

The Dominican Government has recently improved its payments records to U.S. independent power producers and has reaffirmed to us its readiness to work to resolve outstanding claims and to improve the investment climate.

#### QUESTIONS SUBMITTED BY SENATOR FEINGOLD

##### ANGOLA: RENEWED CONFLICT

*Question.* It is depressingly clear that the civil war in Angola has resumed with vigor, and I fear for the health and safety of all civilians. What are your observations about this turn of events in Angola?

*Answer.* We share your concerns about the impact of renewed conflict in Angola on innocent civilians. The administration has devoted over \$50 million annually since 1994 in support of humanitarian relief for the tens of thousands of Angolans displaced by the civil war. We continue to coordinate with other donors in responding to the humanitarian needs of the approximately 100,000 Angolans newly displaced by the upsurge in fighting, and believe UN humanitarian aid workers should have access to displaced populations throughout Angola.

In an effort to help ensure that this conflict does not result in gross violations of human rights, we have made clear to both UNITA and the Government of Angola (GRA) that they have an obligation to respect the rights of non-combatants, to treat

prisoners of war with dignity, and to ensure the safety of humanitarian aid workers assisting the victims of war.

Regrettably, this conflict is likely to continue for several more months, with additional civilian casualties, before a negotiated settlement becomes viable. The GRA has rejected new talks for now, and Jonas Savimbi's purported readiness to negotiate will not be taken seriously until he demonstrates that UNITA has taken concrete steps to fulfill some of its remaining obligations under the 1994 Lusaka Protocol. UNITA remains subject to three sets of UN sanctions that were imposed between 1993 and 1998. We are concerned, however, by reports that UNITA continues to use regional states as conduits for acquiring arms and munitions.

The Angolan people have suffered enormously during a quarter century of civil war. The international community must find a way to end this senseless conflict and provide ordinary Angolans the opportunity to live in peace. Accordingly, we are discussing with the Government of Angola and the UN secretariat a way to maintain a residual UN presence in Angola as a follow-on to MONUA, the UN peacekeeping mission in Angola whose mandate ended February 26. We envision UN personnel would help to coordinate humanitarian assistance, monitor human rights, and facilitate negotiations if and when the Angolan parties so desire.

In the meantime, the Administration will, in conjunction with the UN, and others in the international community, seek to stay engaged in the search for peace in Angola. We will continue to encourage the Government of Angola to undertake the social, economic, and political reforms needed to foster national reconciliation.

#### CONTINUED UN PRESENCE IN ANGOLA

*Question.* Specifically, what is your view about the potential for a continued United Nations presence in Angola?

*Answer.* We are hopeful that the UN can maintain a presence in Angola even after the MONUA force concludes its pullout.

The question is: what sort of presence will the Government of Angola agree to?

The Angolans have already said that they would welcome humanitarian workers and human rights monitors. The United States and its Security Council are working for something more—a political presence headed by a Special Representative of the Secretary-General that could play a good offices role in addition to observing and reporting on the security, humanitarian, and human rights situation.

We are still negotiating with the Angolans on this. We believe strongly that this resumption of war is fruitless since, in our view, the differences in the country cannot be resolved militarily. When the two parties finally realize this, we want the UN to be positioned to bring the Government and UNITA swiftly back to the peace table.

#### SIERRA LEONE

*Question.* The situation in Sierra Leone involves untold horrors against innocent civilians, yet it is unclear what the international community, and the United States in particular, is doing to assist the situation. Our support, until now, for the peacekeeping and humanitarian effort does not appear to be sufficient. What is U.S. policy in Sierra Leone at this time? Is there more we can do, and if so, what?

*Answer.* The Administration strongly supports the democratically elected Government of President Ahmad Tejan Kabbah and abhors the violence that rebel forces have inflicted upon the people of Sierra Leone.

The State Department is actively engaged in seeking an end to the tragic conflict in Sierra Leone. Our four-part strategy in support of Sierra Leone consists of: (1) support for regional diplomacy, (2) increased support for the ECOMOG peacekeeping force, (3) ending external support for the rebels, and (4) expediting humanitarian assistance for the people of Sierra Leone.

We believe that the effort of West Africans to resolve the crisis with a combination of diplomacy and peacekeeping is commendable and should be supported. The rebel attack on Freetown forced us to evacuate our diplomats from Sierra Leone on Christmas Eve. However, Joseph Melrose, our Ambassador to Sierra Leone, is making regular trips to Freetown to consult with Sierra Leone Government officials. The Rev. Jesse Jackson and other Department officials are also working closely with regional leaders and rebel representatives to help facilitate a dialogue between the Sierra Leone Government and rebel leaders that we hope will lead to a peaceful settlement of the conflict.

ECOMOG, the 12,000-man Nigerian-led West African peacekeeping force, is doing its best to restore peace and stability to Sierra Leone, but is woefully lacking in resources. Recognizing the need of the Sierra Leone people for security, the State Department is continuing to provide essential nonlethal logistical support to

ECOMOG. Moreover, we are urging our partners in the international community to join us in this support.

In FY 1998, the Department provided \$3.9 million in non-lethal logistical support for ECOMOG. So far in FY 1999, we have provided another \$4.0 million in non-lethal logistical support to ECOMOG and \$1 million in medical supplies and equipment to treat Nigerian ECOMOG soldiers wounded in Sierra Leone. The State and Defense Departments are developing a longer-term support package for ECOMOG which will include at least an additional \$5.8 million for non-lethal logistical support.

Britain recently announced a new £10 million (about \$16 million) assistance package to support ECOMOG and retraining of a new Sierra Leone Army. The Netherlands, Canada, Germany, China, Italy, France, Norway and Belgium have also come to ECOMOG's aid. However, much more is needed. Nigeria is reportedly spending a million dollars a day to support ECOMOG's Sierra Leone operation. With stronger financial support for ECOMOG operations, Nigeria's civilian government may be more inclined to leave its troops in Sierra Leone until there is peace and stability.

Reports that some African governments are supporting the insurgents in Sierra Leone are especially troubling. We condemn support to the rebels from any source and have made our position clear. In particular, we continue to press the Government of Liberia to stop the support for the rebels emanating from its territory and to play a constructive role in ending the conflict.

The humanitarian crisis in Sierra Leone is fundamentally driven by the rebel war, and the rebels brutality against the civilian population. Rebel violence prevents relief agencies from delivering assistance to those in need outside Freetown.

The United States is the largest donor of humanitarian assistance to Sierra Leone. USAID and the State Department have provided more than \$31 million in humanitarian assistance to Sierra Leone and Sierra Leonean refugees in neighboring countries since the beginning of fiscal year 1999. This includes food aid, support for refugees, emergency shelter, and medical, nutrition, water, sanitation and agricultural assistance delivered through non-governmental organizations (NGOs). In FY 1998, the United States provided Sierra Leone with more than \$55 million in earmarked humanitarian assistance for its refugees. Our assistance to Sierra Leone will continue at similar levels as long as there is a need and as long as security conditions permit humanitarian agencies to function.

#### SIERRA LEONE CRISIS: INTERNATIONAL AND UNITED NATIONS RESPONSE

*Question.* The human rights atrocities in the Sierra Leonean conflict have really challenged our imagination. What can the international community do to help improve this situation? Does it make sense to expand the United Nations monitoring arm, known as UNOMSIL? Why or why not?

*Answer.* We support the efforts of the democratically elected government of President Tejan Kabbah and ECOMOG peacekeeping forces to restore peace and stability in Sierra Leone. We are actively engaged in seeking an end to the tragic conflict in Sierra Leone along the two-track approach—diplomatic and peacekeeping—adopted by the West African heads of state and government at the October 1998 summit in Abuja.

The Nigerian military has provided the majority of the troops in the ECOMOG peacekeeping force that is attempting to curtail rebel atrocities, restore peace and stability, and pressure the rebels to begin negotiations in good faith. Ghana, Guinea and Mali are also contributing troops to this effort. A total of more than 12,000 troops have been deployed to date.

We and the British have provided logistical support to ECOMOG in Sierra Leone since May 1997. In FY 1998 the USG provided \$3.9 million in logistical assistance to ECOMOG in Sierra Leone, as well as 149 heavy duty trucks. We have committed our \$4 million total peacekeeping allotment for FY 1999 to support ECOMOG there, and are seeking additional funds for this purpose. The USG has also provided substantial humanitarian support in Sierra Leone.

Six ECOWAS countries are making diplomatic efforts to realize a lasting peace accord, urging the rebels to cease fighting and to pursue a dialogue leading to an end to the conflict and national reconciliation. Some of those West African governments have also strongly condemned support by external forces, primarily Liberia, to the rebels in Sierra Leone and the atrocities being perpetrated by the rebels against the civilian population.

The U.S. and UK have also lent their diplomatic efforts towards these goals. The UN Security Council and Secretary General Annan have repeatedly asked UN member states to assist the ECOMOG peacekeeping operation in Sierra Leone, however, the response has been very limited.



The UN Observer Mission in Sierra Leone (UNOMSIL) has never exceeded 40 of the 70 military observers authorized in July 1998. Its mandate is to help demobilize ex-combatants and to advise on human rights and on building a police force.

After the January 1999 rebel assault on Freetown, total UNOMSIL staff was reduced to eight. Staffing is now back up to fourteen. UNOMSIL's mandate is under review; we expect it to focus on facilitating a negotiated settlement.

If the parties to the conflict negotiate a settlement, then an expanded UNOMSIL might be asked to assist the demobilization of ex-combatants.

We will consider any proposed modification of UNOMSIL's mandate under the Administration's peacekeeping policy and in consultation with the Congress.

#### PEACEKEEPING IN SIERRA LEONE AND CAR

*Question.* Why is it that the United Nations has seen fit to conduct a major peacekeeping operation in the Central African Republic but has not proposed a similar operation for Sierra Leone?

*Answer.* The situations in these two countries are very different. In the Central African Republic, the UN mission MINURCA is a peacekeeping operation. In Sierra Leone, the UN Observer Mission UNOMSIL oversees a peace enforcement action led by a West African multinational force, ECOMOG. Both operations are appropriate in size and structure for their respective missions.

MINURCA guarantees security in the CAR's capital while the government implements crucial reforms. This reform program is based on a series of internal agreements on measures to promote national reconciliation and long-term stability.

MINURCA consists of a force of 1,350 troops, mostly infantry, who safeguard Bangui during this transitional period.

There is no settlement agreement in Sierra Leone, however. The Government of Sierra Leone and ECOMOG forces continue to fight a well-entrenched and brutal insurgency.

The U.S. views this conflict as a threat to regional stability, and we are providing substantial support to ECOMOG.

The UN has a limited monitoring and advisory role in Sierra Leone. UNOMSIL includes fourteen military observers, plus civilian political and human rights experts who report on the military situation and provide expert advice to the Secretary General's Special Representative.

The Special Representative relies on UNOMSIL's support in his efforts to promote a peaceful settlement among the belligerents in Sierra Leone.

We strongly support negotiations in Sierra Leone. Should talks result in a peaceful settlement, the UN might be asked to play a substantial role in implementing it.

We are prepared to examine any peacekeeping proposal for Sierra Leone in the light of the guidelines established by the Administration.

#### RADIO DEMOCRACY FOR AFRICA

*Question.* One of the major initiatives to come from the President's historic trip to Africa last year is his proposal for Radio Democracy for Africa, which the President again highlighted in his State of the Union address, seeking \$5 million in the current budget request. However, there are concerns about the impact a new program like this will have on VOA's mandate. How does Radio Democracy for Africa help the United States achieve foreign policy goals in Africa?

*Answer.* Like regular VOA programming, Radio Democracy for Africa (RDA) news and informational programs are guided by the VOA charter and journalistic code. By law, the news they offer must be accurate, objective, and reliable. Public affairs programming such as discussions, in-depth reports, roundtables, interviews, etc., are balanced, responsible and present a range of views on controversial issues of public importance.

RDA programs differ from regular VOA programs in that they are targeted to and focus intensively on particular countries and regions. News reporting on events in those countries is greatly increased, and most of the additional news is gathered by journalists who live in the targeted countries. For example, in Nigeria there has been intense coverage of the electoral process and the transition to democratic civilian government. In central Africa, there has been coverage of the armed regional conflict and of ethnic, humanitarian, economic and social issues. This highly targeted news can blunt the effectiveness of domestic disinformation campaigns that may be waged by state-controlled media or by irresponsible political organs such as the "hate" radio which spurred on ethnic violence in Rwanda in 1994. RDA keeps open the air waves to responsible parties and offers participation to those who have been pushed to the political margins.

In announcing Radio Democracy for Africa last year, the President said the VOA initiative would encourage progress toward freedom and democracy, respect for human rights, and an independent and objective media. RDA will have programming that promotes the U.S. policy goals in Africa, such as conflict resolution and formation of democratic institutions and an independent judiciary and civilian police forces. Discussion of debt relief, economic development and trade will also be featured in RDA programming. RDA will also strengthen both the public and private press by training reporters in objective journalism. In this way, RDA will build the capacity of an independent media.

#### SUDAN: PROSPECTS FOR PEACE

*Question.* What are the prospects for peace in Sudan?

*Answer.* We are not convinced the warring parties are ready to make peace. There are elements on both sides, however, that appear convinced that neither side can win a military victory.

We are currently working with other donors and with Kenya, which chairs the peace talks under the auspices of the Intergovernmental Authority on Development (IGAD), to invigorate the Sudan peace effort. Most significantly, we are planning to provide financial and technical assistance for a permanent secretariat devoted to ensuring a sustained, continuous mediation effort. We also are urging Kenyan President Moi to appoint a special envoy dedicated full-time to moving the process toward a peace settlement.

We and other donors also have formed a working group to devise ways in which we can use incentives and pressures to nudge the parties to negotiate seriously.

#### SUDAN: HUMANITARIAN ASSISTANCE

*Question.* What is the status of Operation Lifeline Sudan (OLS) and other humanitarian operations? What is the administration's position on the UN's February appeal for \$198.4 million in emergency humanitarian assistance?

*Answer.* Operation Lifeline Sudan (OLS) is now the largest emergency food delivery program in history, having surpassed the Berlin Airlift. Its job is complicated by warfare, floods, bandits, ruined infrastructure, disease and flight bans imposed by the Government of Sudan. Its performance has been remarkable in the face of these difficulties, although there have been inefficiencies for which we have criticized the OLS. OLS responded well, and has taken steps to improve its performance. This is the tenth year of OLS's operation. The continuing food shortages will end only when the Sudanese civil war ends.

The United States provides financial and diplomatic support to the Sudan peace talks sponsored by the Intergovernmental Authority on Development. We are now engaged with Kenya, which chairs the peace talks, and other donors to invigorate the peace process.

OLS's request for \$198.4 million is in line with previous years' requests. The United States typically pays about one third of OLS' costs with the remainder paid by other donor nations. We also provide funds to NGOs outside the OLS system which, unlike OLS, are able to operate in the face of the occasional flight bans imposed by the Government of Sudan.

#### SUDAN: EFFECTS OF U.S. STRIKE

*Question.* In the aftermath of the U.S. strike on the el-Shifa facility in Khartoum, has there been a backlash against the U.S. that has had an impact on either the humanitarian operations or the civil war?

*Answer.* The U.S. strike on el-Shifa has had no discernible impact on the humanitarian relief effort or on the civil war. A humanitarian ceasefire has been in place in Bahr el Ghazal, the region hardest hit by the famine of last year, since July 1998. Both the Government of Sudan and the SPLA have agreed twice to extend the ceasefire, now due to expire on April 15, 1999.

We had a difficult relationship with the Government of Sudan (GOS) before the el-Shifa strike and that remains the case today. Although the GOS withdrew its diplomats after the strike and told us our diplomats were not welcome in Khartoum, our two countries continue to maintain diplomatic relations. Since the el-Shifa strike, Under Secretary of State for Political Affairs Tom Pickering has met and exchanged correspondence with Sudanese Foreign Minister Mustapha Ismail, and Assistant Secretary of State Susan Rice and Director of East African Affairs David Dunn have met on separate occasions with Sudan's ambassador to the United States and with its charge d'affaires.

## SUDAN: IMPACT OF ETHIOPIA-ERITREA CONFLICT

*Question.* What has been the impact, if any, of the conflict between Ethiopia and Eritrea on the Sudanese civil war?

*Answer.* We are concerned that the Ethiopia/Eritrea conflict is having a negative impact throughout the region. Both countries were strong supporters of the Sudan peace process conducted under the auspices of the Intergovernmental Authority on Development (IGAD), but their energies and resources are now directed at one another.

Sudan has provided support to violent dissident groups fighting against both governments. We are concerned that Sudan may try to take advantage of the border dispute by encouraging such groups, particularly those active in Eritrea.

There are some indications that both Eritrea and Ethiopia have moved closer to the Government of Sudan since their conflict began. Ethiopia, for example, approved the resumption of air service by Ethiopian Airlines between Khartoum and Addis Ababa. However, we believe that Eritrea and Ethiopia are aware of the long-term danger Sudan poses and will remain cautious.

## UNCHR CHINA RESOLUTION

*Question.* Would the release of one or more prominent Chinese dissidents as part of a deal to drop a resolution condemning China at the U.N. Commission on Human Rights in Geneva be acceptable to you?

*Answer.* The United Nations Commission on Human Rights (UNCHR) in Geneva is an important multilateral mechanism for encouraging change in China. The Administration supports the Geneva process, and intends to participate vigorously in this year's Commission activities.

We are aware of Congressional expressions of support in favor of a resolution, and assure you that Congressional concerns were considered seriously in our decision to introduce a resolution condemning human rights practices in China.

Last year, our Government did not sponsor a resolution because of positive steps the Chinese had taken, but made clear that we were keeping our options open for the future.

We based our UNHRC decision not on a token gesture on China's part, but on overall human rights progress or retrogression over the year.

## CHINA: HUMAN RIGHTS

*Question.* What is your position on China's recent violations of human rights?

*Answer.* As noted in our recently released human rights report for China, the government's human rights record deteriorated sharply beginning in the final months of 1998 with a crackdown on organized political dissent.

We deplore the arrest, trial, and lengthy sentences meted out to individuals who sought to peacefully organize and register an opposition party in China. We have conveyed our concern to the Chinese Government publicly and through diplomatic channels, most recently during my March 1-2 visit to Beijing and during Under Secretary Pickering's March 15 meeting with Ambassador Li.

Our position is clear. We believe the Chinese Government should allow its citizens to peacefully express political and religious views and release all those held in violation of international standards for the exercise of these fundamental rights.

## EAST TIMOR

*Question.* What message have you given to the Indonesians on East Timor?

*Answer.* I visited Indonesia March 4-5. East Timor figured prominently in my discussions with senior Indonesian Government (GOI) and military officials. I also met with East Timorese leader Xanana Gusmao. I expressed deep concern with all my interlocutors about reports from East Timor of escalating political violence, human rights abuses, and growing humanitarian needs. I urged immediate adoption of measures to break the cycle of violence. I reiterated, for example, our call for a halt to distribution of arms to pro-Jakarta civilian militias, and for collection back of those weapons already distributed. I also expressed support for Xanana Gusmao's proposal for a council to promote dialogue and reconciliation among East Timorese.

Because recent GOI willingness to consider independence for East Timor, if East Timorese reject autonomy, had opened new opportunities for an enduring solution, I urged all parties to work constructively for realistic and peaceful transition arrangements to either autonomy or independence. I stressed that identifying credible means for determining the will of East Timor's people was essential.

I also stressed that preparations must begin immediately for a modification in East Timor's status, so that East Timor can succeed socially and economically. I be-

lieve that the international community must play both immediate and longer-term supportive roles in East Timor. In that context, I expressed U.S. support to the Indonesian Government for an expanded international presence on East Timor, in advance of a negotiated agreement, to reduce violence. I urged other confidence-building measures, including troop reductions.

#### CRITERIA FOR PRIORITIZING SECURITY UPGRADES

*Question.* You have said that no overseas embassy can now be considered a “low threat” post, if that is the case, what criteria are you using to determine how security upgrades are prioritized?

*Answer.* We believe the threat from transnational terrorism extends to all of our overseas posts. Following the attacks against our embassies in East Africa, all overseas missions, regardless of threat levels, were instructed to adopt “high threat” perimeter and access control standards, wherever possible.

The methodology currently in use by the Department to help prioritize major security upgrades combines political violence threat assessments, including profiles of the local security environment (capability of host government security forces, border controls, availability of explosives, etc.), with existing physical vulnerabilities of facilities. Priorities are also influenced by project feasibility, complexity and resources requirements.

#### SECURITY AND CHALLENGES AT AFRICAN POSTS

*Question.* Africa frequently has been considered a low priority for American foreign policy. In light of attacks that have already taken place against U.S. facilities on that continent, what measures is the Department taking to ensure that the security needs of U.S. African posts, beyond just Kenya and Tanzania, are given equal consideration to those of more high visibility facilities? What are the particular challenges U.S. diplomats face in Africa?

*Answer.* Let there be no doubt of this Administration’s increased attention to African foreign policy issues. In addition to the President and the Vice President, the Secretary of State and numerous other Cabinet level officials have visited Africa to address a whole range of foreign affairs matters. The just-concluded U.S.-Africa Ministerial is another example of this Administration’s commitment towards furthering its initiatives in Africa.

In the aftermath of the bombings in Nairobi and Dar es Salaam, the Office of Foreign Buildings Operations (FBO) and the Bureau of Diplomatic Security (DS) conducted a thorough analysis of the vulnerabilities of all American embassies. This assessment of chanceries worldwide is being used to help determine priorities for constructing new embassies—subject to the availability of funding. In recognition of the inadequate security conditions of our embassies in Africa, the assessment confirmed that the majority of chanceries in region are vulnerable to terrorist attacks. Funding to design and construct new facilities for some of the most vulnerable posts in Africa is included in the FY 1999 Emergency Security Supplemental, as well as the Department’s \$36 million request for worldwide security upgrades in FY 2000 and in the \$3 billion advance appropriation for FY 2001–2005. Posts in Africa are receiving equal attention when compared to other posts worldwide regarding security upgrades.

The challenges facing American diplomats in Africa today are similar to the ones that our colleagues faced thirty years ago—communicable diseases, poor host country infrastructure, political instability, and high crime, plus the palpable threat of transnational terrorism. While the current Administration has placed a greater emphasis on U.S. foreign policy toward Africa, years of insufficient funding for Embassy operations has taken its toll on maintaining our infrastructure at our posts in Africa. Although our employees are prepared to deal with the issues of urban crime and other difficulties overseas, the potential of terrorist attacks and the psychological impact that terrorism plays on the lives of their families makes serving in many African posts an even greater hardship than previously acknowledged. Additional funding will assist the Department in addressing this important issue.

#### CRITERIA FOR TROOP DEPLOYMENT TO KOSOVO

*Question.* What criteria will the Administration use in deciding whether U.S. troops should be sent to Kosovo?

*Answer.* Successful implementation of the agreement’s security provisions will require a robust international troop presence.

Troops are especially required to supervise Serb withdrawal and KLA demilitarization and related military tasks.

President Clinton has laid out the following key conditions for considering use of U.S. troops:

The parties must agree to a strong and effective peace agreement with an immediate cease-fire, rapid withdrawal of most Serb security forces, and demilitarization of the KLA.

The parties must commit to implement the agreement and cooperate with NATO. The mission of the force must be carefully defined with a clear and realistic exit strategy.

NATO is the only organization with the structure, experience and skills to succeed in such a complex military task.

Moreover, NATO's political and military cohesiveness is a great advantage that promotes the authority of the implementation force.

KLA confidence in NATO has been a key part of Kosovar Albanians moving towards a "yes" on the Rambouillet agreement.

Potential troop contributors, NATO partners, and the parties all have more confidence in NATO's capability and willingness for this mission than in that of other organizations.

#### AIR STRIKES STRENGTHEN MILOSEVIC

*Question.* Some have argued that NATO air strikes against Serbia would only strengthen the Milosevic regime and the resolve of the Serbs in opposing a peace agreement with the Kosovar Albanians. Please comment on this argument.

*Answer.* We disagree with this analysis.

NATO air strikes would degrade Milosevic's ability to pursue a military option in Kosovo and would undermine the willingness of his armed forces to carry out such a policy.

All indications are that neither the Serbian people nor the FRY military support Milosevic's further international isolation and confrontation for their country.

Air strikes would be planned to have maximum impact on the leadership and the forces they use to repress the civilian population of Kosovo, not on the Serb population at large.

In light of these factors, we expect air strikes to increase the pressure on Milosevic to accept the just settlement the Contact Group has proposed and the Kosovo Albanians have accepted.

#### QUESTIONS SUBMITTED BY SENATOR GRAMS

##### CONSENSUS AND THE UN 2000-2001 BUDGET OUTLINE

*Question.* It is my understanding that under Kassebaum-Solomon the U.S. must join in the consensus for every major budget decision. How was the Administration's decision to disassociate from the consensus on the budget outline consistent with that obligation?

*Answer.* The United States fully supports the practice of consensus decision-making as an effective tool to ensure that U.S. views are reflected to the maximum extent in decisions reached on UN budgets.

The value of consensus and our commitment to it is demonstrated by the fact that, over the past decade, the U.S. has been able to join consensus in enacting every UN regular budget, which over time have reflected increasing budget discipline (including, most recently, zero nominal growth).

Regarding the UN budget outline for 2000-2001, we made clear our opposition to exceeding the current budget level.

This outline, however, serves only as a guide for the preparation of the actual 2000-2001 budget.

Throughout this year-long process, the U.S. will continue to make our opposition evident and will fight to bring the budget in line prior to its final consideration before the General Assembly session in December 1999.

As part of this endeavor, we will continue to urge UN efforts to make additional savings.

#### WYE MEMORANDUM PACKAGE

*Question.* Madam Secretary, while I support the three-year, \$1.9 billion Wye Memorandum package, I am concerned about the ability of the U.S. to ensure that these funds are not diverted to purposes for which they are not intended. All too often U.S. aid is misused, wasted, or mismanaged. What auditing or monitoring mechanisms are in place to ensure the appropriate use of U.S. funds by the Jordanians and the Palestinians?

Answer. Auditing and monitoring mechanisms are in place to ensure the appropriate use of U.S. funds by the Jordanians and the Palestinians.

In every case, USAID works through contractors or non-governmental organizations which are chosen according to strict USAID procurement and contracting regulations, and are closely and carefully monitored by USAID. The contractors or NGOs also receive regular, comprehensive independent audits.

In the case of the Palestinians, no financial assistance is provided directly to the Palestinian Authority or the PLO. All funds are used for development projects for the benefit of the Palestinian people, including water and sanitation projects, private sector development, and rule of law/democracy.

With AID providing \$375 million in development assistance over the last five years, there has been a clean track record regarding accountability of funds.

#### BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

*Question.* Is the Administration still considering the possibility of creating a separate bureau for international exchanges and cultural affairs?

Answer. Such a bureau will be created. Congressional views were an important consideration in this decision.

The revised Reorganization Plan and Report of the President, sent to the Congress on March 31, makes known the decision to create a separate Bureau of Educational and Cultural Affairs once USIA integrates with State on October 1.

#### QUESTIONS SUBMITTED BY SENATOR WELLSTONE

*Question.* Do you intend to inform the Government [of China] that the U.S. is ready to sponsor a resolution on China at this U.N. Commission on Human Rights?

Answer. As Congress urged, the U.S. sponsored a resolution on China's human rights situation at the 55th session of the United Nations Commission on Human Rights. We tabled the resolution, which acknowledged progress China has made and discussed areas where serious problems remain, on April 16. We were successful in getting only one cosponsor, Poland, before the vote on April 23. Despite a vigorous lobbying effort we were unsuccessful in convincing any past cosponsor to sponsor again in 1999. The E.U., which had cosponsored the resolution with us in past years, declined to do so this year. Members of the E.U. also declined to co-sponsor the resolution in their national capacities. As it has every year that a China resolution has been tabled, the Chinese introduced a procedural no-action motion. This motion was passed 22 to 17 (a narrower margin than in 1997, the last time a resolution was tabled) and the resolution did not come to the floor for a vote.

We were disappointed by this outcome, but continue to believe that tabling the resolution was the right thing to do. It was also an important element of our policy of principled, purposeful engagement with China. Our primary goal in sponsoring the resolution was to focus international attention on the recent sharp deterioration in China's human rights record. We believed—and continue to believe—that there is no better place to do that than in the Commission, the world's preeminent forum on human rights. We have accomplished this goal, even though the Commission chose not to take action on our resolution.

#### CHILDREN IN ARMED CONFLICT

*Question.* As the use of child soldiers has gained international attention, the need for stronger international protections for children in armed conflict is becoming increasingly clear. In the last year, we have seen a number of initiatives in favor of establishing 18 as the minimum age for recruitment and participation in armed conflict, including a new United Nations policy establishing 18 as the minimum age for UN peacekeepers, resolutions adopted by the European Parliament and the World Council of Churches, and a growing number of countries that are evaluating their recruitment policies with a view to excluding those under 18 from military service. The U.S. Congress also passed a resolution in October that condemned the use of child soldiers, and urged the U.S. not to block efforts to establish 18 as the minimum age for participation in armed conflict. Given these developments and the urgent need for stronger protections for children, will the administration withdraw its opposition to an international ban on the recruitment or participation of children under 18 in armed conflict?

Answer. The United States strongly supports efforts to put an end to the use of child soldiers in conflicts around the globe. In recent years rebels, militias, and in some cases government forces have relied on child soldiers, some of whom are not even teenagers. With individual countries and through international agreements we have sought to stop this abhorrent practice.

Article 38(2) of the Convention on the Rights of the Child, like Additional Protocol I to the Geneva Conventions of 1949 (Article 77(2)), provides that states parties should take all feasible measures to ensure that persons who have not attained the age of 15 years do not take a direct part in hostilities, and that they are not recruited into the armed forces.

In negotiations on a proposed optional protocol to the Convention concerning involvement of children in armed conflict, the United States has supported provisions to set the minimum age of enlistment at 17 years and to impose an obligation on states to take "all feasible measures" to ensure that persons under 17 years of age do not take a direct part in hostilities. Such a requirement would be consistent with current U.S. law, which permits enlistment of persons age 17 with parental consent, as well as admission to the U.S. military academies.

Other participants in the negotiations support an 18-year age standard for both recruitment and participation in armed conflict. We continue to believe that a 17-year age limit is likely to achieve wider support in the UN General Assembly because it is easier to implement and more consistent with the laws of many states, including our own.

#### REHABILITATION OF FORMER CHILD SOLDIERS

*Question.* Accounts of the use of children as soldiers by the Lord's Resistance Army in Uganda, and in the devastating Sierra Leone conflict make clear that child combatants may suffer not only physical injury or disability, but also psychological damage or rejection by their home communities. Rehabilitation and social reintegration programs are essential to help former child soldiers regain a place in civilian society and help prevent their re-recruitment into subsequent conflicts. How is the need for the demobilization, rehabilitation and reintegration programs for former child soldiers in conflict areas being incorporated into U.S. policy?

*Answer.* The United States places the highest priority on assisting young children throughout the world who are victimized by human rights abuses such as forced recruitment and abduction.

We are committed to working with other governments, UN agencies, international and non-governmental organizations, and other partners to address this problem.

Specifically, we are working closely with the UN High Commissioner for Refugees (UNHCR) and UNICEF with respect to programs to rehabilitate children through counseling, reconciliation, education and vocational training in the hope that these methods will facilitate their reintegration into civilian society, help them readjust to being children, and prepare them to lead constructive lives.

In 1998, the United States contributed over \$7 million to activities for refugee children, including over \$4 million for UNHCR's Children-at-Risk programs, which highlights particularly those children affected by armed conflict, including child soldiers, and over \$2 million for the Liberian Children's Initiative, a joint UNHCR/UNICEF program to address the needs of children and youth in Liberia following seven years of war.

Because of the particular vulnerability of refugee and internally displaced children, the United States is working with UNHCR to strengthen its infrastructure and activities in order to better address the special protection and assistance needs of refugee children.

Specifically on the situation in Uganda, the United States condemns in the strongest terms the reprehensible acts of the Lord's Resistance Army and is helping the Ugandan Government in its efforts to end this terrible problem. The Northern Uganda Initiative, announced by the First Lady during a March 1998 visit to Uganda, is a 3-year, \$10 million project to provide targeted U.S. assistance where it is most needed. The United States is also providing monetary and training assistance to the Ugandan People's Defense Force (UPDF) to improve its effectiveness in defending Ugandans against terrorist and insurgent attacks from Sudan. The training includes a focus on respect for basic human rights. We are concerned that a military response is not enough and have encouraged the Government of Uganda to pursue in parallel a political track to resolve the crisis.

In Sierra Leone, USAID recently awarded a \$1.5 million grant to UNICEF for assistance to war-affected children, including documentation and tracing of unaccompanied children and reunification with their families, demobilization, elimination of the use of under-age combatants, and community reintegration of former child soldiers. In addition, to date in FY99, the United States has provided \$5 million in non-lethal logistical support to the West African ECOMOG peacekeeping force that is attempting to restore security and stability to Sierra Leone.

## Additional Material Submitted for the Record

PREPARED STATEMENT OF SENATOR JOHN ASHCROFT

Mr. Chairman, this hearing could not be more timely, in my opinion, to deal with an increasingly serious problem during this Administration: the disorderly definition of U.S. national interests abroad and the haphazard use of military force to achieve those objectives. The still-likely possibility that U.S. troops could be involved in Kosovo reinforces the longstanding concerns I have had about how our armed forces are being used.

Whether it be an inconsistent policy toward Iraq, or repeated deployments of U.S. troops for less than vital national security interests, our military forces are often left to compensate for the lack of foresight in this Administration.

The Senate is dealing with legislation right now to try and arrest declining readiness and morale in our armed forces, forces that are severely overextended. Defense spending has declined in real terms by 27 percent since 1990, but the pace of operations abroad has risen dramatically.

In the 1990s, operational missions increased 300 percent while the force structure for the Army and Air Force was reduced by 45 percent each, the Navy by approximately 40 percent, and the Marines by over 10 percent. Contingency operations during this Administration have exacted a heavy cost: \$8.1 billion in Bosnia; \$1.1 billion in Haiti; \$6.1 billion in Iraq.

Generally speaking, the success of our diplomacy has an inverse relationship to the number of times we send U.S. soldiers abroad. The number of deployments under this Administration is perhaps the most telling indicator of a incoherent foreign policy. In light of possible U.S. involvement in Kosovo, I would appreciate the Secretary addressing several issues.

- What is the vital national interest in Kosovo and what can be achieved by the deployment of U.S. forces there? The Administration has put itself in a difficult position where some sort of U.S. involvement in Kosovo is almost guaranteed. If a settlement is not reached, we probably will bomb with NATO warplanes; if the Serbs and Kosovo Albanians reach an agreement, we send as many as 4,000 U.S. troops to enforce the settlement. To what end is this commitment being made?

Nation-building exercises are questionable endeavors. Our forces have been in Bosnia two years past the original deadline, with no end in sight. Haiti's constitutional government is collapsing. Nation-building exercises are tying U.S. forces down in peripheral areas and undermining our ability to address real security threats.

- More generally, what is the Administration's policy on military intervention: If U.S. forces should be in Kosovo, where 2,000 people have died, should they be in Sudan, which has had 2 million casualties in its civil war? Should U.S. forces be in the Democratic Republic of Congo or Angola or the Caucasus?

These questions must be addressed. The American people need to have a clear understanding of when their sons and daughters will be placed in harm's way—they deserve a consistent policy for military deployment, not just a reactive diplomacy where U.S. soldiers are sent to the crisis receiving the most media attention.





## FISCAL YEAR 2000 ADMINISTRATION OF FOREIGN AFFAIRS BUDGET

THURSDAY, MARCH 4, 1999

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

The subcommittee met, pursuant to notice, at 2 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Rod Grams (chairman of the subcommittee) presiding.

Present: Senators Grams and Boxer.

Senator GRAMS. The hearing will come to order.

First, I would like to say that it is a pleasure to have Senator Boxer here in her new role as the ranking member of this subcommittee. We have worked together on international issues regarding trade in the past, and I am looking forward to working with her to ensure proper oversight of the U.S. foreign policy apparatus and international organizations.

The purpose of this hearing is to examine the administration's fiscal year 2000 request for the State Department's administration of foreign affairs budget. However, there is one aspect of this budget which is decidedly not routine. Namely, this is the first budget request that reflects that ACDA and USIA will be folded into the State Department.

Last year, I worked long and hard to pass the State Department reorganization bill, because I am convinced that, as a Nation, we are more likely to achieve our goals if we have a single voice representing the administration's position in the conduct of foreign relations, rather than a bunch of competing fiefdoms which undercut the authority of the Secretary of State.

This bill did not go as far as I would have liked—AID is not fully integrated into State—but I am hopeful that it too will occur. I am disappointed, however, that no savings are projected in this budget due to the consolidation. There must be administrative overlap, and I hope that is eliminated sooner rather than later.

And I must say that while I agree with most aspects of the President's reorganization plan, I do have a major concern that I know is shared by the chairman and ranking member of the Foreign Relations Committee. I believe that it would be a mistake to place the exchange and information functions into a single bureau. I was given a verbal commitment by this administration during the negotiations over the State Department reorganization bill—as was Senator Helms and Senator Biden—that exchanges would receive its own bureau with its own assistant secretary.

So, on a personal level, I hope the administration will act in good faith to remedy this oversight. On a policy level, the ability of exchanges to foster mutual understanding between nations could be jeopardized if they are viewed as just another propaganda tool. And there is a very real threat this would occur if exchanges are pared with information services that do use propaganda to influence opinion outside the United States. There is a reason that section 112(d) of the Fulbright-Hayes Act exists in law—to make sure the mission of the Bureau of Educational and Cultural Exchanges is not diluted.

I am afraid that the President's plan goes against both the spirit and the letter of the law in this area. I am prepared to introduce legislation to establish an assistant secretary for exchanges under the current caps if the administration fails to act on its own.

Another matter of the utmost importance is embassy security. Embassy security and maintenance is funded under the administration of foreign affairs budget, and in the past I have focused on this issue during these oversight hearings. Given that next week we will be having a full committee hearing with Admiral Crowe as a witness, I will save my questions for that time. However, I am going to take this opportunity to state that I do have several concerns with the administration's request for an advance appropriation for fiscal years 2001 through 2005 of \$3 billion for construction costs of relocating embassies at high security risk locations.

I want to make sure that these funds are not squandered and are spent on the intended purpose. I hope that both GAO and the State Department inspector general are being included in the planning stages, so that State's security program strategies overcome the problems encountered in the Inman program. I would like to discuss moving up the funding to fiscal year 2000, and would even be amenable to increasing the funding. I would be happy to work with the administration to draft an appropriate authorization for such funding, but I will oppose just writing a check from the taxpayers' bank account without any safeguards in place.

With that, I would like to welcome our witnesses: the Honorable Bonnie Cohen, Under Secretary for Management at the Department of State; Mr. Benjamin Nelson, Director of the National Security and International Division at the General Accounting Office; and Ms. Jacquelyn Williams-Bridgers, Inspector General at the Department of State.

Ms. Cohen, we will begin with you.

**STATEMENT OF BONNIE R. COHEN, UNDER SECRETARY OF  
STATE FOR MANAGEMENT**

*[Under Secretary Cohen was accompanied by Pat Kennedy, Assistant Secretary for Administration; Janice Bay, Principal Deputy Assistant Secretary, Bureau of Personnel; Donna Hamilton, Consular Affairs, Department of State.]*

Ms. COHEN. Thank you very much. I am pleased to be here today to discuss management issues at the Department of State.

United States foreign policy is a cornerstone of domestic well-being. The cold war may be over, but global issues challenge the fundamental tenets of democracy and free trade. Events around the world affect our everyday lives, from jobs to mortgage rates to the

price of vegetables. Corruption, terrorists and narco-traffickers threaten the global system on which our Nation's prosperity depends. We must be active and vigilant, as the Secretary has said, to confront these issues in order to preserve and protect America's power and position in the new century.

The Department of State, as you know better than I, is the overseas platform on which America conducts its policy, encourages agricultural exports, and combats international terrorism and drugs, among many other activities. To carry out its global responsibilities, the Department of State maintains about 260 diplomatic and consular posts which provide the necessary infrastructure for about 30 other U.S. Government agencies. Our diplomatic posts not only carry out our relations with foreign leaders, they also assist American citizens, support U.S. business and develop the extensive local contacts that are essential to effective relations.

When we discuss the operations of the Department of State, we are talking about helping the more than 6 million Americans who are issued passports in the United States annually and the almost quarter-million Americans who need passports while overseas, often to replace ones they lost.

Our embassies assist with over 2,000 child custody cases, over 6,000 missing person searches, 3,000 repatriations, more than 400 emergency medical evacuations, and more than 15,000 overseas adoptions a year. They also provide assistance on the deaths of about 6,000 Americans abroad each year, helping families and other loved ones as they deal with foreign regulations. In 1997, there were about 5,700 prison visits to Americans by consular officials abroad.

Tourism is the second or third largest industry in America, and international tourism is one of the most important components of this. Our missions issue visas to almost 6 million foreigners who visit the United States as tourists each year, and screen each visa applicant to prevent illegal immigration, protecting us against terrorism and felons. Over 1.5 million non-immigrant visas were refused last year.

We issue travel warnings for countries to which we consider it unsafe for Americans to travel, and we have currently about 30 warnings in effect. In 1998, we issued 69 travel warnings. In addition, we carried out 17 evacuations of Americans during crises around the world.

We support American business overseas, reducing trade barriers, ensuring a level playing field, and increasing opportunities for U.S. business in foreign markets.

The U.S. Government, operating under the State Department umbrella overseas, fights crime and combats terrorism on an international scale. Through law enforcement training, technical assistance, extradition treaties, mutual legal assistance agreements, and information exchanges, we combat firearms trafficking, alien smuggling, money laundering, and more. In fact, law enforcement is the fastest growing area of our activities overseas.

Today, more than ever before, U.S. diplomacy is a direct reflection of our domestic priorities. Agencies from EPA to Defense, to Transportation, to HHS and CDC, are represented in our embassies. In my first year and a half at the Department, I have been

struck again and again by the scope and complexity of our operational requirements and the need for additional resources.

The state of disrepair of many of our buildings overseas is actually shocking. And as to security, our top priority, over 80 percent of our embassies do not have adequate setback from the street and are in need of substantial upgrade. You will be hearing about that in detail at your hearing next week.

In the last 2 years, with Congress' bipartisan help, we have begun to reverse this erosion in diplomatic readiness. In particular, I would like to thank you for your bipartisan support of the President's \$1.4 billion request for the emergency supplemental appropriation this summer.

As you know, though, we face major management challenges. But we are addressing them, even within the resource constraints. First, we have brought on board new leadership in some key management areas:

Assistant Secretary for Diplomatic Security, David Carpenter, who will be testifying next week, took his post immediately after the August bombings, and brings to the Department 26 years of experience with the Secret Service. He is the first Assistant Secretary for Diplomatic Security with a law enforcement background.

Chief Financial Officer Bert Edwards brings 34 years experience in public sector accounting at Arthur Andersen, the international accounting firm, where he was a partner and a consultant.

And Chief Information Officer Fernando Burbano joined the Department in May last year after being Director of Information Systems for the National Institutes of Health. And of course you know the depth of experience and capabilities of Pat Kennedy, Assistant Secretary for Administration in the Department.

Pat is leading up the reorganization effort that you talked about, and he will describe it right now.

Mr. KENNEDY. I appreciate very much this opportunity. As you have noted, our interest and support of reorganization is substantial, and they reflect the high priority both the President and the Congress give to this endeavor. The Foreign Affairs Reform and Restructuring Act requires the President to submit a detailed plan and report to the Congress, which he did on December 30. The administration may need to submit some revisions to this plan and report.

We have received a number of comments from the Congress, including this committee, within the last week. And I will be meeting personally with the Secretary next week, when she returns from the Far East. We are giving all of these views expeditious consideration, to enable the President to make any appropriate revisions within the 90-day clock.

We are continuing extensive planning as we move quickly in implementation as the 90-day clock period draws to a close. This planning involves everything from personnel and floor space to how best to assure that the key missions of public diplomacy, arms control and nonproliferation and sustainable development have their rightful place in the new organization. In this regard, on February 2, Secretary Albright wrote welcoming letters to the heads of the other three affected agencies, ACDA, AID and USIA. They high-

lighted the importance of these missions and note our plans for new structures in the Department.

The Secretary and others have held a number of town meetings and other discussions with employees both here and abroad. Information is on our Internet Web site, and our Foreign Service Institute will shortly conduct a special course for in-coming State Department employees. In short, we are doing all that we can to ensure that the reorganization is implemented in an open and transparent environment.

And, going to the point the chairman made, we have every intention of identifying and making savings in this activity. However, to be frank, Mr. Chairman, we do not believe that we are going to be seeing those savings in the first year. The cost of merging and amalgamating computer systems, personnel systems, and even the physical plant of the three agencies will push those savings off into the outyears. But the Secretary has made it very clear, in open discussions and in private discussions with me, that she expects me to find and identify those savings and identify them to Under Secretary Cohen.

Ms. COHEN. If I could continue just with some of the management changes that have occurred. I know some of these have been of concern to you in past years. One has been the sale of excess property overseas. We have instituted a new panel that involves not just the leadership of the Department, but people from other agencies outside the Department.

In an instance where we have identified a surplus piece of property but there is some question as to whether it will be sold. We have independent people looking at it. In addition, we have signed a memorandum of understanding with the I.G. that as she and her team make tours around the world to our posts, they will be looking for surplus property and making recommendations to us.

We also had a Harvard Business School study done of our procedures last year. They had suggestions on ways we could benchmark how well we are doing but, on the whole, thought we were doing a pretty good job.

We have an unqualified audit opinion for 1997, and we anticipate that in 1998. We will be ready within the Department for the year 2000. As of the end of March, we expect to be about 90 percent implemented. We are rolling out around the world two major new computer systems. One is the ALMA system, which people use every day to do their work in embassies.

The other is the consular system which we use for looking up visa applicants and clearing them. In both cases, we have teams of Americans that have been cleared to go around the world installing these systems. In both cases, we have installed the systems and they are working in our busiest posts. And we will be done come this summer. So, we are on schedule with those systems.

In addition, we are active with John Koskinen—and I will be testifying tomorrow before Senator Bennett—on the international implications of Y2K and the steps we are taking. We have taken two steps in the Department. We have issued our first travel warning to Americans, telling them to be aware of this as they make their travel plans for the new year.

In addition, we have sent out a notice to our employees around the world, asking essential employees—telling essential employees—to be on duty, basically, over the new year's period in case there are problems for Americans overseas.

I would like to touch, though, on our personnel resources, which are really quite limited. The need for adequate training competes directly against the need to have personnel in the field. People simply cannot be in training and performing their activities at the same time.

In 1998, again with support from Congress, we were able to begin to address these challenges by stabilizing employment at the 1997 levels. We have initiated more aggressive hiring programs. One of our biggest areas of employment gap was information processing people. We had a vacancy of 200 people in a work force of about 1,100. We are having a lot of trouble recruiting.

Last Saturday, we had our first open house at the Foreign Service Institute. We advertised on the Internet, in the Post, at all the colleges, at all the junior colleges, in the technology newspapers, and we got over 1,100 people to come. We had screening there so they could be tested and fingerprinted. And we were able to give something like I think 150 offers, pending clearance. And it was a very interesting group of applicants because, on the whole, they were people with work experience and very diverse. So, we are encouraged about their response.

In addition, we have a contract with STG and McKinsey & Company to examine our ability to attract, retain and develop executive talent in the State Department. This is a real concern, I think, of the Secretary's and mine. The State Department has been known for years to be able to attract some of the best people to Federal service. And with the unemployment rate so low in the United States, we want to be sure that we can continue to attract and motivate people into our jobs.

So, we are studying that with McKinsey, who has done a similar study of 80 of the most successful corporations in America—many of them the California corporations that Senator Boxer talked about—to see how they attract and retain people. So, we hope to learn from that. We should have those results in a couple of weeks.

We are obviously very active in implementing the border crossing card program. We do not anticipate that the Government as a whole will meet the October 1 deadline. We have to have more support in the INS area.

As we have outlined, the Department is making strides to address a range of management issues and to improve our ability to do America's important business around the world. With your assistance, we can work to sustain these programs and the people we need to serve America and our Nation's interests.

Thank you.

[The prepared statements of Ms. Cohen and Mr. Kennedy follow:]

PREPARED STATEMENTS OF BONNIE R. COHEN, UNDER SECRETARY OF STATE FOR MANAGEMENT AND PATRICK KENNEDY, ASSISTANT SECRETARY OF STATE FOR ADMINISTRATION

Under Secretary COHEN. Thank you very much. I am pleased to be here today to discuss management issues at the Department of State.

U.S. foreign policy is a cornerstone of domestic well-being. The Cold War may be over, but global issues challenge the fundamental tenets of democracy and free trade. Events around the world affect our everyday lives, from jobs to mortgage rates to the price of vegetables. Corruption, terrorists and narco-traffickers threaten the global system on which our nation's prosperity depends. We must be active and vigilant, as the Secretary has said, to confront these issues in order to preserve and protect America's power and position in the new century.

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- When we discuss the operations of the Department of State, we are talking about helping the more than 6 million Americans who are issued passports in the U.S. annually and the almost quarter million Americans who need passports while overseas, often to replace the ones they lost.
- Our embassies assist with over 2,000 child custody cases, over 6,000 missing person searches, close to 3,000 repatriations, more than 400 emergency medical evacuations, and more than 15,000 adoptions a year. They also provide assistance on the deaths of thousands of Americans abroad each year—about 6,000 in 1997—helping families and other loved ones as they deal with foreign regulations. In 1997, there were about 5,700 prison visits to Americans by consular officers abroad.
- Tourism is the second or third largest industry in America. International tourism is one of the most important components of this. Our missions issue visas to the almost 6 million foreigners who visit the U.S. as tourists each year and screen each visa applicant to prevent illegal immigration, protecting us against terrorism and felons. Over one and a half million non-immigrant visas were refused in FY 1998.
- We issue Travel Warnings for countries to which we consider it unsafe for Americans to travel. We currently have 29 Travel Warnings in effect. In 1998, we issued 69 Travel Warnings, approximately twice the number issued in 1997. We often use Public Announcements to disseminate information on credible and specific threats to the American public or American interests. In 1998, we issued 137 announcements, up from 110 in 1997.
- In addition, we carried out evacuations of Americans during 17 crises around the world last year.
- We support American businesses overseas, reducing trade barriers, assuring a level playing field and increasing opportunities for U.S. business in foreign markets. In 1970, trade with other countries contributed only 11 percent of total Gross Domestic Product (GDP). In 1997 foreign trade accounted for 25 percent. As the world's largest exporter, the U.S. exported a total of \$932 billion in goods and services during 1998, a 51% increase from the 1992 level of \$617 billion.
- The U.S. Government, operating under the State Department umbrella overseas, fights crime and combats terrorism on an international scale. Through law enforcement training, technical assistance, extradition treaties, mutual legal assistance agreements, and information exchanges, we combat firearms trafficking, alien smuggling, money laundering, and more. We are fighting illegal drugs with our colleagues in other branches of government. Currently over 6% of Americans operating in U.S. missions overseas are involved in law and drug enforcement. And law enforcement personnel are the fastest growing segments of our missions.

Today, more than ever before, U.S. diplomacy is a direct reflection of our domestic priorities. Agencies from EPA to Defense to Transportation to HHS to CDC are resident in our embassies, and Department employees comprise only one-third of our civilian presence abroad.

In my first year and a half at the Department, I have been struck again and again by the scope and complexity of our operational requirements and the need for adequate resources. In the last seven years, the real dollar budget of the Department of State has declined in response to the creation of new states in the former Soviet Union and in Eastern and Central Europe. At the same time our workload in some areas like passport and visa issuance has increased by more than 20%. This geographic expansion with no reduction in functions has clearly stretched State resources thin, and the impact of this erosion is felt not just in the Department of



State, but by all the agencies for whom the Department provides an overseas platform. It is one of the causes of many of the management challenges we face.

The state of disrepair of many of our buildings overseas is shocking. As to security, our top priority, over 80% of our embassies do not have adequate setback from the street and are in need of substantial security improvements. For example, our posts in China are overcrowded and seriously in need of improvements in safety and security. At our Embassy in Beijing, sewer gas leaks through the building. This Department needs a sustained infusion of funds for building security, people and training, or we will not be able to maintain our worldwide activities. We will not be able to offer U.S. Government employees, and everyone who does business with the Department, a safe, secure, and well-managed environment. Remember that in Nairobi, over 240 Kenyans were killed, and 5,000 wounded.

In the last two years, with Congress's bipartisan help, we have begun to reverse this erosion in diplomatic readiness. In particular, I would like to thank you for your bipartisan support of the President's \$1.4 billion request in the FY 1999 Emergency Appropriation. In the aftermath of the horrible terrorist bombings of our embassies in Nairobi and Dar es Salaam last August, your help made it possible to respond quickly to provide medical and other assistance to the bombing victims, begin the restoration of our operations in Kenya and Tanzania, and implement important additional security measures at our diplomatic missions worldwide.

As you know, though, we face major management challenges, but we are addressing them even within these resource constraints. First, we have brought on board new leadership in some key management areas in the past year. Assistant Secretary for Diplomatic Security David Carpenter took his post immediately after the August bombings and brings to the Department 26 years of experience with the Secret Service. He is the first Assistant Secretary for Diplomatic Security with a law enforcement background. Chief Financial Officer Bert Edwards brings 34 years experience in the public sector at Arthur Andersen, LLP, the international accounting firm, where he was a partner and consultant. Chief Information Officer Fernando Burbano joined the Department in May last year after several years of public and private sector experience in the information technology field, including as Director of Computer and Communications and Director of Information Systems for the National Library of Medicine at the National Institutes of Health.

And of course you all know of the depth of experience and capabilities of Pat Kennedy, Assistant Secretary for Administration at the Department. I now turn to Pat to tell you where we stand on the integration of ACDA and USIA with the State Department.

Assistant Secretary KENNEDY. Thank you for this opportunity to address the status of reorganization efforts. They are substantial, and reflect the high priority the President and the Congress give to this issue.

The Foreign Affairs Reform and Restructuring Act requires the President to submit a detailed Plan and Report to the Congress, which he did on December 30. The Congress has 90 days to review it. The Administration may need to submit some revisions to the Plan and Report. We have received a number of comments from the Congress, some in the last few days. We are also in touch with NGOs and others who are expressing interest in reorganization. We are giving all these views expeditious consideration, to enable the President to make appropriate revisions within the 90-day clock.

We are continuing intensive planning so we can move quickly on implementation as the 90-day clock ends. Planning involves everything from personnel and floor space to how best to assure the key missions of public diplomacy, arms control and nonproliferation, and sustainable development. In this regard, on February 2 Secretary Albright wrote welcoming letters to the heads of the other three affected agencies—ACDA, USAID, and USIA. They highlight the importance of these missions, and note our plans for new structures in the Department.

The Secretary and others have held a number of town meetings and other discussions with employees, here and abroad. Information is on an Internet web site, and FSI will conduct a special course for incoming State employees. In short, we are doing all we can to ensure that reorganization is implemented in an open and transparent environment.

I will be pleased to answer your questions.

Under Secretary COHEN. Thank you, Pat. I would now like to say a few words about strategic planning at the Department.

#### *Planning*

Our goal this year is to bring the Department's Performance Plan into closer compliance with GPRA using new technology to tie our posts in the field, our bureaus

in Washington and ultimately our sister agencies to create one overarching foreign policy planning document. We believe the progress we have made this year is an important step in this direction.

With the incorporation of significant improvements in both data collection and the use of information technology, we have streamlined and greatly enhanced our ability to tie resources to our strategic goals. This year we will be using a website to provide guidance to our posts abroad on every aspect of the preparation of their Mission Performance Plans. In addition, information collected in this year's Mission Performance Plans will automatically roll-up into a global data base, allowing our bureaus to integrate the collected information into their Bureau Performance Plans. The software for these improvements was developed over the second half of 1998 and was tested in Washington in January and February this year. It has been deployed to all of our missions overseas.

In addition, the Department received an unqualified ("clean") opinion on our Fiscal Year 1997 Financial Statements. The Department is one of only eleven major U.S. Government agencies to have done so. We expect to repeat this for FY 1998 in the audit currently being completed.

#### *Y2K and Information Technology*

Turning to the Y2K issue, let me first say, the Department of State will be ready for Year 2000. And in stating this, we appreciate the emergency funding the Congress has approved to help us do so.

Year 2000 readiness is one of our top priorities and the highest levels in the Department are actively involved in its management. Secretary Albright has raised the Y2K issue with foreign leaders and will continue to do so. We are confident of our progress and in particular I would highlight:

- By the Administration's deadline of March 31, 1999, over 90% of our mission critical systems—55 out of 59—are projected to be fully implemented. As of March 1, 66% (39) of the mission critical systems are compliant and implemented, and another 11 systems are compliant and in the process of being implemented globally.
- Moreover, the Department's internal telecommunications, building facilities and embedded systems are going to be fully compliant before year 2000. Command and control telecommunications in use now are compliant. The Department's core financial management systems are Y2K compliant and implemented.
- The National Passport Center (NPC) in Portsmouth, New Hampshire, is issuing 60,000 passports a week using a new Y2K compliant system. The Department of State has been issuing passports that expire in 2000 and beyond since 1990. In addition to the NPC in Portsmouth, the passport office in New Orleans also will have the new, more secure photodigitization system installed soon. Together, Portsmouth and New Orleans provide 50% of our passport issuing capability.
- I am pleased to report that all the consular visa issuing systems will be Y2K compliant and implemented by March 31, 1999.
- In addition, we have completed installation of our large-scale infrastructure modernization program, A Logical Modernization Approach (ALMA), in over 75% of our overseas missions. ALMA is the Department's worldwide standardization of unclassified computers to replace obsolete systems and software, including e-mail. When we complete ALMA deployment in June 1999, 229 of our overseas missions will have modern, Y2K compliant computer systems in place.

A further difficulty for the Department's already complicated procurement and shipping requirements is that for many systems to be deployed to posts overseas, security-cleared teams are necessary to accompany and install the equipment. Identifying qualified technicians and computer experts and processing security clearances to implement Y2K compliant systems at our embassies and consulates poses unique challenges, as well as additional costs.

As of today, a Department-wide moratorium on information technology systems development not related to Y2K solutions has resulted in deferring 26 such projects. This moratorium is going to be extended to changes proposed for operating systems and applications until Year 2000 is behind us, allowing concentration of personnel and funding resources on Y2K business continuity and contingency planning.

Moreover, because of possible risks to our own operations from internal and external sector failures, we are developing business continuity and contingency plans, reflecting the Department's responsibilities, both domestically and overseas. Many of the systems being renovated support the Department's primary responsibilities of protecting American citizens abroad, pursuing United States' political, economic and security interests, and ensuring the safety of our own staff and facilities. To do so, we are taking the following initiatives:

- The Department has already issued its first Y2K travel Public Announcement, alerting American citizens to be aware of potential problems.
- Each of our embassies is assessing its host country's vulnerability and readiness for Y2K. In coordination with the National Intelligence Council (NIC), those assessments will be analyzed with other reports to compile an overall picture of countries and sectors at risk. That analysis should be complete in May.
- The Secretary has instructed each Chief of Mission to prepare a Y2K contingency plan by April 16, 1999, to address internal post readiness and country vulnerabilities in order to ensure that we can carry on our most important business functions.
- We are establishing an Emergency Response Y2K Task Force to supplement our existing response capability in case of serious infrastructure failure in multiple countries.

The more important point here is that the Department of State will be ready for year 2000 and able to meet its responsibilities both to pursue our nation's diplomacy and to continue to serve the American public.

With the funds received in FY 1997 and FY 1998 for information technology, we have focused domestically on upgrading our messaging, mainframe computer, and network systems. Overseas, we are replacing our telephone and radio systems, and, through the ALMA program, we are modernizing our infrastructure and are aggressively reducing our dependence on obsolete computer technology. In addition, we are devoting significant resources to modernize the Department's classified and unclassified e-mail capabilities and Internet access. We have for example, provided thirteen bureaus with the CableXpress system which makes possible telegram distribution from the desktop, and we have established 1,000 accounts for full Internet access.

The Department also acquired, installed and began operation of several major new mainframe computer systems supporting a variety of corporate mission critical applications, including consular, financial and personnel management programs. In order to enhance information systems security, the Department upgraded our IT security infrastructures, deployed new network intrusion detection and response capabilities, and invested in extensive training to improve our employees' awareness and skill in maintaining IT security.

I believe it is important to note in this connection a unique aspect of the Department's IT infrastructure. Not only do we have to maintain a world-wide network to link the Department with our 260 diplomatic and consular missions overseas, but because of our concern for the security and integrity of diplomatic communications we must also maintain two separate telecommunications systems—one classified and one unclassified. This is expensive but it is necessary until reliable modern multilevel security systems are invented.

I would also like to note that the Department during the past year has strengthened information technology management by realigning the office of information management, formerly of the Administrative Bureau, to the office of the Chief Information Officer. This realignment formed the basis for a new Information Resource Management Bureau, which has consolidated IT programs under the leadership of one central office and the CIO.

#### *Personnel/Training*

Our most difficult choices involve how best to allocate our limited personnel resources. The need for adequate training competes directly against the need to have personnel in the field—people simply cannot be in training and be performing important activities overseas at the same time. We are constantly looking for improved ways to train our people—for example, finishing Chinese hard language training at post—but the basic fact is that training is a resource-intensive activity. For many years, the Department hired below attrition, resulting in staffing shortages and gaps in critical jobs. We are working to address these problems; however, last year, almost 40% of language-designated positions were filled with officers lacking the requisite skills.

We need to make headway in solving these issues if the Department is to attract and retain people with the skills we need as we enter the 21st century. At this time of low unemployment in the U.S. economy, we are having increasing difficulty attracting skilled individuals to the Foreign Service, particularly in the administrative and consular areas.

To further exacerbate our staffing situation, there will be a significant increase in Civil Service retirements. We project that between 1998 and 2010, over 1,200 out of our 5,000 Civil Service employees at State will become eligible to retire. These departures will dramatically undermine the Civil Service continuity in the senior level management and policy positions.

In FY 1998 we were able to begin to address these challenges by stabilizing our employment at FY 1997 levels. We have initiated more aggressive hiring programs. This past Saturday, February 27, we held a widely-advertised job fair to recruit both Civil and Foreign Service information technology specialists. Approximately 1,400 people attended, and we processed over 1,100 Foreign Service and Civil Service applicants on Saturday. Thus far we have made 100 conditional offers for the Foreign Service, with more to come. 75 more applicants will take the Foreign Service exam this week. The Department also made 22 Civil Service job offers, and we expect to be able to offer 80–100 more this week.

In addition, the Department has contracted with STG, Inc. and McKinsey & Company to examine our ability to attract, retain and develop executive talent. They have surveyed Civil Service and Foreign Service senior managers, senior-level personnel, and mid-level employees. We are particularly interested in the mid-level employees, since they will be the Department's leaders in the next 10–15 years. The surveys asked each of the groups to assess, from their perspective, the Department's ability to attract, retain and develop the workforce. We will be able to compare our employees' attitudes, professional insights, and employment practices to those of high performing companies, which have already been surveyed by McKinsey.

The consultants have finished the collection and tabulation of the survey data. They are now conducting individual and focus group interviews to further examine the general premises of the survey results. Once the study has been completed, we will use the results to identify areas for improvement—to improve our internal personnel management and make us more competitive in today's job markets. We will share the results with you.

Training for our foreign national employees is also an area where we can and must do more. In FY 1999 we are holding more sessions for foreign national employees than ever before—25 offerings—which will train about 625 employees. While a good step forward, that number represents less than 5% of the 18,000 foreign national employees who play a critical role in supporting our missions overseas.

#### *Border Security*

The Department undertook a massive infrastructure project in Mexico to carry out the mandate of Section 104 of the 1996 Illegal Immigration Reform and Immigrant Responsibility Act, and we now are up and running with the "laser visa" at all of our border posts. We have adjudicated nearly a quarter of a million cases, and nearly as many of these very secure documents are now being used by Mexican border crossers in place of the old and easily forged cards. Card production by the Immigration and Naturalization Service was boosted dramatically by the opening of the facility in Corbin, Kentucky, and we are raising our issuances to match that new capacity by the INS.

Nevertheless, the target of completing this project by the new deadline of October 1, 2001, is unlikely to be met without substantial further increases in the ability of INS to produce the cards. We work closely with INS to align our adjudications with their production capacity, but, even with Corbin, the job is simply too large to finish by the deadline given us last year.

#### *Sale of Property*

Through the Office of Foreign Buildings Operations, the Department manages almost all of the non-military property owned or leased by the U.S. Government overseas, over 12,000 properties. The estimated value of the Government-owned properties is about \$10 billion.

We are continuing to take a critical look at our overseas properties and how we dispose of them. The Real Property Advisory Board, a seven-member panel that includes senior Department executives and real estate executives from the CIA, Postal Service, and GSA, is fully operational. The Board reviews the facts surrounding property disposal disputes—whether a property should be sold—and makes its recommendations to the Department's Assistant Secretary for Administration for his decision. We have segregated the accounting for sales as GAO requested. In addition, we have signed an MOU with the Office of the Inspector General to have the IG independently identify possible surplus property overseas on a regular basis for each post, a process which has already begun.

A group of Harvard Business School students completed a study of our real estate disposal practices last year, bench-marking our operation against the best practices of U.S. multinational private industry, and its findings were very favorable. In order to improve further our real estate program, we are implementing some of the report's recommendations, such as strengthening our cooperative relationship with the Office of the Inspector General.

*Security*

I would now like to turn to our security requirements and some of the management steps the Department is taking to develop a comprehensive and long-term strategy to deal with the current challenging environment. As Director George Tenet has briefed Congress, the current terrorist threat to U.S. diplomatic facilities and personnel overseas is global, lethal, multi-dimensional, and growing. The threat is generated by indigenous and transnational anti-American terrorist groups and by state sponsors of terrorism. The emergence of the Usama bin-Ladin organization as a transnational terrorist group willing to engage in suicide attacks against U.S. diplomatic facilities has dramatically increased the security threat. We know that no amount of effort on our part can guarantee security of our people and our buildings against a determined opponent. With these security measures, however, our hope is to deter and to diminish the effect of those future actions to the best of our ability, remembering there can be no 100% security guarantee.

To effectively implement the measures funded in the FY 1999 Emergency Appropriation, the Department of State has sought help from the private sector and consulted with OMB, GSA, the Inspector General, the Army Corps of Engineers, major multinational companies and others to benefit from their expertise and their approaches to large scale, cost effective construction. We have met with those who implemented the earlier Inman program. We have detailed month-by-month plans for obligating funds and implementing programs, and we are providing careful oversight through weekly status meetings and quarterly offsites.

In Nairobi and Dar es Salaam, we are moving ahead with the construction of our new chanceries. The embassy in Dar has already moved from temporary facilities to a more secure new interim office building, and in Nairobi, the same process will be completed this summer.

We have also begun a Model Embassy project to determine what our missions in East Africa should look like. We are examining the size and nature of our presence in the region and opportunities to improve efficiency and reduce staff presence through enhanced communications and information processing. As we then build new facilities in East Africa, they will be tailored to the conclusions from this project. The overall goal is to reduce the number of employees exposed to potential violence, and to identify the resources needed best to protect those who remain, and not simply to rebuild the same facilities we had before. We expect to have recommendations in late May.

With your support for the Emergency Appropriation, the Department of State has:

- Sent Emergency Security Assessment Teams (ESATs) to 32 posts to assess security needs;
- Deployed 120 DS Special Agents overseas on temporary duty;
- Increased local guards by over 1,000 around the world;
- Worked with local governments to close or change traffic patterns in several cities;
- Enhanced physical security with bollards, delta barriers, video cameras and other measures;
- Acquired or placed under contract land to increase setback at five posts.

Within days of the bombings in East Africa, we conducted a top-to-bottom review of the security posture of all of our diplomatic facilities around the world. The seven inter-agency ESATs recommended that 19 of the 32 posts surveyed required moving the embassies or consulates. The key reason for this recommendation was lack of adequate setback needed to protect posts from an explosive blast.

Host governments have been responsive to our requests for the assignment of additional security personnel to protect our buildings and staffs. They have allowed us to close streets, install jersey barriers and bollards and employ embassy vehicles at key checkpoints around our embassies. Overall host government support has been excellent; however, many countries are limited in what they can provide. The FY 1999 Emergency Appropriation has therefore been invaluable in addressing our immediate, short-term security needs.

We are implementing an on-going global surveillance detection program, which is up and running at 90 posts. Also in place now is mandatory security inspection of all vehicles entering overseas facilities, regardless of threat level.

Additional physical and technical security upgrades are ongoing such as delta barriers, blast walls, close circuit event recording cameras with VCR control, and security radios all designed to enhance the perimeter security of our facilities. To date, over 200 additional time-lapse VCRs have been deployed overseas.

The key to the success of our security programs, however, is trained and experienced professionals. We are in the process of hiring and training 200 new Diplomatic Security agents in FY 1999, as well as 17 security engineers, 34 security tech-

nicians and 20 diplomatic couriers. DS has established 140 new special agent positions overseas. The Department's FY 2000 request includes \$41 million to provide ongoing salary, training and support costs for these direct hire U.S. Government employees.

We are expanding our crisis management training programs both domestically and overseas. A total of 100 crisis management exercises will take place at posts this year and 100 more in FY 2000. This ambitious overseas training schedule, coupled with the crisis management training we provide domestically, will help ensure that our personnel are fully prepared to respond to future crisis situations.

In fact, we are already benefiting from a heightened awareness about how to react in a crisis. Just two weeks ago, in Tashkent, Uzbekistan, a series of blasts directed at the Uzbekistan Parliament Building went off near one of our facilities. During one car bomb blast, the building's windows shattered, but not a single employee was injured, thanks to this training.

In our FY 2000 budget, we are requesting an increase of \$268 million to fund the recurring costs of these programs begun under the FY 1999 Emergency Supplemental Appropriation. This "annualization" will likely grow in FY 2001. Our goal must be to improve security over the long term, not to provide just a temporary fix. Without funding for the recurring costs and continuing support to sustain our initial investment, these programs will not be viable in the long term.

The FY 1999 Emergency Appropriation also provides \$150 million in funding for post relocation, site acquisition, design, and construction for some of our highest risk posts. With these funds, we are simultaneously working on several posts. We have instituted a priority-setting process involving the Under Secretary for Political Affairs, the regional bureaus, the Bureau of Diplomatic Security and the Bureau of Administration's Office of Foreign Buildings Operations to allocate our resources for projects according to our most important needs. Since the funds became available, we have acquired land at one post and are under construction. We have made substantial progress toward acquiring four more sites.

For new construction projects, we will employ best practices to reduce time and money. These include:

- Using design/build to reduce costs and time;
- Using a single design for new office buildings in multiple locations;
- Prequalifying a pool of A/E firms to reduce delivery time and procurement effort;
- Employing a single design/construction contractor for multiple locations, possibly beginning with Dar es Salaam and Nairobi.

Unfortunately, the needs go far beyond these few highly vulnerable posts. We are now confronting an unprecedented level of credible security threats. Today over 80% of our embassies do not have at least 100 foot setback from the street, and many are in desperate need of security improvements beyond what these "quick fixes" can accomplish.

In approximately seven weeks, the Secretary will be submitting to you a report on the Department's actions taken in response to the Accountability Review Board (ARB) recommendations. The Accountability Review Board investigation of the bombing incidents in East Africa, chaired by Admiral Crowe, concluded that the Department "must undertake a comprehensive and long-term strategy for protecting American officials overseas, including sustained funding for enhanced security measures, for long-term costs for increased personnel, and for a capital building program based on an assessment of requirements to meet the new range of global terrorist threats."

The Department of State agrees with virtually all of the Boards' recommendations, and we are taking a very careful look at how they can be implemented. We must look at our presence abroad and ensure that we are defining and operating under the appropriate parameters.

There is no doubt that we need setback to protect adequately our people overseas, and acquiring setback—whether by purchasing adjacent land or building new facilities—costs money.

With funding budgeted within the FY 1999 appropriation, State has also joined with representatives from other agencies to establish a high-level panel to review overseas presence. We expect this panel to begin its work in early March and conclude during the summer of 1999. It will be chaired by Lewis Kaden, a prominent New York attorney, and includes distinguished representatives from the private sector and government, including Admiral Crowe and Ambassador Felix Rohatyn. The panel's mandate is to look at the level and type of representation required abroad to carry out America's foreign policy interests given resource constraints, advances in technology, and the worldwide security situation. This will include a close look

at the idea of "regional embassies" and the trade-offs entailed in such an approach. The panel will also recommend criteria for reshaping our missions overseas to maximize effectiveness and security.

In response to recommendations made by the Accountability Review Board, the Department will develop options to improve the structure and management of the security function of the Department of State. The goals of the study are to enhance the security management of U.S. missions abroad and the Secretary's ability to ensure the security of all U.S. Government personnel abroad. With the help of an outside contractor to maximize objectivity and accelerate the process, the study will clarify responsibilities and define methods for better coordination and responsibility assignment.

As we have outlined, the Department is making strides to address a range of management issues and to improve our ability to do America's important business around the world. With your assistance, we can work to sustain these programs and the people we need to serve America and our nation's interests.

Thank you very much.

Senator GRAMS. Thank you very much.

We do have a vote that will be coming up shortly, so we are going to try to get a couple of questions in before we have to leave. So, when the vote comes up, we will have to take a brief recess, and then we will be back.

Madam Secretary, the President, as you know, submitted his fiscal year 2000 budget February 1. It is now March 4, and the State Department has not submitted a request for authorization for State Department activities. When do you see that the State Department will submit its request for authorization?

Ms. COHEN. We had hoped to be able to submit it this week, but we have heard back from OMB and we have some substantive issues with them, so we anticipate next week.

Senator GRAMS. The President's reorganization plan submitted to the Congress, pursuant to the Foreign Affairs Restructuring Act, calls for the creation of a Bureau of Information Programs and International Exchanges. Under this plan, exchanges would be combined with other public diplomacy functions under one secretary. Now, again, as I mentioned earlier, the President's plan uses this new authority to create other State Department bureaus, reporting to the Under Secretary for Political Affairs, and leaves one of those positions vacant at this time.

Now, during consideration of the State Department reorganization bill, Assistant Secretary Barbara Larkin stated, and I will quote: "In assistant secretaries, we are asking that it be increased by four. Those are for reasons relating to the reorganization, to allow new assistant secretaries under the new secretaries, including whatever assistant secretaries would be placed under the new Under Secretary for Public Diplomacy."

Can you follow that?

OK, a lot of "secretaries" there.

But although the conferees originally voted against this proposal, after direct pleas from the Secretary of State to provide her with additional assistant secretary positions to carry out reorganization, the Congress agreed to provide the additional four assistant secretaries.

So, Madam Secretary, how do you justify your failure to follow through on assurances made by the administration to the conferees during consideration of the reorganization bill?

Mr. KENNEDY. Mr. Chairman, this is a subject that was obviously very, very closely examined by the Secretary. And in her final rec-

ommendation to the President, which the President accepted, her recommendation was that there be one single bureau that would be responsible for all public diplomacy functions overseas. And if I might, let me outline the thinking that went into that recommendation.

First, we thought it was very important that combining all information and exchange programs in one bureau would help to draw a clear distinction between the mission to understand, inform and influence foreign audiences, which is what exchanges and information programs are, and the mission of the Public Affairs Bureau, which deals with domestic audiences and press.

Second, we thought that, after examining very carefully exactly how USIA currently does its business—we looked at what they did overseas, where they have been eminently successful in advancing the causes that the United States holds so dear—and noticed that USIA overseas groups everything together under one single officer. For example, if you visited an embassy overseas, you would discover that there is a public affairs officer, part of the United States Information Service. And that officer, whoever he or she might be, is responsible not only for information programs but also, equally, for exchange programs.

Therefore, we thought that it might serve our interest best to in fact import back to the United States what was a very, very successful USIA/USIS program abroad, invest in one assistant secretary, who has responsibility for dealing with foreign audiences, whether it is information programs or exchanges. But under this one assistant secretary for information programs and international exchanges, there would be three deputy assistant secretaries, just as there are multiple assistants to a public affairs officer overseas, and there would be a deputy assistant secretary for professional exchanges, a deputy assistant secretary for educational exchanges, and a separate deputy assistant secretary for information programs.

And when you combine that structure with the separate appropriations structure that we are requesting, there will continue to be a separate line item appropriation for exchanges. We have retained the important attributes of the separateness and distinction and the importance of exchanges while at the same time grouping everything together so that we will have everyone who is dealing with public diplomacy overseas focused in one bureau.

Senator GRAMS. But isn't this consideration after the fact—I mean, after the plan was laid out and the Secretary had talked about it at that time? Now, all of a sudden, this is a change in plans. And as you know, every government department is under the Ambassador. I mean, should we merge all government departments? Why are you now making that decision, after the plan was put in place and there was plenty of time for consideration and recommendations to this effect?

So, in other words, we are going in a different direction than what we planned.

Mr. KENNEDY. Mr. Chairman, I have been responsible to the Secretary for the organization and structure and preparing the plan since April 1997. And no final recommendation, no final decision, was ever made to the Secretary or rendered by her to the President



until the report was submitted to the Congress in December of last year.

You are entirely correct, sir—a number of items were under discussion, and a wide range of options and considerations were reviewed and discussed. And the Secretary's ultimate recommendation to the President was the one single assistant secretary for the reasons I outlined.

Senator GRAMS. I have some followup questions, but I want to allow Senator Boxer to ask a series of questions, too, before we take a quick recess. The vote is now on. That is what the last bell was for.

Senator Boxer.

Senator BOXER. Thank you so much, Mr. Chairman. Thank you very much.

The chairman has covered some questions I was going to put forward, so I want to take a little different tack. First, I thank you for showing us what you have done here with these passports. It seems to me you have really made some good decisions in terms of anti-fraud measures. I appreciate having this information.

I wanted to take a different tack on a different subject, which is women and minorities in the State Department. And, Secretary Cohen, as you know, the State Department has historically had problems with equal opportunity for women and African-Americans, although we do see quite a few women coming forward, including Secretary Albright herself. Secretary of State Christopher had the wisdom to agree to settle two longstanding discrimination suits against the Department, which resulted in consent decrees governing equal employment opportunities.

I wanted to put two questions out there, and a third one I would like you to respond at a later time, in writing, because it is a lot of statistics. The first two are, could you give us an update on the activities of the Council for Equality in the Work Place, which was set up? And I know that you have a lot to do in supervising the day-to-day administration of the Department, but I really want to know how that Council for Equality in the Work Place is coming along.

And can you give us your impression about the effect the consent decree is having on the personnel system? Those two questions, if you could answer them now. And then, the third one, if you could please, in writing; send to me and the chairman. I would like to know, in the last 5 years, promotion rates for women and minorities as compared to overall promotion rates, including into the Senior Foreign Service and the percent of assignments given to women and minorities as consular officers, deputy chiefs of mission and career Ambassadors, and last, the number of awards given to women and minorities as a percent of total awards given.

So, I will give you this question so you do not have to write it down, and we will look forward to getting those responses. But if you could answer how is the Council doing and what is the effect of the consent decree on the personnel system? If you could give me some answers on those.

Ms. COHEN. Well, I am the chair of the Council. And this is a significant commitment for the Secretary. And it is also a significant commitment for me. I have chaired every meeting we have

had, I think. I do not think I have missed one since I have been there. And I think that we are really getting a lot done. There was a lot in place prior to my coming.

But we have done an analysis. We have statistics we would be glad to share with you. We have two things going on at the Department. One is that we are going to have the possibility of large numbers of retirements of senior people in the next 5 years. It could be up to 20 percent. That is the number that would be eligible. So, that creates in openings which are really very important, particularly in the civil service, which is a large number of people in the Department.

The second thing that has happened is that we have been very successful in recruiting particularly women into the Department. I would not say that we have been as successful with minorities. So, what we have done in looking at those statistics, this Council has worked on training programs for people, so that they will be eligible for the promotions as they come up.

That has been one of the issues in the past, whether people will have had the credentials that would permit the promotions. So, we are working to ensure that that is the case. And FSI is cooperating with us on that. And we have issued new information.

The other thing we have done is become very aggressive in recruiting. And, again, the recruiting is particularly targeted toward minorities that have not maybe thought of the State Department before. We have diplomats in residence at historically black colleges and Native American and Hispanic.

Senator BOXER. Good.

Ms. COHEN. And the open house I talked about last week, I think much to everyone's surprise, when we advertised openly and aggressively, we got about 40 to 50 percent of the people who came were minorities or women.

Senator BOXER. Well, I do not think you should be surprised.

Ms. COHEN. No, I was not surprised, but people were surprised.

Senator BOXER. I mean, I think it is out there. I think it is out there if we reach out.

Ms. COHEN. Yes.

Senator BOXER. And I guess what I want to say is the panel was created under a consent decree. So, clearly, we have to carry this out. We want to do it right. We want to get the best people. We want to get diversity, all those things. I am glad that you have taken it into such a high regard in your work.

We are going to have to close down immediately. So, I am really looking forward to getting those written answers to those questions as soon as you can. And I am going to keep a look out on that.

Ms. COHEN. Great.

[The information referred to follows:]

*Question.* I would like to know, in the last 5 years, promotion rates for women and minorities as compared to overall promotion rates, including into the Senior Foreign Service and the percent of assignments given to women and minorities as consular officers, deputy chiefs of mission and career Ambassadors, and last, the number of awards given to women and minorities as a percent of total awards given.

*Answer.* Promotion rates for Foreign Service Generalist women and minorities over the past five years (1994-1998) as compared to the total for all Generalists:

**Promotion Rates**  
(percentages)

	1994	1995	1996	1997	1998	Total
<b>Women</b>						
All Classes .....	16.0	17.9	18.3	19.9	29.2	20.3
Senior Threshold .....	12.9	16.9	9.6	15.6	24.7	16.2
<b>Minorities</b>						
All Classes .....	13.3	10.9	15.0	18.8	25.2	16.4
Senior Threshold .....	9.4	8.6	13.6	8.1	20.7	12.1
<b>Total</b>						
All Classes .....	14.7	13.7	13.3	19.7	24.8	17.1
Senior Threshold .....	9.7	9.8	9.0	12.1	18.1	11.6

Note: The chart above includes only promotions to the F003 level or above. Administrative promotions are excluded.

**Assignments**

The percentages listed on the following charts represent the total number of encumbered positions filled by women and minorities as of the dates specified. Officers with unspecified minority codes have been excluded from the totals.

**Race/Gender Breakdown of Career Officers Assigned to Consular Positions**

(Includes Junior Officer Tours)

Date	Percent Female	Percent Minority
3/31/95 .....	34.6	14.1
3/31/96 .....	37.4	16.5
3/31/97 .....	36.9	14.3
3/31/98 .....	38.2	15.6
3/31/99 .....	41.1	16.5

**Race/Gender Breakdown of Career Officers Assigned to Deputy Chief of Mission Positions**

Date	Percent Female	Percent Minority
3/31/95 .....	21.9	10.9
3/31/96 .....	18.2	13.6
3/31/97 .....	16.7	12.0
3/31/98 .....	16.9	13.0
3/31/99 .....	22.9	13.1

**Race/Gender Breakdown of Career Officers Appointed as Ambassadors**

Date	Percent Female	Percent Minority
3/31/95 .....	11.0	11.0
3/31/96 .....	13.0	12.0
3/31/97 .....	18.8	10.9
3/31/98 .....	22.1	12.5
3/31/99 .....	22.9	15.6

**Individual Superior Honor Awards to Foreign Service Generalist Officers**

(July 1, 1995 to June 30, 1998)

Time Period	Male	Female	Caucasian	Minority	Total
7/1/97-6/30/98 .....	154 (70.5%)	64 (29.4%)	195 (89.4%)	23 (10.6%)	218
7/1/96-6/30/97 .....	174 (69.3%)	77 (30.7%)	215 (85.7%)	36 (14.3%)	251
7/1/95-6/30/96 .....	237 (67.3%)	114 (32.7%)	308 (87.5%)	44 (12.5%)	352

Data on Superior Honor Awards based on gender and race has been kept since the institution of annual court reports in the *Palmer* and *Thomas* class action law-

suits in 1996. Detailed data based on gender and race for other awards is not kept centrally.

Senator BOXER. Thank you very much.

Senator GRAMS. Madam Secretary, we are going to take a brief break, a 15- or 20-minute recess, and we will be back right after we get a chance to vote. So, we will give you a chance to stretch your legs.

We will stand in recess for 20 minutes.

[Recess.]

Senator GRAMS. Again, thanks for your patience. We do not have another vote maybe for an hour, so we should be able to finish the hearing, if we can.

To pick up kind of where I left off. I know Senator Boxer might not be able to make it back, but I have got a lot of questions here. We can fill in the time.

I also wanted to followup. Last week, Senators Helms and Biden both sent Secretary of State Albright a letter which states that they are unequivocally opposed to the proposal to establish a new Eastern European Bureau in the Department of State, based on the geography of the Soviet Union. What alternatives are currently being considered by the State Department regarding that?

Mr. KENNEDY. If I might respond, Mr. Chairman. I have not had a chance to fully discuss this with Secretary Albright, because she left with the President for California, and then the Far East, just as the letter arrived. And so I cannot tell you what her thinking is today, after receipt of the letter. But if I might, let me give you some background on why we made the decision that finally found its way to you, through the President.

And we fully agree that the countries in the proposed Bureau of East European and Eurasian Affairs do share the unfortunate legacy of having been part of the then-Soviet Union. At the same time, these nations also face similar challenges in building democracy, in building respect for human rights, creating market economies, cooperating with one another, and integrating into the outside world. And it was our analysis that if you put these nations, which have these similar needs to move forward, under one assistant secretary of State, just as the Freedom Support Act already groups them together in one group, then we can accomplish various synergies in these nations and advance the interests that I just outlined.

Also, I think it is our analysis that putting these nations together in one group in no way hinders their integration into the Euro-Atlantic alliance. If we put them together under one assistant secretary of State, we are strengthening our focus on these countries and facilitating their integration. And actually, what it also accomplishes is it gives more time and more attention at more senior levels to these countries.

For example, if these nations were all in say the Bureau of European Affairs, we would be adding 15 new nations to the Bureau of European Affairs and diluting our ability to give them the senior level attention that they deserve. The Bureau of East European and Eurasian Affairs, with an assistant secretary and two deputy assistant secretaries, will be able to give these nations attention at a senior level that is not going to be available if the assistant sec-

retary of European Affairs and his four deputy assistant secretaries have to expand their portfolio and their range of responsibilities.

So, we thought that this was an acknowledgement of the importance that these nations have. And it is not, in effect, recreating the former Soviet Union.

Senator GRAMS. I think, though, when you say strengthening the focus, I think you also draw a very bright line in trying to put some on one side of the line and some on the other. And I think the whole goal has been to bring the former Soviet Union or, now, those nations, into the European plan. And I think this is going to have some very strong bipartisan opposition. And we hope you are going to reconsider that, rather than having to face a legislative-type fix. But I think there has been a lot of concern as, again, examples of Senators Helms and Biden both putting this letter together.

I mean, all our activities and our focus and our goals has been a united NATO, expanding it, and trying to bring the Eastern European nations into the European family, rather than trying to draw a line. And that is where I think our biggest disagreement might be.

Mr. KENNEDY. I understand, Senator. I think we just thought that what we were accomplishing here is to give these new nations that are engaged in building democracies, building human rights, the level of attention that we feel that they very much deserve. And just as we deal on Mediterranean issues in such a way that they cross the lines between the Bureau of European Affairs and the Bureau of Near Eastern Affairs, we are able to have those two assistant secretaries work together on issues that revolve around the Mediterranean littoral, so would the Assistant Secretary for East European and Eurasian Affairs and the Assistant Secretary for European Affairs continue the work that they are already engaged in, in building the Euro-Atlantic alliance.

Ms. COHEN. Let me say, Senator, that the Secretary is aware of the letter, but Pat and I will also make her aware of your questions and your point on this. And I am sure she will consider it carefully.

Senator GRAMS. Very good. Thank you. I know it will be discussed after this.

Mr. KENNEDY. On Monday.

Senator GRAMS. Well, the President's reorganization report and plan, as well as the fiscal year 2000 budget, grant titles to the two new under secretaries established under the Foreign Affairs Reform and Restructuring Act. The President altered the titles of the statute, or statutorily mandated, positions. What is your legal justification for renaming the positions set out in U.S. law?

Mr. KENNEDY. Our discussions with the Office of Legal Counsel at the Department of Justice indicated that we could add adjectival modifiers, such as the "Under Secretary of State for Public Diplomacy and Public Affairs," that we did have the authority to add adjectival modifiers to those titles as long as it did not in any way detract from the congressional intent, sir.

Senator GRAMS. Madam Secretary?

Ms. COHEN. I have nothing to add.

Senator GRAMS. Nothing to add?

Ms. COHEN. As you know, Pat has been taking the lead on this from before I came, and the Secretary has asked him to direct it through its implementation.

Senator GRAMS. Of course, I think we are going to revisit this, as well, and consider that.

In another area, the State Department is requesting an increase of \$8.5 million to augment the Fulbright Exchange Program. How many new exchanges will this funding increase support? And what countries are targeted for this increased funding?

Mr. KENNEDY. Mr. Chairman, I will have to get back to you. That is information—the budget that is presented to you this year for fiscal year 2000, separate budgets were prepared by the United States Information Agency and by the State Department, and then melded together at the submission level. And, if I might, may I submit that for the record?

Senator GRAMS. OK, that would be fine. We will probably have a lot, or a number, of questions anyway, and maybe other members of the committee, as well, to present to you in writing.

Mr. KENNEDY. Yes, sir.

Ms. COHEN. Fine.

[The information referred to follows:]

*Question.* The State Department is requesting an increase of \$8.5 million to augment the Fulbright Exchange Program. How many new exchanges will this funding increase support? What countries are targeted for this increased funding?

*Answer.* An enhancement of \$8.5 million would increase the Fulbright program by 375 grantees. By program category, this increase would fund approximately 150 students, 90 scholars, 35 fellows in U.S. studies institutes, and 100 teachers.

Countries targeted for an increase of Fulbright students and scholars include Russia, Ukraine, China, Nigeria, and those nations involved in the Middle East peace process. The Fulbright Teacher Program plans to launch exchanges with countries in Africa and the Western Hemisphere that have previously not participated in the program.

Senator GRAMS. The State Department inspector general has found that grant management is an area of weakness in USIA, and must be carefully considered when USIA is folded into the Department. Now, the USIA annually awards around \$380 million in grants and transfers to foundations. And OIG audits have identified unauthorized or unallowable and unsupported costs associated with the awards.

So, my question is, under revised Office of Management and Budget guidelines, the majority of USIA's grantees will no longer be required to have annual financial audits. Is the State Department working to develop a more comprehensive screening and monitoring process for grant recipients once this consolidation occurs, and in lieu of the past record and concerns?

Ms. COHEN. If I can answer that, I mentioned Bert Edwards, who is the new CFO, who has 35 years of public accounting as the head of the governmental practice for Arthur Andersen. And he and I have been very active together on reviewing all outstanding I.G. reports against the State Department, or for the State Department. And he will be doing the same thing with USIA, and then working with the I.G. to see that those we agree with are fully implemented.

Senator GRAMS. And we will receive a report on your discussions or the audits?

Ms. COHEN. Yes.

Senator GRAMS. And then a followup on that?

Ms. COHEN. Absolutely.

Senator GRAMS. Madam Secretary, the Minnesota Secretary of State, Mary Kiffmeyer, when I talked to her, she has expressed concerns to me about the responsiveness of USIA to State officials when complaints are forwarded regarding USIA grant recipients. Apparently, USIA does not followup with State officials regarding the outcome of these cases after the questions have been raised.

Again, when USIA is folded into the State Department, would you consider changing this practice so that local officials would receive notification and followup on those requests or concerns?

Ms. COHEN. Yes. We have been made aware of this problem. And we will take steps to see that happen.

Senator GRAMS. Madam Secretary, as part of the reorganization and consolidation of agencies, again, into the State Department, all personnel will be transferred at the time of consolidation, and then downsizing may then follow. There seems right now to be no proposals—or we have not seen any—for the downsizing or streamlining. I know it is kind of a time when the consolidation takes place, and no expected savings this year. And we can understand that in the first year. But what projections, if any, do you have for personnel reductions in the future?

Ms. COHEN. Well, Janice Bay is here from personnel. But the personnel offices, as well as the functional offices, from USIA, ACDA and the State Department are working together to identify areas where there may be redundancies in the positions. In those cases, we will reduce the redundancy. But we also anticipate that, given the amount of vacancies there are, both in the State Department and in these agencies, that we will be able to place people in jobs that we have needs for. So, we will not be undergoing a RIF, but we will be reducing redundant positions.

Senator GRAMS. So, a study is underway to do this, to meld these together?

Ms. COHEN. Yes.

Senator GRAMS. And we can expect in the future to see a reduction in the number of positions, even though you reassign personnel?

Ms. COHEN. Yes.

Senator GRAMS. But we are talking about the number of positions?

Ms. COHEN. Yes.

Senator GRAMS. OK. And a study is underway dealing with that?

Ms. COHEN. Yes.

Senator GRAMS. One of the first areas for potential reduction is in administrative overlap. Are any positions targeted for downsizing right now in the area as one of the first steps to cost savings? Have you gone that far in the study, or is this—

Mr. KENNEDY. No, we have not, Mr. Chairman. Basically, we have been dealing with this, in effect, in three phases: the preparation of the report to the Congress, discussions with members of staff and the response from the Congress to the President's report. And then we will move, after March 30, into a formal implementation phase, based upon whatever the final decision is on the final

structure. And we will then, as part of the implementation phase, do exactly what you are suggesting—identify positions, as Under Secretary Cohen as suggested, identify duplication of functions.

Another thing I might add to that is there are a large number of functions in the State Department now that are provided by contractors. And it is possible that as you bring these over and, since under the law, all people must be transferred, it is possible that some functions that are now performed by contractors might, for a short period of time, be performed by Government employees who are transferred and who, under the law, cannot be RIF'ed. But there will still be savings which will result, because the cash outlays will end.

Senator GRAMS. The end of March is your first deadline. Do you have a timetable on the rest of it—early summer, late summer, early fall?

Mr. KENNEDY. We believe that we have to get all the people cross-walked, so to speak, within 90 days after April 1, for USIA, yes, sir.

Senator GRAMS. The fiscal year 2000 budget also provides nearly \$51 million for anticipated wage increases. And that includes a 4.4 percent cost-of-living adjustment and also wage adjustments for foreign service nationals. The budget presentation indicates the increase is proposed in order to retain top-level FIN's. Did the State Department do a study to determine whether there is an across-the-board problem with retention of foreign service nationals, or whether the problem was only in certain countries and certain job levels? How did the study and the recommendations and the request come about?

Janice.

Ms. BAY. We in fact have an Office of Overseas Employment that surveys every country in the world where we have a presence, and individually assesses how they are doing as far as intention. Since Under Secretary Cohen has arrived, we have moved to a system where we use off-the-shelf wage surveys, which are independent from our own analysis, to determine what the prevailing wage rates ought to be in any given country. And Bonnie has pushed us really very hard to make sure that we pay the wage increases that are due when we really have countries that are very large with attrition because of either very high inflation or because people are being hired away to do other jobs, which is a very large problem in some of our SNIS posts, the posts of the former Soviet states.

Ms. COHEN. But it is done country by country. And we use outside sources to validate what has been the inflation level, primarily a U.N. survey, when it is available, or other independent surveys. And the idea is to basically not penalize people for working for the United States.

I was in Azerbaijan, which has had enormous inflation over the past 3 years. And we were losing very talented people to American oil companies, because they would join the State Department, we would train them, they would learn fluent English, and then they would go to these oil companies, in some cases, for twice what we were paying. So, what we are trying to do, using outside surveys, is validate what we should pay, and then pay it.

Senator GRAMS. Are we talking across-the-board wage increases?



Ms. COHEN. No.

Senator GRAMS. I mean, we are talking in localized request or problem?

Ms. COHEN. Yes, it is very localized. It is country by country.

Senator GRAMS. The fiscal year 2000 budget also provides about \$3 million for a new market development pilot program. The program proposes to enhance commercial activities that are taking place in developing countries. How is this different than current AID business center programs in developing countries? Why the additional moneys and requests or line item?

Ms. COHEN. That is in the Economics Bureau of the Department. And I can have them get back to you with that answer.

Senator GRAMS. The State Department had begun production of the new digitalized passports, which we have seen up here. What percentage of new passports are digitalized? And when do you expect that production level will reach 100 percent?

Ms. COHEN. We are now doing about 60,000 a week in Portsmouth. We are expanding it to another location. We expect to be fully implemented, I think, at the end of the summer. It is just a question of getting the machines, getting them operating at full capacity.

Senator GRAMS. I notice you have this individual that is a traveler and then "happy." I do not know what the "happy" comes from.

Is the State Department's monitoring technology fully able to take advantage of the new passport features?

Ms. COHEN. Our technology is. We work closely with the INS. They are the people who accept the passports at the border. And they are still modernizing.

Senator GRAMS. So, in conjunction with that, has the State Department identified any results in improving monitoring for security purposes or in improving tracking of persons engaged in illegal activity who are carrying U.S. passports? Is this all part of this updating program and technology?

Ms. COHEN. I will ask Donna Hamilton, who is with Consular Affairs.

Ms. HAMILTON. We are actively developing a lost and stolen passport data base to be available at our ports of entry and also to be available overseas. And we have begun work on that. We received exemptions from our Y2K limits on new projects. And let me just check and see when we think we will have it done.

We are also working on a similar system for lost and stolen foreign passports, so that we can also be aware if people that are applying for visas overseas are presenting altered passports or stolen passports. We expect to have the U.S. lost and stolen passport data base operational during fiscal year 2000. So, we now have already begun the systems development for that.

Senator GRAMS. So you have the new passports, but not all the technology to go with it as of yet?

Ms. HAMILTON. Well, we have the technology to read the passports. That is something that has been available since we introduced the machine readable passport in 1981, and we also include security features to help to detect any changes to the document itself. But as far as being able to track a lost or stolen passport, we are still working on it.

Senator GRAMS. I think we will have a couple of followup questions, but I would pose those to you again in writing, if we could.

On technology upgrades, fiscal year 2000 will be the third in a 5-year infrastructure upgrade program at the State Department. Last September, GAO testified before this committee that while State is proceeding with the upgrades, it has not first implemented the type of planning and investment process called for in recent legislation and related GAO and OMB guidance, developed in response to other failed modernization upgrades throughout the Government. So, the question is, why has not the State Department implemented some of these requirements to date?

Ms. COHEN. Well, I have talked to GAO. We have a new chief information officer, and we feel we have implemented these since you got that report. We have a very good plan. I think that there are criticisms involved of both the plan and whether we had a high enough group, both the technology group at a high enough level and a policymaking group at a high enough level, reviewing the Department's priorities in implementing. And all of that has taken place. And I think the strides that people have made in connection with implementing year 2000 is evidence of this direction.

And I touched on this, but I think it is worth emphasizing, and so I would like to. And that is that in contrast to other departments, Donna, in Consular Affairs, and our people in what we call the ALMA system are implementing modern computer systems around the world at 262 posts, using secure lines, and in some cases in countries where we may be the 10th computer in the country. So, we have logistical problems that other people do not have.

And I think that the people in the Department have just done a great job bringing it this far. And the fact that we will be ready for 2000, and basically will be by the end of March 90 percent implemented, I think shows that we have taken the directions that GAO talked about.

Senator GRAMS. So you are pretty confident you are on the 5-year mark? I mean you are going to be able to proceed?

Ms. COHEN. I think, come the end of this year, just as Donna was saying, we will be modernized. And what we will then be able to do is provide the kind of extra information systems that will make us use the computers better for decisionmaking.

Senator GRAMS. I want to follow that up, because I was going to ask you about the Y2K coming up at the end of the year. But in your statement you noted that 39 of 59, I think it was, of the mission-critical systems are compliant and implemented. How many of these mission-critical systems have been certified by the Department's Y2K certification panel so far?

Ms. COHEN. Very few of them have been certified so far. We had a discussion of that this week. And we are putting additional emphasis on the certification. But many of the ones not certified are in fact in use, so we know they work. But certification is behind.

Senator GRAMS. And you expect to have that completed by when? Is there a timetable?

Ms. COHEN. Well, I would have to get together with the I.G. and develop a timetable. And we can get it to you.

[The information referred to follows:]

All 59 of the State Department's mission-critical systems are Y2K compliant and implemented. The Office of the Inspector General (OIG) has officially certified 13 packages. In addition, 3 packages have been approved by the OIG and are awaiting the signature of the Chief Information Officer, and 15 are ready for consideration by the OIG.

Senator GRAMS. It is not next summer, I mean?

Ms. COHEN. Oh, no.

Senator GRAMS. I mean, it is not a year from now or something?

Ms. COHEN. No. That would be terrible.

Senator GRAMS. I know. That is what we are kind of worried about, and not just for the State Department.

Ms. COHEN. We have gone from tier 1 of—I just got a call this morning—from tier 1 of Federal agencies, which means that you are failing, on the latest report we are at tier 2. So, we are definitely going in the right direction.

Senator GRAMS. Just a few more questions. The International Cooperative Administrative Support Services Program, or ICASS, has now been in effect for 3 years. The program is the basic management structure for providing administrative support to other agencies working in embassies overseas. Has there been savings achieved as a result of ICASS?

Ms. COHEN. Well, I do not think it was designed to achieve savings, per se, but there is a much closer working relationship among the agencies. And there are many parts of services that are done more efficiently, so that money is freed up to be spent where it was short. So, there have been efficiencies achieved in specific areas.

Mr. KENNEDY. If I might add, Mr. Chairman, there is a congressionally mandated report which is due, I believe, on April 1. And I have seen the draft. And there are reports in from all of the ICASS councils around the world. And that report is being prepared by the chief financial officer. And when that report is submitted to you, it will outline a number of savings, a number of efficiencies, and a number of, in effect, systemic improvements that have been brought about in the way resources are managed overseas, which I believe also will result in avoidance of costs which would have risen overseas because of inflation or other factors—the efficiencies brought about by ICASS have obviated these costs.

So that report will be up to you shortly. It is in its final draft now, sir.

Senator GRAMS. Are all the agencies overseas, are they participating in this program? If some have opted out, why? Or all of them, do you believe, involved?

Mr. KENNEDY. Some agencies have opted out. And that is a subject that we regularly discuss with them. ICASS is not a mandatory program. The State Department has no legal authority to force any agency into it. But when an agency opts out, both the ICASS service center, which is the Washington headquarters, and the administrative personnel at posts, under instructions from Washington, meet with the agency that is opting out and ask them to document why they have opted out and why they believe that they have made savings.

Some agencies, I will admit, sir, simply choose to respond: This is our choice; good-bye. And they have. And I think that is very regrettable.

Senator GRAMS. One other question, quickly. Since implementation, has the embassy chief of mission retained adequate authority in the embassy?

Ms. COHEN. Since the implementation of ICASS?

Senator GRAMS. Yes.

Ms. COHEN. I meet with all the chiefs of mission as they come through, and no one has complained about an erosion of their ability. And in fact, ICASS works best where it is the chief of mission that is driving it and participates in the meetings.

Senator GRAMS. Anything else you would like to add, Madam Secretary?

Ms. COHEN. I would like to say I want to thank you and Senator Boxer and people in the past couple of years, because it has been the past 2 years, I think, that the State Department has started to receive the kind of support that, quite frankly, I think it needs for its administrative structure. That has enabled us to go ahead with these computer systems. Even the ICASS system required quite an investment of people and time to get going. And I think the State Department is starting to see the rewards of this investment. So, we thank you very much.

Senator GRAMS. I want to thank you for making yourself available for the hearing today. And thank you for the "thank you's." And I appreciate your time.

And as I said, I had to go through a couple of questions that I did not ask because of time constraints we have now, but I know there are others that you will provide some answers for us. And I will leave the record open for the next 3 days if there are any other members of the committee that would like to also submit some questions to you in writing. And then of course we would appreciate a quick response, if we could.

Senator GRAMS. So, again, thank you very much. And I appreciate your time. Thank you.

Ms. COHEN. Thank you.

Senator GRAMS. I would like to welcome our witnesses of our second panel: Mr. Benjamin Nelson, Director of International Relations and Trade Issues, National Security and International Affairs Division, at the General Accounting Office, and also Ms. Jacquelyn, Williams-Bridgers, Inspector General at the Department of State. I want to welcome you both. And I would like to open it up for your opening statements. I would ask that you keep them as brief as possible. They will be entered into the record as if you read your entire statement.

Again, we are just working under a little time constraints.

Ms. Williams-Bridgers, maybe I would ask you to go first.

**STATEMENT OF JACQUELYN WILLIAMS-BRIDGERS,  
INSPECTOR GENERAL, DEPARTMENT OF STATE**

Ms. WILLIAMS-BRIDGERS. Thank you very much, Senator Grams. Thank you very much for the opportunity to testify today about major management challenges facing the Department of State. I will summarize my statement. And thank you for allowing the full statement to be included in the record.

The three agencies that the Office of Inspector General oversees face several significant challenges today and in the coming years,

including the need to strengthen border security, consolidate the foreign affairs agencies, correct weaknesses in financial management, and better link resources to policy priorities. I discuss these in more detail in my full statement. I would like to focus today, however, on the Department's progress in addressing four areas: security vulnerabilities, Y2K compliance, ICASS implementation, and property management.

No greater challenge exists for the Department than that of providing safety and security for our people, our facilities and our information overseas. The immediate need, however, is to address physical security vulnerabilities and to enhance emergency planning and preparedness. The scope and gravity of this challenge was brought into clear focus by the attacks on our U.S. Embassies in Africa last August.

The devastation caused by the terrorist strikes in Nairobi and Dar es Salaam fundamentally changed our approach to security at our missions. The bombings of our embassies prompted the Department to conclude it can no longer allocate resources based primarily on the security threats of the city in which our facilities are located. The Department now factors in the vulnerability of all facilities at all posts to terrorist attack.

In response to the bombings, the Department is aggressively addressing physical security vulnerabilities and enhancing emergency planning at our overseas posts. After an extensive review of mission security around the world, the Department identified eight facilities so vulnerable that the missions should be moved into safer and more secure facilities as quickly as possible. The Department also plans to undertake significant renovations to address serious vulnerabilities at other locations.

My office provides the only regularized security oversight of all U.S. Government nonmilitary facilities overseas. I have also taken a number of steps to significantly enhance security oversight operations.

We in OIG have expanded our security coverage by including an experienced security officer on all of our routine post management inspection teams. The officer's attention focuses on physical security and emergency preparedness at posts. This year we plan to complete 31 security oversight inspections.

In addition, I have organized a new team to provide oversight of the \$1.4 billion in emergency security funds recently appropriated to the Department.

For several years, my office has reported that the Department faced challenges in managing and funding security, and made numerous recommendations to address specific vulnerabilities. The Department has generally corrected deficiencies identified by my office where they have had the resources available to do so. However, correction of many of the deficiencies require major capital investment to implement, such as relocating our missions to safer facilities, building safe havens, and improving the perimeter walls surrounding our buildings.

In addition, despite the recent emergency appropriation, the Department continues to face funding shortfalls. A 1998 audit by my office of the maintenance and repair of security equipment, for example, found that much of the Department's security equipment

was purchased in the mid-1980's and was reaching the end of its useful life or was obsolete. Yet the Department's budget did not include funding for recurring expenses or new equipment.

We are also pressing the Department for improvements in emergency preparedness. As a result of our audit on emergency evacuation, the Department reinstated its crisis management exercise program, which trains emergency action committees at posts on how to manage crises. In addition, we recently reported to the Bureau of Diplomatic Security on specific steps it should take to enhance procedures for vehicle bomb drills.

The Department also faces challenges in information systems security. Our work has pointed out deficiencies in the Department's mainframe and communications systems security, including incomplete and unreliable security administration, inadequate training, and lack of access control. GAO reported just last year findings which reiterated many of the conclusions we had reached previously. The Department just recently told us, however, that it has established a security program for the mainframe system to address the risk that we previously identified, including the need for backup capability to unclassified mainframe systems in the event of loss of information.

I will try and wrap up very shortly, sir.

Senator GRAMS. That is fine.

Ms. WILLIAMS-BRIDGERS. Another critical challenge facing the Department and the foreign affairs community is the vulnerability to the challenges of the Y2K computer problem. Failure to meet this challenge could create havoc in the foreign affairs community, including disruption of messaging systems, impediments to embassy operations such as visa and passport processing, and failures in administrative functions such as payroll and personnel processing in the year 2000.

My office has been actively engaged in Y2K efforts on three fronts. First, we assisted the Department in its efforts to establish a process to certify the Y2K compliance of its mission-critical systems. And we are reviewing the adequacy of steps taken before the Department certifies its systems as Y2K compliant. The Department is making steady progress to prepare systems for Y2K.

We are concerned, however, that the Department certification of its core business systems is proceeding too slowly. Certification is designed to provide independent assurance that all possible steps have been taken to prevent Y2K related any failures. Clearly, for the certification process to work, the Department must speed up its certification efforts so that there is sufficient time to make system changes should they be necessary before December 31, 1999.

The second area of our focus on Y2K is in reviewing the Department and USIA efforts overseas to prepare for the millenium change on January 1, 2000. Our embassies and consulates rely on their respective host country government's infrastructures to provide day-to-day essential services such as power, water, telecommunications, and emergency services. In some countries these services could be disrupted if critical infrastructure components and control systems are not made Y2K compliant.

We have conducted assessments of 25 posts in 20 countries to determine our embassy's preparedness. Early on, we found very little

contingency planning in the event of failure. The Department was made aware of this problem, and they have since sent out contingency planning tool kits to all of our embassies.

Finally, many Americans living, working and traveling overseas will certainly seek the services of our embassies should there be massive sustained Y2K related outages in country. We are assessing the Y2K readiness of host countries where the U.S. Government maintains a presence.

I would like to briefly mention our work on the International Cooperative Administrative Support System (ICASS). ICASS, as you know, is a system that allocates the cost to all Federal agencies with a presence abroad. Additionally, ICASS is intended to provide posts more control over administrative services through local empowerment, equity in cost distribution, transparency in billing, and selection of local service providers.

Our ongoing review of ICASS has generally shown that most agencies at posts consider ICASS an improvement over past cost distribution systems. Post ICASS councils, however, have not yet sought out more cost-effective service providers. There are a number of reasons for this—the process of selecting alternative providers is unclear, post ICASS councils lack training and expertise in selecting alternative service providers, and ICASS councils cannot compel agencies to participate, as Assistant Secretary Kennedy just mentioned.

One of the basic premises of ICASS is for agency freedom of choice. At some posts, a few agencies have opted out of some of the ICASS services. While those agencies have reported reducing their operating costs from what ICASS would charge, the total U.S. Government cost may be higher since the costs were redistributed among agencies that did not opt out, and ICASS staffing levels remained the same.

Finally, I would like to focus one moment on the management of overseas property. Currently, the Department reports holding some 12,000 properties with an estimated historical cost of about \$4 billion. OIG has identified problems in the Department's past decisionmaking for the disposition of real property.

A few years ago, the Congress in fact called for the Department to establish a real estate advisory board to help reduce its inventory of surplus property overseas by making recommendations for the sale of property. OIG has recently found that the Department has provided the board with sufficient information on appropriately chosen properties for the board's review.

The Department has also addressed many property maintenance and repair issues. In 1993, we recommended that the Department establish a system to identify and monitor worldwide maintenance and repair requirements and establish a baseline of outstanding maintenance and repair requirements. In response, the Department established a system to identify and monitor those requirements but has not yet analyzed that information contained in that system to establish a baseline of maintenance and repair requirements and costs.

In summary, I have outlined four significant management challenges facing the Department of State. Overcoming these challenges, and others that I reference in my full statement, will re-

quire the Department's long-term attention. The Department has made notable improvements in longstanding areas of OIG concern—specifically, border security, financial management, and establishment of the critical authorities under a chief information officer.

However, in order to adequately address its most critical and immediate challenge—the need to ensure the safety and protection of our people overseas—the Department will need the continued and long-term resource commitment of the Congress.

Thank you. That concludes my statement, and I will await questions.

[The prepared statement of Ms. Williams-Bridgers follows:]

PREPARED STATEMENT OF JACQUELYN L. WILLIAMS-BRIDGERS, INSPECTOR GENERAL,  
DEPARTMENT OF STATE

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to testify before your subcommittee on the major management challenges facing the Department of State. As my office also oversees the United States Information Agency (USIA), including international broadcasting, and the Arms Control and Disarmament Agency (ACDA), my testimony will incorporate some management challenges that apply to all three agencies.

#### SUMMARY

My office has identified several significant challenges facing the agencies that we oversee. Foremost among these is the safety and protection of our people, facilities, and information. The scope and gravity of this challenge was brought into clear focus by the attacks on U.S. embassies in Africa last year. The Department is faced with the immediate need to address physical security vulnerabilities and enhance emergency planning at our overseas posts. Longer-term challenges include major embassy renovations to improve security, new embassy construction, and the maintenance of security equipment. To meet these challenges, the Under Secretary for Management has created a number of coordinating groups to which she has welcomed full OIG participation.

Another critical challenge facing the foreign affairs agencies is their vulnerability to the Year 2000 (Y2K) problem. Generally, the Department is making steady progress toward preparing computer systems for the Year 2000 date change, and estimates that 55 of 59 mission-critical systems will be implemented by the Office of Management and Budget's (OMB's) deadline of March 31, 1999. Successfully meeting the Y2K challenge is necessary to avoid havoc in the foreign affairs community, including disruption of messaging systems, impediments to embassy operations such as visa and passport processing, and failures in administrative functions such as payroll and personnel processing in the Year 2000.

Despite this progress, we are concerned that the Department's Y2K certification process, which is designed to provide documented independent assurance that all possible steps have been taken to prevent Y2K-related failures, is proceeding too slowly. Thus far, only two mission-critical systems have been certified by the Department's Y2K Certification Panel. According to the General Accounting Office's Year 2000 Assessment Guide, agencies should consider subjecting their Year 2000 program to certification, which, in essence, is an independent verification and validation that all necessary steps to achieve Y2K compliance have been taken. Further, verification and validation may be performed by the agency's quality assurance staff complemented by internal auditors.

Other major challenges faced by the Department include the need to strengthen border security, link resources to policy priorities, consolidate the foreign affairs agencies, correct weaknesses in financial management, and improve real property management and maintenance. Before I provide additional details on these challenges, I would like to give you a sense of OIG's mission and responsibilities, as well as provide a brief overview of our strategic plan.

#### OIG OPERATIONS

##### *OIG Organizational Structure*

The mandate of my office is to improve the economy, effectiveness, and efficiency of the Department of State (the Department), ACDA, USIA, and the Broadcasting



Board of Governors and to detect and prevent waste, fraud, and mismanagement. Toward this end, OIG is composed of four operational offices that carry out inspections, audits, and investigations.

*Office of Audits.* OIG's Office of Audits consists of seven divisions, each with a specific area of focus: Consular and International Programs, Information Management, Financial Management, Property Management and Procurement, International Broadcasting, Human Resources, and Contracts and Grants. Audits conducted by these divisions assess management and financial operations and the economy or efficiency with which an entity is managed. Examples of reviews the Office of Audits is currently conducting include the Department's Consular Fraud Program, Year 2000 (Y2K) remediation efforts, implementation of the International Cooperative Administrative Support Services (ICASS) system, management of overseas property, and financial statement preparation.

*Office of Inspections.* OIG is required by law to routinely inspect the activities of overseas posts and domestic bureaus. These inspections are conducted to provide overseas missions and domestic bureaus information about the effectiveness of their performance and the quality of their management and operations through an assessment of three primary areas: policy implementation, resource management, and management controls. In FY 1998, the office inspected posts in 32 locations, including Russia, China, Thailand, and several African countries.

*Office of Security and Intelligence Oversight.* Through audits and inspections, the Office of Security and Intelligence Oversight evaluates the ability of overseas posts to respond to threats from terrorism, mobs, or other physical intrusion, intelligence penetrations, and crime. The office also evaluates whether the Department's security and intelligence programs and activities are being carried out with the most effective use of resources and in accordance with the law. Our security oversight inspection program supports the Secretary of State's statutory responsibility for the security of all nonmilitary U.S. personnel, property, and information abroad. In the aftermath of the Africa bombings, the OIG received strong Congressional support to significantly expand our security oversight work.

In an effort to add greater rigor to OIG's intelligence oversight responsibilities, I created an Intelligence Oversight Division within the Office of Security and Intelligence Oversight. The division reviews foreign policy aspects of programs and functions involving components of the intelligence community and identifies key areas of concern in the review of intelligence oversight and coordination by chiefs of mission.

*Office of Investigations.* The Office of Investigations performs investigations of criminal, civil, and administrative misconduct related to organizational programs and operations. Additionally, the office manages a Hotline for employees who wish to disclose potential fraud, waste, and mismanagement. The office also focuses on fraud prevention by increasing employee awareness and understanding of the standards of conduct and accountability and by reducing areas of vulnerability and opportunities for misconduct. We publish "Standards of Conduct," a guide to ethical conduct, which is issued to each employee in the Department, USIA, and ACDA. My office also issues fraud alert bulletins and management implication reports when our work identifies systemic weaknesses that have agency-wide or bureau-wide implications.

#### *Followup and Resolution*

Once an OIG report is issued, Department bureaus or posts with responsibility for implementing the report's recommendations have 45 days in which to respond. The responses are reviewed by OIG to determine whether they meet the intent of the recommendation. In the event that the bureau or post does not accept the recommendation as written, OIG can either accept the suggested alternative, if any, or refer the decision to the next management level for reconsideration. If an impasse is reached in resolving a recommendation, it is referred for decision to the Under Secretary for Management or, ultimately, to the Secretary of State or agency director.

The OIG semiannual report to the Congress identifies significant audit recommendations without management decision for more than six months, and significant recommendations reported previously, but still pending final action. In addition, the Secretary or agency Director is currently required to report to the Congress annually on any significant recommendations that have been agreed to but not implemented for over one year. Our most recent semiannual report shows outstanding OIG recommendations in areas identified as management challenges, including maintenance and repair of buildings overseas, financial system acquisition and development, mainframe systems security, and management of secure communications.

*OIG Strategic Plan*

The Secretary of State has established seven broad national interests which provide the strategic framework within which the OIG conducts its integrated program of audits, inspections, and interdisciplinary reviews to evaluate progress toward achieving the Secretary's objectives. OIG's strategic plan establishes the OIG-wide goals that guide the work we will undertake into the 21st century. OIG strives to be proactive in addressing foreign affairs agencies' efforts to effectively implement U.S. foreign policy; clearly link resources to policy objectives; and maintain efficient, effective, and secure operations and infrastructures. We are committed to protecting the Secretary of State's ability to pursue the foreign policy objectives of the United States free from the impediments of waste, fraud, and mismanagement.

I would like to turn now to a more detailed discussion of the major management challenges facing the Department in the context of OIG strategic objectives.

## IMPROVED IMPLEMENTATION OF FOREIGN POLICY

The successful development and implementation of U.S. foreign policy depends on many factors. These include a clear understanding of foreign policy goals, coordination among the various agencies and entities with foreign policy interests, and clear and consistent lines of communication between the President, the Secretary of State, and the internal components of the Department.

*Strengthening Border Security*

Over the past few years, the Department has maintained a strong emphasis on the need to improve border security, however, the passport process and the immigrant and nonimmigrant visa processes remain material weaknesses. Improvements needed to address these weaknesses include additional management positions to support consular automated systems, and expanded intelligence information sharing among U.S. Government agencies. In terms of consular staffing, our own work has shown that the Department will face severe shortages of experienced midlevel managers for the next several years. We have also pointed out the need for more senior, experienced consular officers at posts with high fraud levels.

The Department has mounted a major effort to counter visa fraud, including initiatives such as the machine-readable visa program, worldwide advisories to overseas posts on detecting fraudulent documents, and programs to detect terrorists. The Department also continues to refine its consular lookout systems to identify names with different spellings or those that may be translated into multiple spellings. This will better enable the Department to identify individuals who should not receive visas. The Department has also implemented a photo-digitized passport process which improves the ability to associate the document with the holder. OIG is currently reviewing the Department's consular fraud prevention efforts, including the adequacy of the Department's guidance and training in fraud prevention and the coordination of antifraud efforts.

Our work has facilitated several improvements in the Department's consular operations. For example, our recommendations helped ensure that the modernized version of the machine-readable visa system has the capability to electronically transmit relevant data on visa issuances to the Interagency Border Inspection Service for transmission to ports of entry. Also, our work encouraged the Department to establish a proactive program to identify individuals ineligible for a nonimmigrant visa in its computer system, such as drug traffickers, alien smugglers, and organized crime members. Additionally, an OIG recommendation contributed to the Department's ensuring that consular officers overseas have access to information on individuals from high-risk countries listed on the Department's CD ROM.

OIG also recently issued an inspection report on the U.S. border crossing card (BCC) replacement program for eligible citizens of Mexico. The program is a partnership between the Department and the Immigration and Naturalization Service. The "laser visa" replaces the BCC and is more tamperproof than previous documents; however, many problems reduce the effectiveness of the program. The lack of laser visa processing equipment at consular posts in Mexico and continued issuance of nonbiometric 10-year visas are problems that must be addressed by the Department. The Immigration and Naturalization Service, which has experienced delays in card production, checks applications against an inadequate criminal database, and has no plans to check each alien's identification card at the border. Efforts by both the Department and the Immigration and Naturalization Service will be needed to correct these problems. The issues jeopardize the timely implementation of the program and compromise its enhanced border security protection.

BETTER ALIGNMENT OF FISCAL AND HUMAN RESOURCES WITH U.S. FOREIGN POLICY  
PRIORITIES

The Government Performance and Results Act (Results Act) requires Federal agencies to set goals for program performance and to measure results with the goal to improve the efficiency and effectiveness of Federal programs. Specifically, the law requires that each agency submit to Congress and OMB a 5-year strategic plan for program activities. The plan is to contain goals and objectives, and describe how they will be achieved. Each agency is also required to submit an annual performance plan with measurable goals and indicators that link to the strategic plan.

Over the past three years, strategic planning efforts as required by the Results Act have prompted notable improvements in the Departments planning process. For example, at posts overseas there is increased focus and discussion on the U.S. Government's overall goals in each country. Also, there is an improved collective assessment of all U.S. Government resources available at each post to achieve specific mission goals.

The challenge that exists for the Department and its partners in the foreign affairs community is to define goals stated in mission, bureau, and Department plans in more measurable terms, and in terms of outcomes—what the U.S. hopes to achieve—rather than broad policy statements. In addition, the Department needs to establish a credible system that will allocate resources across geographic boundaries.

The upcoming merger of foreign affairs agencies will provide an opportunity to realign foreign affairs resources with policy priorities. Effective integration of the foreign affairs agencies will depend, in large part, on the success of merging diverse personnel systems, adapting varied and diverse information systems, and melding complex financial systems.

*Strategic Planning*

The Department has revised its longstanding planning process to comply with the Results Act and developed a strategic plan containing 16 international affairs strategic goals and 3 diplomatic readiness goals. The Department then asked each post and bureau to submit a plan and budget linked with the Department's strategic goals. At the request of the Department, OIG has been active in reviewing the mission and bureau planning process.

Mission Performance Plans are the principal vehicle for documenting and reaching interagency consensus on country-level goals and strategies. The Mission Performance Plans, in turn, serve as building blocks for the Bureau Performance Plans, and ultimately, the Department's budget submission to OMB. However, OIG found, among other things, that the process used during FY 1998 to develop Mission Performance Plans was poorly timed and that many plans were incomplete. In addition, in the absence of an agreed upon set of performance measures, missions presented performance indicators that were inconsistent and sometimes irrelevant or difficult to track. Further, the software intended to link budgets with goals and objectives, the Resource Allocation and Budget Integration Tool proved cumbersome, ineffective and difficult to deploy. These problems resulted in corresponding weaknesses in the Bureau Performance Plans.

To date, the Department has been unsuccessful in implementing Results Act requirements for performance plans. The Department's FY 1999 Performance Plan, which was developed from the Bureau Performance Plans, did not comply with the Results Act, and both Congress and the Department identified several deficiencies with the plan. For example, the plan lacked baselines and performance targets, omitted management initiatives, contained goals that were broadly stated and extended beyond the Department's span of control, and provided little information on the resources required to achieve specific performance goals.

Although the combined FY 1999–2000 performance plan still does not fully comply with the Results Act, it is an improvement over the previous plan. For instance, the Department decided to focus its initial attention on the management bureaus, and as a result, the plan contains a comprehensive set of performance goals, baselines, and targets for the Department's diplomatic readiness goals. However, the sections in the plan on the 16 strategic goals are incomplete, providing only one example under each strategic goal. For example, under the strategic goal on regional security, the Department provides a performance goal, indicators, baselines, and targets only for its efforts in Northern Ireland. The Department states that it discussed its proposed FY 1999–2000 plan with Congress, GAO and OMB last Fall, and intends to work together with them to develop a performance plan that encompasses all of the Department's activities.

OIG will continue to assess the Department's progress in implementing the Results Act, and will take steps to verify and validate selected performance data. In addition, our audits will include reviews of the performance measures related to the areas reviewed. For example, our review of foreign trade barriers will determine whether the Department's FY 1999 performance goals, indicators, and information sources accurately reflect its progress in opening foreign markets in the telecommunications industry.

*Distributing Costs of the U.S. Government Presence Overseas*

The International Cooperative Administrative Support Services (ICASS) system was initiated in 1996 in response to a congressional mandate to implement a system that allocates to each department and agency the full cost of its presence abroad. Additionally, ICASS was intended to provide posts more control of administrative services through local empowerment, equity in cost distribution, transparency in billing, local selection of service providers, and the establishment of customer service standards. The goal was to obtain quality services at the lowest cost. OIG initiated a review of the ICASS program to assess posts' progress in selecting the most cost-effective service providers.

Our work to date has generally shown that most agencies at post consider ICASS an improvement over past cost distribution systems. ICASS councils, however, have not yet sought out more cost-effective service providers. There are a number of reasons for this, including the process for selecting alternate providers is unclear, post ICASS councils lack training and expertise in selecting alternate service providers, and ICASS councils cannot compel agencies to participate in what may be a more cost-effective solution for the U.S. Government through economies of scale.

One of the basic premises of ICASS is agency freedom of choice. At some posts, a few agencies have opted out of ICASS services. While those agencies have reported reducing their operating costs from what ICASS charges, the total U.S. Government costs may be higher since costs were redistributed among the agencies that did not opt out and ICASS staffing levels remained the same. We also found that some posts have not fully implemented ICASS, and ICASS information is not being used within Department headquarters elements to seek out more cost-effective alternatives.

*Consolidating Foreign Affairs Agencies*

The Omnibus Consolidated Appropriations and Emergency Supplemental Appropriations Act for FY 1999 mandated the consolidation of the Department of State, the Arms Control and Disarmament Agency, and the United States Information Agency into one foreign affairs agency.

OIG is addressing consolidation issues on a number of fronts. Prior to the legislation merging the foreign affairs agencies, OIG reviewed the consolidation of the security function in USIA and the Department. We determined that USIA's Office of Security could be merged with the Department's Bureau of Diplomatic Security resulting in more streamlined security activities. We identified about \$500,000 in funds that could be put to better use, including up to 10 positions that could be used for other purposes in the security area. USIA's security staff will be formally integrated in October 1999 into the Department's Bureau of Diplomatic Security pursuant to the recent omnibus appropriations legislation.

The merger of the foreign affairs agencies also raises several challenges in the area of personnel management. Numerous policies and practices that differ between the Department and USIA such as assignment procedures, language training, tenuring regulations, and Senior Service competition rules will have to be reconciled. The Department has stated its intention to offer increased opportunities for retraining and upgrading employee skills and to work with USIA staff to integrate public diplomacy into the curriculum at the Foreign Service Institute.

Overseas tours of duty is another example where personnel policies differ between agencies. The Department's current policy of 2- and 3-year tours for staff at virtually all overseas posts (no 4-year tours) differs from other government agencies, including USIA, which currently has more than 50 4-year tours. A recent OIG review found that longer tours would reduce costs, and increase employee productivity. Costs could be reduced because longer tours would reduce the number of times employees move—the average cost of a move was over \$18,000 in fiscal year 1996. Also, because of the considerable time necessary to become oriented to a new post, and the time at the end of the tour to bid for and transfer to the next post, longer tours would increase the time employees were fully productive in their current position.

Several studies by the Department and other groups have also recommended lengthening tours to improve effectiveness and achieve cost savings. However, in

January 1999, Department officials announced that they would apply the Department's tour length policy when the foreign affairs agencies are consolidated, rather than adopt longer tours. In our view, this is a missed opportunity for the Department to increase the effectiveness of overseas personnel while also achieving cost savings.

The consolidation of foreign affairs agencies also presents a challenge to incorporate the best use of technology by USIA into the Department. The Department faces the challenge of effectively merging its decentralized information resources management organization with USIA's highly centralized system—at a time when both agencies are working to resolve Y2K problems in their respective systems. In addition, connecting USIA systems to Department systems must take into account necessary security considerations.

The pending merger of USIA and the Department has raised the issue of whether USIA's Y2K certification efforts meet the stringent standards set by the Department. USIA's current certification process is of concern because its guidelines do not contain the same level of detail and specificity used by the Department. When USIA merges with the Department in October 1999, USIA functions and the systems that support those functions will become the Department's responsibility. As such, we believe it would be prudent for the Department to assure itself that USIA's systems are evaluated for Y2K compliance on the same basis as Department systems.

Financial management challenges are also associated with the consolidation of foreign affairs agencies. This includes integrating USIA and ACDA into the Department's Central Financial Management System. The preparation of accurate and timely agencywide financial statements which include data from each agency will be necessary. Complicating the process is the fact that neither ACDA nor USIA is currently required to prepare audited financial statements under the Government Management Reform Act.

The consolidation of the Department and ACDA is mandated to occur on April 1, 1999; therefore, ACDA will be included in the Department's FY 1999 financial statements. Because ACDA is a fairly small agency in relationship to the Department, no significant problems are expected from the consolidation of the financial information. The consolidation of financial information with USIA is more significant and complicated. The Department and USIA will consolidate on October 1, 1999, which means the consolidated information would be reflected in the Department's FY 2000 financial statements. However, to facilitate the preparation of the consolidated statements, as well as provide a proper accounting of assets to be transferred to the Broadcasting Board of Governors, USIA should, at a minimum, prepare an audited balance sheet for FY 1999.

#### MORE EFFECTIVE, EFFICIENT, AND SECURE OPERATIONS AND INFRASTRUCTURES

The ability of the State Department, ACDA, and USIA to advance the foreign policy interests of the United States and their respective missions depends upon the quality of agency operations and infrastructure. Readiness to promote national interests and represent the United States to the world requires high-performance organizations with efficient and effective supporting systems.

As demonstrated by the terrorist attacks on U.S. embassies in Nairobi and Dar Es Salaam, perhaps no greater challenge exists for the Department than providing adequate security to protect our people, facilities, and information. In response to the bombings, the Department is aggressively addressing physical security vulnerabilities and enhancing emergency planning at our overseas posts. I have also taken a number of steps to significantly enhance the security oversight operations of my office.

The foreign affairs agencies also face challenges in other areas related to operations and infrastructures. Generally, the Department is moving ahead on preparing computer systems for the Year 2000 date change, and expects to have 55 of its 59 mission-critical systems implemented by the OMB deadline of March 31, 1999. Despite this progress, we are concerned that the Department's Y2K certification process is proceeding too slowly.

In the area of financial management, the Department's financial and accounting systems are inadequate, and there are significant concerns with the security of financial systems on the Department's mainframe computer systems. In property management, the Department has yet to establish a baseline of maintenance and repair requirements and costs for overseas property.

#### *Addressing Security Vulnerabilities*

The bombings of U.S. embassies in Nairobi and Dar Es Salaam underscored the vulnerability of some of our posts and changed the approach to security at our missions for both the Department and OIG. Prior to the bombings in Africa, the Depart-

ment generally allocated security resources to overseas posts based on the threat category of the city in which the diplomatic facility was located. The Department used threat information from a variety of intelligence and other sources and published a classified "Composite Threat List." Threats fell into four categories: political violence, human intelligence, technical intelligence, and crime. Threat levels in each of these categories ranged from critical to low. Embassies with a "critical threat" rating were generally allocated more funds for security enhancements than those embassies with "low threat" ratings. The bombings of our embassies, however, have caused the Department and intelligence community to recognize that the threat has changed dramatically and the allocation of resources based primarily on the use of the Composite Threat List is inadequate. In addition to the threat rating, the Department now factors in the vulnerability of all posts to terrorist attacks. Under this new approach, all posts should meet a high level of protection against acts of terrorism and political violence.

In response to the attacks on our embassies last year, the Department conducted an extensive review of mission security around the world and identified eight facilities so vulnerable that the missions will be moved into safer, more secure facilities as quickly as possible. In Nairobi, the mission is moving into interim office buildings that will provide a degree of security until new office buildings can be constructed and occupied. In Dar Es Salaam, such a move has already taken place. Construction of new embassies in these countries is scheduled to be complete by 2003. The Department also plans to undertake significant renovations to address serious vulnerabilities at other locations.

To enhance emergency response, the Department plans to spend \$118 million on its wireless communications program. This will serve to upgrade the entire emergency radio program and send new radios to every overseas post for use during an emergency. The Department is also planning to purchase satellite telephones so that posts and emergency response teams can depend on reliable communication during and after an emergency.

Staffing shortages in security have been addressed by the recent supplemental appropriation, and the Department is engaged in an aggressive recruitment program for both security officers and security engineers to increase its workforce. However, the training period in the Department before new security officers gain the expertise to perform successfully overseas has historically taken up to 6 years. The new officers will be going overseas with only 2 or 3 years of experience. To examine the adequacy of the Department's support of these new officers, we plan to review the Bureau of Diplomatic Security's overseas operations management in the coming year.

I have taken a number of steps to significantly enhance the security oversight operations of my office. First, we have expanded our security oversight inspections to include low and medium threat posts. Also, routine post management inspections now include an experienced security officer who focuses on physical security and emergency preparedness, and prepares a classified security annex to the inspection report. This year we plan to complete 31 security oversight inspections. We also will complete security audits of the card access control program, protective details, the protection of classified information, and overseas telephone security.

Second, our new Security Enhancements Oversight Division will provide oversight of the \$1.4 billion in emergency security funds, and future funding received by the Department, to enhance overseas security. OIG will evaluate physical and technical security being built into the new office buildings in Nairobi and Dar Es Salaam. In addition, OIG will examine security for construction personnel, on-site construction, logistics for items used in the controlled access areas, and contract management at these posts. This Spring, an inspection team will evaluate the security at the interim office building in Dar Es Salaam and the temporary office building in Nairobi.

Because a large portion of the emergency supplemental funds will go toward procuring goods and services and the construction of new facilities, OIG plans to provide audit assistance to ensure that contract costs are reasonable. OIG may audit selected contractors prior to award and at contract completion, and provide technical support to Department contracting officers in reviewing contractor proposed costs.

OIG already provides oversight of the embassy construction project in Moscow, Russia. The Moscow Oversight Team, established in 1994, provides oversight to the Moscow chancery construction project. The team was formed in response to the costly security mistakes that characterized previous construction efforts of Embassy Moscow. Rather than waiting to identify problems after the construction is complete, we have undertaken this ongoing oversight effort in order to flag potential vulnerabilities so that they can be addressed promptly. With this approach we are contributing our expertise to facilitate project completion on time, within budget, and in a secure manner.

Another important oversight project for OIG will be the China 2000 initiative, which is scheduled to enter the design phase in FY 1999. The Department will have to respond to several formidable challenges in order to construct secure compounds. Construction security oversight is critical to ensuring that the China 2000 project adequately addresses security needs, and that security systems, once designed, will function as intended.

For several years, my office has reported that the Department faced significant challenges in managing and funding security and made numerous recommendations to address specific vulnerabilities at our missions worldwide. The Department has generally corrected deficiencies identified by OIG where they have had resources available to do so. Of the 588 security recommendations made in FY 1997, the Department agreed to correct approximately 90 percent of the deficiencies and completed action on about 50 percent within one year after they were identified.

However, many of the recommendations still outstanding are significant, and require major capital investments to implement. Examples include relocating missions to safer facilities, building safe havens, or improving walls that surround the facility. To meet these challenges, the Under Secretary of Management formed a number of coordinating groups in which she has welcomed full OIG participation. Despite the recent emergency appropriation, the Department continues to face funding shortfalls. Security equipment will also need long-term funding. A 1998 OIG audit of the maintenance and repair of security equipment found that, despite the fact that much of the Department's equipment, purchased in the mid-1980's, was reaching the end of its useful life or was obsolete, the Department's budget, as submitted to Congress, did not include funding for new equipment.

OIG's ongoing audit of overseas card access systems has found similar problems with equipment maintenance in the posts that we have reviewed. The Department lacked a uniform program for the installation, repair, and maintenance of the card access system equipment. In addition, the equipment was never certified for use and, in some cases, was locally procured and maintained. Furthermore, we have serious reservations as to whether the card access control systems can effectively control access and protect sensitive information without the integration of other security measures. Our security inspections have repeatedly demonstrated that security at "lock-and-leave" posts without 24-hour cleared U.S. Marine Guard protection is often inadequate to protect classified material.

#### *Emergency Preparedness*

As a result of our audit on emergency evacuation, the Department reinstated its crisis management exercise program, which trains emergency action committees at posts on how to manage crises more effectively. The ability of posts to respond to emergencies, such as natural disasters or terrorist attacks, is greatly enhanced by the Department's crisis management exercises and emergency drills. However, our security inspections consistently report that posts are not conducting the required drills needed to prepare for likely attacks. In addition, we recently reported to the Bureau of Diplomatic Security on specific steps it should take to enhance procedures for vehicle bomb drills. The Accountability Review Board strongly recommended the immediate institution of "duck and cover" drills. Our security inspection teams recommended regular practice of these drills along with specific recommendations for immediately alerting staff to vehicle bomb attacks. Our Chiefs of Mission have quickly embraced these recommendations, but our most recent security inspections found that neither the Department nor posts have identified how to best implement the drills and warning procedures.

#### *Strengthening Information Security*

The Department faces significant challenges in information systems security. Our work has pointed out deficiencies in the Department's mainframe and communication systems security, including incomplete and unreliable security administration, inadequate training, and lack of access control. Similar problems have been identified in the specialized computers used in telephone switching and in card access systems. The Department has provided security coordination and guidance to assist in the development of some critical computer systems and software. However, in other cases, particularly telecommunications, the Department is modernizing systems without a parallel effort to improve information security. A May 1998 General Accounting Office audit report reiterated our findings on the need for improved management of information security.

We remain concerned about the Department's backup capability for its major information systems. OIG has addressed this vulnerability in 3 audit reports since 1988, when Congress provided funding for the backup facility now located in Beltsville, Maryland. In 1998, the Department confirmed that it should now have the

physical capacity to address a loss of unclassified mainframe systems at the Department or in Beltsville. The OIG expects to review the Department's progress in meeting our earlier concerns to ensure those backup sites and systems currently in place are effective. We will also assess whether issues involving planning, coordination, training and resources are resolved and whether contingency plans are fully tested.

The Department has told the OIG that it has established a security program for the mainframe system to address risks earlier identified by OIG and to ensure that responsible officials are identified and kept informed about the systems security. We will continue to monitor the Department's efforts. We have also recommended that the Department require personnel who hold positions with access to bulk quantities of sensitive information to undergo a special counterintelligence screening process prior to each assignment. This last issue will be addressed in an OIG audit of counterintelligence programs scheduled to begin in April 1999.

#### *Achieving Y2K Compliance*

Another critical challenge facing the foreign affairs agencies is their vulnerability to the Y2K problem. Generally, the Department is making steady progress toward ensuring that it is ready for the Year 2000 date change. As of March 1, 1999, the Department reported that 39 of 59 mission-critical systems are compliant and fully implemented, and it expects to have 55 mission-critical systems implemented by the March 31, 1999, OMB deadline. Despite this progress, we are concerned that the Department's Y2K certification process, which is designed to provide documented independent assurance that all possible steps have been taken to prevent Y2K-related failures, is proceeding too slowly. Thus far, only two mission-critical systems have been certified by the Department's Y2K Certification Panel.

Year 2000 compliance and adequate contingency plans are necessary to avoid creating havoc in the foreign affairs community, including disruption of messaging systems, impediments to embassy operations such as visa and passport processing, and failures in administrative functions such as payroll and personnel processing in the Year 2000. The Department's presence at more than 260 locations worldwide increases the Department's challenge to continue functioning effectively in the Year 2000. Embassies and consulates rely on their respective host countries' infrastructures to provide essential, day-to-day services such as power, water, telecommunications, and emergency services. In some countries these services could be disrupted if critical infrastructure components and control systems are not made Y2K compliant.

My office has been actively engaged in Y2K efforts in three major areas. First, we assisted the Department in its efforts to develop certification guidelines identifying what steps the Department must take to determine whether systems are Y2K compliant, and identified documentation needed to certify computer systems as "Year 2000 ready." OIG is also evaluating the adequacy of certification packages prepared by bureaus for mission-critical systems. Second, we are reviewing Department and USIA efforts overseas to prepare adequately for the millennium change. This effort includes monitoring activities of our overseas posts to raise global awareness of the Year 2000 problem, ensuring that U.S. embassy and consulate system vulnerabilities are properly addressed, and reviewing post contingency plans. Finally, because U.S. embassies and Americans living and working abroad might be vulnerable to Y2K-related infrastructure failures, we are assessing the Y2K readiness of host countries where the U.S. Government maintains a presence.

Our work with the Department has resulted in several improvements. OIG findings resulted in greater focus on Departmentwide project management tracking; discovery of seven new applications, which were added to the Department's system-tracking database; and development of a new rating system that tracks and evaluates system interfaces.

OIG has conducted site assessments in 25 cities in 20 countries as part of an aggressive effort to review embassy preparedness and collect and analyze information on host country Y2K efforts. Early on, OIG found little contingency planning at posts in the event of a failure of basic infrastructure services on January 1, 2000. The Department is aware of this problem, and has sent a Contingency Planning Toolkit to all embassies and consulates to assist them in developing their respective plans.

In our effort to assess the readiness of host countries to address Y2K-related problems, OIG has met with representatives from foreign governments, key infrastructure sectors, and private industry in each country we visited. We have provided information summaries on each of these countries to the Department, USIA, the President's Council on the Year 2000 Conversion, congressional committees, and other foreign affairs organizations.



OIG has initiated a series of USIA Worldnet Interactive broadcasts throughout Latin America and Canada. In coordination with the Organization of American States and USIA, these interactive programs have been broadcast live throughout this hemisphere and worldwide via the internet to explore problems, strategies and solutions in the areas of timely contingency planning, energy and financial institutions readiness, and auditing techniques to promote Y2K compliance.

*Correcting Weaknesses in Financial Management*

Financial management continues to be another major challenge facing the foreign affairs agencies. The Department accounts for more than \$5 billion in annual appropriations and over \$16.7 billion in assets. The Department has made significant improvements in financial management since the Chief Financial Officer's Act was passed in 1990. OIG has focused on the Department's financial management through our audits and annual review of the Department's progress to improve material weaknesses in conjunction with the preparation of the Federal Manager's Financial Integrity Act (FMFIA) report. Over the past few years, the Department has complied with OIG recommendations in areas such as disbursing, cashiering, travel advances, and accounts receivable, which significantly improved these areas and led to these weaknesses being removed from the FMFIA report.

However, a number of significant concerns still exist, some of which have been outstanding for a number of years. Although OIG's audit of the Department's 1997 agencywide financial statements resulted in a clean opinion, the report brought to management's attention significant concerns with the security of the Department's domestic main frame computer.

OIG's audit of the Department's 1997 agencywide financial statements also raised concerns about the inadequacy of the Department's financial and accounting systems, which is both an internal control weakness and an issue of noncompliance with several laws and regulations, including the Federal Financial Management Improvement Act (FFMIA). The FFMIA requires that agencies report whether the Department's financial management systems substantially comply with the Federal financial management system requirements and applicable accounting standards. Based on our review, OIG found that the Department does not substantially comply with one aspect of the FFMIA, that is the Federal financial management system requirements. The Department has reported its financial systems as a material non-conformance since 1983 in its annual FMFIA report.

OIG has urged the Department to focus attention on its financial systems and to develop benchmark performance indicators to measure the improvements to these systems. In response to our recommendations, the Department is planning to study the level of compliance with the FFMIA and to prepare a remediation plan as required by that Act. The Department has also upgraded the Central Financial Management System, and has other improvement efforts underway, such as developing a replacement for the existing overseas regional systems.

Issues regarding timeliness of the financial statements and data, internal controls over major processes, and presentation of data for new requirements have yet to be resolved. OIG's last two audits of the financial statements identified issues related to unliquidated obligations. Although we have recommended that the Department focus on this area, our preliminary audit work on the Department's 1998 financial statements shows that these weaknesses persist.

In addition, we have recommended that the Department ensure that adequate resources are devoted to financial statement preparation, especially for the FY 1998 financial statements due to the increased reporting requirements. Based on our preliminary work, however, we have found that the Department is still unable to provide certain financial documentation by the agreed upon deadlines.<sup>11</sup> Grants management is another area of financial management weakness in USIA, and needs to be carefully considered in the consolidation with the Department. USIA annually awards about 500 domestic grants and cooperative agreements totaling approximately \$240 million, about 1,500 overseas grants totaling about \$20 million, and numerous transfers to bilateral commissions and foundations totaling \$120 million. OIG's audits have identified unauthorized, unallowable, and unsupported costs, internal control weaknesses, or noncompliance with applicable regulations associated with these awards. For example, OIG identified about \$1 million in surplus funds at the Fulbright commission in India. USIA fully implemented our recommendation to offset the commission's 1998 allocation resulting in a one-time cost savings. Screening and monitoring of the recipients of these funds will become more critical because under revised Office of Management and Budget guidelines, the majority of USIA's grantees will no longer be required to have annual financial audits.

Overall, Federal assistance in the form of grants, cooperative agreements, transfers, or loans from the Department, USIA, and ACDA total over \$1 billion annually.

For example, the Department's migration and refugee assistance programs alone amounted to \$650 million in FY 1998. The Department is currently considering alternatives to managing grant activities once consolidation occurs.

*Improving Real Property Management and Maintenance*

Currently the Department reports holding 12,000 properties with an estimated historical cost of about \$4 billion. OIG has identified problems in the Department's procedures for the disposition of real property. These findings contributed to language in the Conference Report accompanying the FY 1997 Omnibus Appropriations Act requiring the establishment of a Real Property Advisory Board to help reduce the Department's inventory of surplus real property overseas. OIG has completed a review of the activities of the Board, and found that disputed properties are appropriately chosen for the Board's review and recommendations of the Board are based on sufficient information. <sup>11</sup>At the request of the Under Secretary for Management, OIG is working with the Department to assist in identifying excess, underutilized, and obsolete government-owned and long-term leased real properties worldwide. OIG has conducted limited reviews of real property in the course of its ongoing audits and inspections at overseas posts. Since March 1998, OIG has provided the Department with 29 final reviews on 37 overseas sites, 6 draft reviews on 11 overseas sites, and is in the process of completing reviews on another 24 overseas sites. The reviews can be used by the Department to manage the acquisition and disposition of overseas real property assets. <sup>11</sup>To date, OIG reviews have identified 5 properties as excess and 81 properties underutilized. An example of an underutilized property includes a nearly 1-acre unpaved site near the chancery building in Paris used to provide parking for official vehicles and some embassy employees. According to post officials, there were plans to construct an office building on the site in the mid-1980's, but those plans had been rejected. The Department has no plans to develop this site, and has stated that the site is serving an essential purpose as a secure vehicle parking area. Recently the post has reported that the property is needed for security and operational concerns. OIG will review these concerns during its April-May 1999 security oversight inspection of Embassy Paris. <sup>11</sup>OIG reviews also identified 6 properties as obsolete. For example, OIG has identified two obsolete properties at Embassy Harare, and has recommended the Department give them immediate attention for disposal action. Additionally, OIG reviews noted 35 properties that the Department had previously identified for future development or disposal when local economic conditions become favorable. Examples include properties in Bangkok, Seoul, and Kathmandu.

The Department and overseas posts have recently addressed many real property maintenance and repair issues, in part, due to the work of the OIG. In 1993, OIG recommended that the Department establish a system to identify and monitor the worldwide maintenance and repair requirements and establish an initial baseline for outstanding maintenance and repair requirements. In response to the recommendation, the Department has established a system to identify and monitor requirements, but has not analyzed the information contained in that system to establish a baseline of maintenance and repair requirements and costs. Future OIG work will evaluate the Department's systems of identifying, prioritizing, and performing maintenance and repair.

In conclusion, Mr. Chairman, I have outlined the major management challenges facing the foreign affairs agencies we oversee. The Department has made notable improvements in longstanding areas of concern to OIG, including border security, financial management, and the establishment of a Chief Information Officer. Overcoming other challenges will require careful and long-term management attention. However, in some significant areas, the Department will not be able to address these problems without the assistance of Congress. As I have testified today, the most significant, immediate need is to ensure the safety and protection of U.S. Government assets overseas. The Department needs the long-term commitment of Congress to address these critical security vulnerabilities.

I look forward to working with members of this subcommittee in the coming year on many of these issues. I would be pleased to answer any questions you may have.

Senator GRAMS. Thank you, Ms. Williams-Bridgers. Thank you very much.

Mr. Nelson, your opening statement, please.

**STATEMENT OF BENJAMIN F. NELSON, DIRECTOR, INTERNATIONAL RELATIONS AND TRADE ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING OFFICE**

Mr. NELSON. Thank you, Mr. Chairman. I am pleased to be here today to discuss some of the major management challenges and program risks facing the Department of State.

As the lead agency for the conduct of foreign affairs, the State Department has enormous responsibilities as it works to shape a more secure, prosperous and democratic world. My statement will focus on the challenges on the business side of the Department, where a substantial amount of their annual funding is spent. Something on the order of \$2.7 billion from their annual budget is spent on these types of activities.

The Department has a worldwide network of operations to support its headquarters and over 250 posts overseas, and to support approximately 35 other U.S. Government agencies that operate overseas. State also provides security for thousands of U.S. personnel and facilities abroad. In fiscal year 1999, it received \$1.4 billion in emergency supplemental funding for worldwide security enhancements as a result of the bombings in East Africa.

My statement is based largely on our recently issued report, entitled "Performance and Accountability Series: Major Management Challenges and Program Risks, Department of State." This is the document to which I am referring. I will make brief comments regarding the challenges, and make copies of the report available.

Let me just give a brief summary. The major management challenges facing the Department are not simple. They cover a wide spectrum of State operations and responsibilities around the world. If these challenges are not successfully met, they could seriously undermine the Department's ability to function effectively in the 21st century. These challenges include enhancing the security of U.S. personnel and facilities overseas in an efficient and an effective manner, improving the quality and capability of information and financial management systems, successfully integrating other foreign affairs agencies into State, effectively managing the visa process to reduce the risk of fraud and abuse, and, finally, modernizing its approach to relocating and housing employees overseas.

State has recognized these challenges and has put into place over the last 2 years a new leadership team to address them. State has devoted resources toward formulating a strategy and establishing priorities for enhancing overseas security. The Department has also embarked on an aggressive approach to addressing its longstanding information and financial management issues. However, more needs to be done in order to create an effective and efficient platform to facilitate the conduct of our foreign affairs.

I would like to note that while the Department has shown a willingness to address some of these issues, they have been reluctant to fundamentally change the way that they do business. We believe that the adoption of cost-based decisionmaking and the use of best practices is critical to State's ability to meet these business and management challenges that I have outlined. The Government Performance and Review Act provides a framework for State to attempt to address some of the major challenges that it faces.

Mr. Chairman, this concludes my opening statement.  
[The prepared statement of Mr. Nelson follows:]

PREPARED STATEMENT OF BENJAMIN F. NELSON, DIRECTOR, INTERNATIONAL RELATIONS AND TRADE ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss some of the major management challenges and program risks facing the Department of State. As the lead agency for the conduct of foreign affairs, State has enormous responsibilities as it works to shape a more secure, prosperous, and democratic world. My testimony today will focus on the challenges faced by the Department on the business side of its operations. A substantial amount of State's nearly \$2.7 billion annual budget for the administration of foreign affairs is spent on business functions that support its broad mission. The Department has a worldwide network of operations to maintain its headquarters and over 250 overseas posts, and to support about 35 other U.S. agencies that operate overseas. State also provides security for thousands of U.S. personnel and facilities abroad. In fiscal year 1999, it received \$1.45 billion in emergency supplemental funding for worldwide security enhancements.

My statement is largely based on our recently issued report entitled *Performance and Accountability Series: Major Management Challenges and Program Risks, Department of State* (GAO/OCG-99-12). I have attached a list of other relevant GAO reports to the end of my statement.

#### SUMMARY

The major management challenges facing the State Department are not simple. They cover a wide spectrum of State's operations and responsibilities around the world. If these challenges are not met, they could seriously undermine its ability to function effectively in the 21st century. These challenges include:

- enhancing the security of U.S. personnel and facilities overseas,
- improving the quality and capability of information and financial management systems,
- successfully integrating other foreign affairs agencies into State,
- effectively managing the visa process to reduce the risk of fraud and abuse, and
- modernizing its approach to relocating and housing employees overseas.

State has recognized these challenges and has put in place over the last two years a new leadership team to address them. State has devoted resources toward formulating a strategy and establishing priorities for enhancing overseas security. The Department has also embarked on an aggressive approach to addressing its longstanding information and financial management issues. However, much more needs to be done to create an effective and efficient platform to facilitate the conduct of foreign affairs and to protect U.S. employees overseas. The Department has been reluctant to fundamentally change the way it does business. The adoption of cost-based decision-making and use of best practices are critical to State's dealing with these challenges. Furthermore, the 1993 Government Performance and Results Act can serve as an important tool to help State overcome some of the challenges it faces.

#### ENHANCING OVERSEAS SECURITY

The need to adequately protect employees and their families overseas may very well be the single most important management challenge currently facing the State Department. The acts of terrorism in Kenya and Tanzania in August 1998 claimed more than 260 lives and injured thousands. Worldwide, several embassies found themselves either shut down or unable to provide normal services because of threatening situations. According to a recent analysis, over 80 percent of State's embassies and consulates do not meet the Department's 100-foot setback standard, one of the major means of reducing vulnerability to terrorist attacks.

Special accountability boards set up to review the circumstances surrounding the August bombings, headed by retired Admiral William Crowe, concluded that insufficient levels of resources have been invested to provide security against terrorist attacks. The January 1999 Crowe report made several recommendations to enhance security. These recommendations dealt with a number of issues concerning among other things, the handling of terrorist attacks and threats, the size and composition of overseas missions, and the level of funding for safe buildings and security programs over the years.

The financial requirements for undertaking security enhancements will be significant. State has already received \$1.45 billion in emergency funding to rebuild the embassies in Kenya and Tanzania, relocate other embassies, and improve security for other facilities serving U.S. personnel worldwide. State reports that it has completed security surveys of over 200 posts and formulated six internal working groups to direct and track program implementation. State is also assessing its longer-term security enhancement needs and estimates that several billion dollars may be required for additional embassy construction. In the fiscal year 2000 budget request for the international affairs 150 account, State requested an advance of \$3 billion for fiscal years 2001–2005 to replace its highest risk, most vulnerable embassies and consulates. In that request, State indicated that posts would receive priority for construction based on security factors, global situation, and practicality. It did not, however, address certain key issues, such as whether U.S. agencies will be collocated.

Our prior work has raised other issues that deserve attention. These issues concern whether State has the capacity to manage a major security program and whether the current U.S. overseas presence needs to be reexamined to determine if new technologies and regionalization can reduce the number of employees that must be protected.

#### *Management Capacity*

In the early 1990s, we reported that State encountered several management problems in using the \$1.47 billion in funds that were applied to the diplomatic security construction program after bombings in Beirut. Our work showed that inadequate staffing, poor program planning, difficulties in site acquisition, changes in security requirements, and inadequate contractor performance directly contributed to significant delays and cost increases in the majority of State's construction projects. State has since undertaken a number of efforts to improve its management of the construction program. These include value engineering and configuration management programs designed to reduce project design changes and control costs.

In view of State's prior experiences and difficulties in implementing the security construction program, several questions and issues need to be addressed, as follows:

- What action does State need to take to ensure it has the management capability to implement a large-scale construction program?
- Are there adequate control mechanisms to ensure efficient and effective use of emergency funds and any subsequent funding for overseas security?
- Have meaningful performance measures been set to assess the level of progress made in meeting security program objectives?

#### *Overseas Presence*

A key issue that should be considered in addressing future security requirements is the sheer number of U.S. employees overseas. The security burden is directly affected by the size of the overseas work force. In our work on overseas staffing issues in the mid-1990s, we noted that the U.S. government (excluding military operational commands) employed a total of nearly 38,000 personnel overseas—split evenly between U.S. direct hire employees and foreign national employees. An important trend has been the increase in the number of overseas U.S. direct hires by the non-foreign affairs agencies. A broad examination of how the U.S. government carries out its overseas role and related missions may now be needed in view of the increased security threats. State, in conjunction with the National Security Council, needs to work with other agencies operating overseas to examine their overseas staffing requirements and explore alternatives for reducing the number of U.S. employees overseas.

I would like to point out that the Crowe report also endorsed the need to better define the role and functions of embassies abroad, with a view towards exploiting technologies more fully, improving their efficiencies, ensuring security, and reducing their overall cost. It was further recommended that State look specifically at reducing the number of diplomatic missions by establishing regional embassies and accrediting ambassadors to several countries.

#### IMPROVING INFORMATION AND FINANCIAL MANAGEMENT SYSTEMS

State officials have recognized that deficiencies exist in the Department's information resource management (IRM) operations. The Department is spending hundreds of millions of dollars each year on information resource management, including \$100 million to \$150 million to modernize its information technology (IT) hardware and software systems, remediate Year 2000 problems, implement a comprehensive information security program, and upgrade its overall IT capability. These initiatives have received top-level management support over the last several months as evidenced by the appointment of a permanent Chief Information Officer (CIO) and a

deputy CIO for architecture and planning, the creation of a Deputy CIO position for the Year 2000 issue, and the assignment of information system security issues to the Deputy CIO for Operations. Safeguarding State's IT investments will require sustained management commitment and effective program management to provide adequate assurance that (1) critical operations and assets are protected from disruption, loss, and inappropriate disclosure; and (2) the sizable investments in modernization will lead to effective information systems.

State estimated in 1997 that it would need \$2.7 billion over 5 years to upgrade and operate its IT infrastructure. This estimate was very speculative because not all costs required to complete the plan were included, such as consular IT operating costs. Also, some costs had changed, such as added bandwidth requirements and capital replacement needs. Furthermore, these plans were developed without the benefit of full implementation of the planning and investment process called for by federal guidance. To address these shortcomings, we recommended that State make the full implementation of an IT planning and investment process a top priority. This should include preparing a validated IT architecture to help guide the modernization, establishing a fully functioning technical review board, revising State's long-range plans and cost estimates, and identifying potential cost savings and efficiencies expected from the modernization effort.

State's CIO has taken a number of steps to implement our recommendations. For example, the CIO has:

- drafted an IRM vision paper that will serve as a basis for revising the strategic and tactical plans, and related cost estimates;
- finalized a high-level IT architecture;
- implemented a Departmentwide capital planning process; and
- reconstituted the technical review board.

#### *Year 2000 Issues*

State has been slow in addressing Year 2000 issues. In its December 1998 quarterly report, the Office of Management and Budget (OMB) categorized State as a "tier 1" agency, meaning that State was not making sufficient progress. Should State fail to adequately address Year 2000 deficiencies, its ability to perform key functions may be at question, including identifying visa applicants who may pose a threat to the nation's security.

In August 1998, we reported that if State continued its current approach, which lacked a mission-based perspective, it would risk spending time and resources fixing systems that have little bearing on its overall mission. We recommended that State reassess its systems using a mission-based approach and ensure that systems identified as supporting critical business functions receive priority attention and resources. We also recommended that State ensure that contingency planning efforts focus on core business functions and supporting systems and that interfaces with other entities be identified and corrected. State generally agreed with these recommendations and has since prioritized its mission-critical applications and made some progress remediating them. However, in its February 1999 report to OMB, State indicated that it will not be able meet the OMB deadline for compliance of 4 of its mission-critical systems. In that same report, State also notes that about one-half of its noncompliant, mission-critical systems had not been repaired or replaced. Thus far, the Departments Y2K Certification Panel has certified only 2 of its 59 mission-critical systems as compliant.

#### *Information Security*

Our 1997 evaluation of State's information security program showed that it lacked key elements such as routine assessments of risk, complete written policies, and procedures for testing system controls. Our tests showed that State's unclassified but sensitive systems, and the information contained within them, were vulnerable to unauthorized access. Also, the Department's December 1997 report on internal controls cited information system security as a material weakness. Such vulnerabilities could be exploited by individuals or organizations seeking to damage State's operations, commit terrorism, or obtain financial data. We recommended that State implement a number of corrective measures, including establishing a central information security unit. State concurred with the majority of our recommendations and has taken steps to improve information security. For example, it has established a central IT security unit and Department-level information systems security officer, prepared new management guidance on IT security, and increased IT security awareness activities.

*Financial Management Systems*

One of State's long-standing shortcomings has been the absence of an effective financial management system that can assist managers in making "cost-based" decisions. Recently, and for the first time, the Department of State received an unqualified audit opinion on its Departmentwide financial statements for fiscal year 1997. This achievement represents a good step forward. It provides the Department a basis for routinely producing accurate and timely financial management information essential for effective and efficient use of federal funds.

State must continue its efforts to strengthen its financial management system. For example, in the recently issued audit report on State's fiscal year 1997 financial statements, the Department's Inspector General disclosed that State's systems were out of compliance with certain requirements, including some provisions of the Federal Financial Management Improvement Act of 1996. In addition, State did not meet OMB's March 1, 1999 requirement to submit fiscal year 1998 audited financial statements.

In response to the Inspector General's audit findings, State has indicated that it would study the level of compliance with the Federal Financial Management Improvement Act. State will use the results of the study to prepare a remediation plan as required by the act. The Department also stated that additional reports and procedures are being put into place to address the internal control weaknesses identified during the most recent audit.

To better manage and allocate overseas support costs, State has also implemented the International Cooperative Administrative Support Services (ICASS) system. Under ICASS, greater responsibility and authority for managing resources and making decisions about administrative support services shared with other agencies located at diplomatic missions have been delegated to the overseas posts. The stakes are high—initial ICASS reports indicate that shared administrative costs are about \$640 million annually. ICASS is now generating new and more reliable cost data; the key question that remains to be answered is whether State can effectively use the system to consolidate resources and reduce overseas support costs.

## SUCCESSFULLY INTEGRATING FOREIGN AFFAIRS AGENCIES

The long-planned reorganization of the government's foreign affairs agencies is under way. In April 1997, the White House announced a plan to put matters of international arms control, public diplomacy, and other functions within a "re-invented" State Department. In October 1998, the Congress authorized the reorganization, which abolished the U.S. Information Agency (USIA), and the U.S. Arms Control and Disarmament Agency (ACDA) and consolidated and integrated those functions into State. The reorganization is intended to reinvigorate the foreign affairs functions of the United States within the State Department. About 3,000 employees of ACDA and USIA will be integrated into State. Potential areas identified for integration among the three agencies include legal affairs, congressional liaison, press and public affairs, and management. Central management functions that are to be integrated include IRM, overseas facilities and operations, logistics, diplomatic security, financial management, and human resources.

State has indicated that during the transition, costs would likely increase because of the need to implement system conversions and transfers; in the longer term, overall staffing and costs may decrease. State faces several challenges in achieving the objectives of this reorganization. One major challenge is the technological difficulty of uniting the agencies, including integrating separate electronic mail and computer systems. Overall issues include whether the reorganization will actually produce identifiable efficiencies and improved performance in foreign affairs programming. As our prior work has indicated, many of the areas targeted for management consolidation need substantial reform.

## EFFECTIVELY MANAGING THE VISA PROCESS

The Immigration and Naturalization Service (INS) estimated that as of October 1996, 5 million illegal aliens were residing in the United States. While not the primary source of illegal immigration, visa fraud is a significant matter of concern. State's consular officers at overseas posts are responsible for providing expeditious visa processing for qualified applicants. At the same time, they must prevent the entry of those who are a danger to U.S. security interests or are likely to remain in the United States illegally. In fiscal year 1997, State processed over 7 million nonimmigrant visas and 640,000 immigrant visas for foreigners to enter the United States. Visa processing is a particular problem for some overseas locations where volume and/or security concerns are high.

State has introduced new technologies, equipment, and controls designed to improve visa processing and reduce the incidence of fraud. State notes that progress has been made in several areas, including installation of machine-readable visa systems at all visa-issuing posts, online connectivity to Washington, D.C., databases, and implementation of a first phase of a State-INS data-share program. Many improvements were made possible through State's temporary authority to retain fees charged foreigners applying for nonimmigrant visas. Those fees generated millions of dollars, enabling the Department of State to invest in border security technology and to pay the salaries of nearly 2,000 employees.

State will need to remain vigilant in a number of areas to further reduce the vulnerability of the visa system to fraud and abuse. These include addressing (1) critical staffing gaps in overseas consular positions; (2) limitations in consular automated systems; (3) restrictions in the exchange of intelligence information with INS and other law enforcement agencies; and (4) weaknesses in the integrity of immigrant and nonimmigrant documentation, including the computerized systems used to produce them. The Department must also continue its efforts to encourage consular sections to implement best practices designed to streamline and rationalize the visa workload. Several potential best practices were identified in our recent work on visa backlog issues. These include using travel agents for initial processing, establishing appointment systems to control workload, and allowing the payment of visa fees at a bank or other financial institution. In view of the increased international terrorist threats, continued attention to State's progress in addressing these issues will be needed.

#### MODERNIZING RELOCATION AND HOUSING PROCESSES

State has recognized the need to reengineer its logistics processes based on the adoption of best practices, hoping to reduce the time and costs associated with its outdated business operations. One area that deserves attention is State's employee transfer process, which has remained virtually unchanged for years. Over 3,000 employees along with their household effects are relocated each year. We recently compared State's process for transferring employees and their household goods to those of other public and private sector organizations. We found that the "best practices" of leading private sector companies and other organizations can serve as a useful model for State to reduce costs and provide better services. One of the key differences between the process State uses to relocate its employees and the process leading private sector organizations use is State's reliance on in-house operations.

Our work found that leading companies in the private sector use a number of "best practices." These include having one point of contact for assistance to employees, known as "one-stop shopping," and using commercial, door-to-door shipments to lower the cost of shipping employees' household effects. In contrast, State employees are confronted with a myriad of steps and multiple offices to navigate. State also separately contracts for each segment of most moves. In addition to incurring annual direct costs of about \$36 million to ship household effects, State incurs as much as \$1,600 in overhead costs for each move.

State and other U.S. government agencies operating overseas also spend over \$200 million annually to lease housing and purchase furniture for employees and their families. This process appears to be more costly than necessary. Our comparison of State's processes with those of key private sector firms operating overseas indicates that if State adopted private sector practices at a number of posts, it could potentially save the U.S. government substantial amounts of money and still meet its employees' overseas residential housing and furniture needs. Specific practices that can reduce costs include:

- using relocation companies and similar service providers to search for housing and negotiate leases to reduce in-house support costs and shift some property preparation expenses to landlords;
- providing employees with housing allowances to select their own homes rather than managing and maintaining a housing pool of government leases and preassigning residences; and
- acquiring residential furniture overseas instead of buying and shipping it from the United States.

#### STRENGTHENING STRATEGIC AND PERFORMANCE PLANNING

The Results Act provides a framework for resolving management challenges and for providing greater accountability of State's programs and operations. As required by the Results Act, State has prepared strategic and performance plans. In its first strategic plan for foreign affairs, State formulated 16 foreign policy goals that cover a wide spectrum of U.S. national interests—national security, economic prosperity,



American citizens and U.S. borders, law enforcement, democracy, humanitarian response, and global issues. Our review of that plan and the Department's annual performance plan for 1999 indicated that State's plans had their strong points but often did not provide the information which is needed for effective Results Act planning.

For example, we are concerned that State's strategic plan addressed neither the potential impact of the consolidation of the foreign affairs agencies on its systems nor the potential for other agencies to have functions duplicative of State's. We have found that State's functional bureaus share responsibility with multiple U.S. agencies on various overlapping issues, including trade and export policy and international security functions. The strategic plan also did not address the deficiencies in State's financial accounting and information systems, noting only in general terms that several years will be required to develop performance measures and related databases to provide sufficient information on the achievement of goals.

Our review of State's performance plan revealed similar deficiencies but also some encouraging points as well. For example, State's performance plan generally provided clear and reasonable strategies and goals in the areas of improving U.S. citizens' services and border security, and promoting democracy. In contrast, State's plan did not present a clear picture of its methods to meet strategic and performance goals in the areas of furthering economic prosperity, preventing international crime, and enhancing humanitarian assistance. Overall, the performance plan did not clearly indicate the Department's intended performance and was vague about how State will coordinate with other agencies. Further, State's performance plan did not provide sufficient confidence that the Department's performance information will be credible. Also, it did not address how the known deficiencies in State's financial and information systems will affect performance measurement.

In response to our work, State is attempting to improve its planning by developing clearer and more objective performance measures linked to performance goals. It is also identifying partnerships with other agencies or governments to address crosscutting issues.

#### CONCLUSION

In conclusion, State faces a number of serious management challenges that, if not adequately addressed, could encumber its overall performance, seriously impair its ability to meet its goals and objectives, and potentially waste resources. The introduction of cost-based decision-making, the use of best practices, and the establishment of sound strategic planning offer the promise of helping State improve the efficiency of its operations.

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

Senator GRAMS. Thank you very much, Mr. Nelson.

I will go right to you for a first question, Mr. Nelson. You just mentioned about specifically best practices, *et cetera*. Has State responded favorably to GAO's recommendation for change based on the principle of best practices?

Mr. NELSON. I would say, overall, our recommendations have not been welcomed with open arms by the Department. The Department has recognized that they need to re-engineer some of their processes, but have been reluctant to move out in a forceful, aggressive way in rethinking the way that they carry out their business.

Just last year, we undertook a major effort to examine how major corporations that operate overseas go about finding housing for their employees, and how do they go about the process of relocating staff. And what we found was that these corporations basically rely on the private sector and people who are experts in these different areas to relocate their people, whereas the Department tends to perform all of the related functions in-house, which contributes to additional costs. We found examples where just using a private sector company for relocation can save thousands of dollars.

Senator GRAMS. What other recommendations can you do or pressures put on to get them to move in those directions? You were

saying it is hard for them to change their business patterns or practices.

Mr. NELSON. Right. The Department has a fairly—and I do not want to say—but it is pretty entrenched structure that makes it difficult for them to change the way they do business. I think congressional oversight, particularly as the Department seeks additional funds, as to whether the Department is still operating the way it did 30–45 years ago might be helpful.

Senator GRAMS. All right. Thank you.

Ms. Williams-Bridgers, what are some of the challenges that State faces due to reorganization of some of our foreign policy apparatus, with USAID and ACDA now being folded into State? What are some of the biggest problems they are facing?

Mr. Nelson, you can answer, too, afterwards.

Ms. WILLIAMS-BRIDGERS. Let me start with one area that speaks to congressional expectation, an area that you explored with the panel with Under Secretary Cohen and Assistant Secretary Kennedy; that area is cost savings. It is clear that the Congress intended that there be cost savings. But, unfortunately, the legislation, as written, left little room in the short term for the Department to realize any cost savings, given that there was a transfer of function and all personnel were relatively assured to have a job under the transfer.

However, I think, in the long term, one of the significant challenges will be to make the very tough decisions about personnel cuts, which is where most of the cost savings can be achieved, in the personnel area, given that that is the majority of the costs to the Department.

I must note that in the work that we have recently completed, looking at efficiencies that could be gained in the short term, even under the mandate of all personnel maintaining a job under the consolidation, we looked at the opportunity to reduce costs through use of longer tours of duty overseas by personnel. And we had in fact recommended that the State Department look at one practice at USIA, where a considerable portion of the tours of duty were 4-year tours. The State Department currently has no 4-year tours of duty.

We were disappointed that State decided to opt for 2- and 3-year tours rather than the 4-year tour. So, we thought it was a lost opportunity to achieve such cost savings.

Another major area where there will be significant challenges for the Department in consolidation is that in the area of financial management. This has been a longstanding material weakness for the Department, managing three separate major financial management systems. There are notable material and reportable conditions that we have cited in our past financial statements audits with the financial and accounting systems at the Department of State. Integrating personnel and payroll systems and reconciling the various financial accounting systems at USIA into a new Department of State will pose significant challenges.

And, last, I would like to mention the information systems area. There is a difference in culture between USIA and the State Department. It is an area that borders on what Mr. Nelson just spoke about. USIA is an open information system. State is relatively

closed. Merging those two cultures and developing an integrated information network at the Department of State, the new Department of State, will be a significant challenge.

Senator GRAMS. Mr. Nelson, without being critical, anything to add?

Mr. NELSON. No. I believe that all of the areas outlined by Jackie will be challenges, as well as making sure that the new structure is responsive in terms of reconciling the different functions within the agency, not to replicate them, but to critically assess all of the functions of each agency, in the way they carry them out, and to arrive at something that is very efficient and not duplicative.

Senator GRAMS. Again, a lot of that responsibility, as you mentioned before, could go back to congressional oversight, which we need to do.

Mr. NELSON. I believe that to be the case.

Senator GRAMS. Ms. Williams-Bridgers, going into the area of real estate management that you outlined as one of the important areas, how is the Real Property Advisory Board now functioning? And have any disposable recommendations by the board been acted upon as of yet?

Ms. WILLIAMS-BRIDGERS. In fact, we have just completed a review of the activities of the Real Property Advisory Board. We are happy to conclude that we think that it is working fine. The board is meeting the objectives established to reduce the surplus inventory at the Department of State. We found that the Department of State, through its own consideration of properties that have been forwarded to it by not only GAO but OIG and others in the Department of State, that the Department of State has been able to make good recommendations to the Real Property Advisory Board, and the Board has then acted on those properties.

We understand, in the most recent meeting of the Board last September, there were 22 properties put before it for consideration. The Board recommended that half of those properties be sold. I think it was 11—or 12 properties, I believe—to be sold. The Department in fact disposed of 11 of those 12 properties.

The Board recommended that another five properties be retained. The Department acted on that, and requested additional information on another five properties. Overall, we believe that the Board is achieving the goals that have been established for it, and it is working well.

Senator GRAMS. Mr. Nelson, is the fund itself being managed properly?

Mr. NELSON. Senator, we have not undertaken work in the last couple of years on this issue. In particular, we have not looked into either the sales proceeds or how they are being managed for quite some time.

Senator GRAMS. In the view of the State Department's problems in maintaining properties and increased security concerns, Mr. Nelson, should the use of sale proceeds be expanded and not just used for capital construction and property purchases?

Mr. NELSON. That is a difficult question. As an accountant, I would say you should never use the sale of an asset to fund your current operations. As a general principle, the question you ask re-

quires some further exploration by GAO. But, in general, I would not support selling capital to fund current operations. And I am not sure of what the restrictions are regarding how State can use the money at this point.

Senator GRAMS. Ms. Williams-Bridgers, would you like to comment on that?

Ms. WILLIAMS-BRIDGERS. I am afraid that I cannot give you a very informed answer on that. I think the starting point for us would be to look at how they intend to use the moneys that have currently been appropriated, either in the emergency supplemental and the additional advance request for \$3 billion in appropriations, to see how they intend to use those moneys, and then make a determination as to whether or not alternative uses of the proceeds from the sales would be best applied to other uses.

Mr. NELSON. I think one of the issues that we raised last year regarding the proceeds of sale is the priorities. I do not know how much of a change they have made, but our concern was that the proceeds did not necessarily go to the highest priority need. Basically the country where the property was being sold typically got first claim to the proceeds. We raised that issue with the Department, and I am not sure if that practice has changed.

Senator GRAMS. Anything to add?

Ms. WILLIAMS-BRIDGERS. Senator, may I go back to one question that you asked just a moment ago? And that was about were the proceeds properly managed and an account properly set aside.

Senator GRAMS. Right.

Ms. WILLIAMS-BRIDGERS. Our review of the Real Property Advisory Board did look at that. We in fact found that FMP did not segregate and the posts did not properly account for nearly 50 percent of the real property proceeds that had been realized as of May of last year. This has been corrected. However, we found that the inappropriate segregation of funds was due in part to FBO not completing journal entries to accomplish the transfer of funds appropriately for the new account, and also that FMP staff did not consistently verify and reconcile what the posts had reported as the proceeds amounts, or update Department regulations to show to show changes in accounting procedures for proceeds of real property sales.

Those, in part, led to some of those inaccurate accounting for the proceeds. They have been corrected, as I understand it.

Senator GRAMS. So, you are more satisfied with the latest report and the numbers?

Ms. WILLIAMS-BRIDGERS. Yes.

Senator GRAMS. You talked about the Y2K, which is a growing concern. Are you confident that the Department's mission-critical systems will be year 2000 compliant?

Ms. WILLIAMS-BRIDGERS. The Department is confident that their Y2K systems will be compliant. We, as I mentioned in my testimony, are concerned about the certification process. We have no reason to believe that any of the mission-critical systems will fail at this point. But we are not adhering to the schedule of certification that we had originally agreed with the Department.

Senator GRAMS. Are you ahead or behind?

Ms. WILLIAMS-BRIDGERS. We are behind. We are considerably behind on the certification process.

However, the Department has taken initiative to move forward with implementation of Y2K-compliant systems. And we think that is a good thing to do, to move ahead and install new Y2K-compliant systems. The only way that we can assure, and the only way that we agreed with the Department that we can assure, that those Y2K-compliant systems, newly installed, are in fact Y2K compliant is to go behind the documentation that the bureaus have prepared to demonstrate that they have taken the appropriate steps to ensure Y2K compliance. With regard to that certification process, the Department has certified two of those systems. We have looked at less than 10—I believe seven of those systems—to review the documentation provided by the bureaus.

Senator GRAMS. Do you figure there is enough time to finish the rest out of the 50?

Ms. WILLIAMS-BRIDGERS. The time is not flexible, however, we will use it as best we possibly can.

Senator GRAMS. All right. What are some of the serious consequences or problems that could be expected if it is not complete?

Ms. WILLIAMS-BRIDGERS. We have to look on various levels. Within the Department, we are talking about the inability to communicate with our posts, through the unclassified and classified messaging systems. At the post level, we are talking about the inability to retrieve the types of information that is necessary to adjudicate passport or visa applications at posts. We are talking about life safety considerations and host country governments, where there might be failures, where there might be critical infrastructure failures—the lack of water, the lack of power, the lack of electricity at posts on which of course our embassy personnel must rely. There are various levels of potential failure that we have to consider.

Senator GRAMS. Mr. Nelson, GAO has pointed out a number of problems in the State Department's management of its IRM modernization process, something that could lead to delays in improving systems and unnecessary costs. Now, the question then is, are you aware of whether the State Department is doing anything to address the problems that have been identified by GAO?

Mr. NELSON. Senator, that is one area where I can say that the Department has been very responsive to GAO's observations and recommendations. We reported that the Department was moving ahead with a sizable investment without a good strategic plan, and having complied with all of the applicable guidance as to how you modernize your system at the lowest risk. The Department has, since then, enhanced its efforts, including appointing a CIO, and taken other steps that should lead to an effective approach to modernizing their IT resources.

Senator GRAMS. And just a quick followup questions before we have to adjourn. Ms. Williams-Bridgers, have other agencies overseas opted out of ICASS? And if so, what are the ramifications? I know you said, I think earlier, and Mr. Nelson, too, you were disappointed in that. But what is the likelihood that alternative service providers, other than the State Department itself, will be found and actually used to reduce the costs of overseas support?

Ms. WILLIAMS-BRIDGERS. Yes, some agencies have opted out of certain ICASS services. In fact, the Peace Corps has opted out of financial management services on a worldwide basis. We have found during the course of our post inspections that various agencies have opted out of certain services. When we have asked for documentation of the cost/benefit analysis that we believe should have been done as a basis for their decision to opt out, we have not seen it.

The consequences are, as I mentioned in my testimony, that the costs for all other agencies may go up. One would expect that the cost should go down. If your demand for a particular service is reduced, you would expect your cost to go down. Not so. We are finding that one agency opting for limited services may not make a material difference in the number of people that must deliver that service to all other agencies there.

One agency's demand for a service, for example, may account for only one-tenth of the time spent by an administrative person in delivering the service to that particular agency. So, you would not reduce that staff person's position entirely. They would still be needed to provide a level of service for all the other agencies.

Another very practical consideration is that where you have FSNs providing administrative services, local labor laws may not allow us to readily dismiss that individual from our payroll. Also, there is a cost factor associated with eliminating some of the FSNs who provide administrative services.

We have to look very closely and to continue asking the kinds of questions that we have been over the past year as more and more agencies and post ICASS councils are looking at alternative service providers. I think the ICASS council need to be instructed on how to conduct the kinds of cost/benefit analyses that we think that they should be conducting. They have guidance now, but many posts are telling us that the guidance is not clear enough to them; it is not as instructive as it could be to help them make those kinds of very tough decisions.

Senator GRAMS. Mr. Nelson, is ICASS generating savings for the U.S. Government as a whole, as I think we just heard, or simply savings for the State Department through redistribution of cost to other agencies? So, what we are looking for is, is it an overall cost savings to the American taxpayer, not just a cost savings to the State Department while some are shifted to other outside agencies? So, overall, is ICASS reducing or on track of generating savings overall?

Mr. NELSON. Senator, I think that ICASS has resulted in more of a relationship between an activity and its cost. But I have seen no evidence which would suggest that total overall costs to the Government for services and activities has decreased.

I think there are numerous implications from ICASS. And I do not think we know all of them yet. The rules allow a certain amount of flexibility. And as Jacquie said, there are fixed costs that have to be absorbed by those agencies that stay in the system. I think it is an excellent management approach that people know what things costs so that they can make good decisions. But I think there are implications of the current ICASS that are unknown, and some may not be beneficial to the U.S. Government overall.

Senator GRAMS. Ma'am, anything further?

Ms. WILLIAMS-BRIDGERS. I was just looking to see if I might find examples of where we found that posts were able to achieve certain cost savings. In one embassy, we found that when the ICASS council reviewed the cost of administrative services in its consulates, they were able to identify unusually high cost areas and took action to determine the reasons. Another post coordinated with a neighboring post to reduce shared ICASS costs, such as warehousing.

Another improved the quality of services delivered by surveying the customer population, and established a new standard for service delivery. These are some of the other benefits of ICASS. I think that we just have to, through continued oversight, continue to force the Department's attention.

Senator GRAMS. Overall, has ICASS saved more money and maintained services, or have we lost some service capabilities and not had the cost savings? Was it counterproductive?

Ms. WILLIAMS-BRIDGERS. We have seen no evidence of lost service capabilities at posts. And overall, that is a question I could not answer as to what exact dollar savings have been achieved, if any, for the U.S. Government as a whole.

Senator GRAMS. So, would you recommend continuing to pursue ICASS?

Ms. WILLIAMS-BRIDGERS. Yes. I think that we need to continue to encourage the Department and to encourage other Federal agencies to remain true to the original objectives of ICASS, to looking for the most cost-efficient and effective provider of administrative services at post, and then to make those tough decisions, where they can be made, to reduce costs.

Senator GRAMS. Is there anything that Congress can do to help with that?

Ms. WILLIAMS-BRIDGERS. Yes. In fact, when I talk with my other colleagues in the I.G. community about ICASS, there are very few eyebrows raised about the subject. I think Congress could help us in the various committees with oversight over all other Federal agencies by asking the questions: Are you participating in ICASS? What kinds of cost savings are you looking to achieve through ICASS? What evidence can you demonstrate of having considered alternative service providers?

Senator GRAMS. I think that is great advice, because, as I said, if there is one shortfall of Congress, it is the lack of oversight. We send out a lot of directives, and then we never followup to see if they are being carried out and being done efficiently.

Ms. WILLIAMS-BRIDGERS. Sure.

Senator GRAMS. And that is why I think hearings like this and reports from you are so important. I know it would take more time and a lot of effort, but I think we should be doing that rather than passing more bills or legislation that we do not pay attention to. So, I appreciate that recommendation.

One final question, and then we will have to wrap this up. But I just wanted to touch briefly on the issue of visas and of course on fraud and abuse. What action does State need to take to improve processing of visas to try to reduce or eliminate fraud and

abuse? Is there any one thing you could point your finger at, ma'am?

Ms. WILLIAMS-BRIDGERS. One area I would like to offer—and that again speaks to other agencies participation with State in ensuring the security of our borders—and that is in sharing information across agency lines. It is vital to ensure that INS border agents, and consular officers have any and all information that they need in order to properly adjudicate a visa applicant on the consular line or to make a very quick decision about whether or not a passport or a visa is valid at our Nation's borders.

The instrument itself is more secure. You have seen evidence of that with the photo digitized passport. And the MRV, the machine-readable visa, is a more secure document. But we need to ensure that the information that goes into decisions to issue those documents is good information, that it is the most current information about whether or not a person could bring harm if allowed entry across our borders.

We have improved our information sharing, certainly, by electronic transfer of information to border agents. We need to make sure that those border agents use that information. There is no indication right now that our INS agents are making use of all the kinds of information that they have at post, because they have such little time in order to make very quick decisions.

Senator GRAMS. And again, oversight would be helpful, I think, on our part.

Ms. WILLIAMS-BRIDGERS. Absolutely.

Senator GRAMS. Mr. Nelson, any brief comment on that?

Mr. NELSON. Just that the Department should be able to make some progress, because they have recently hired 300 new junior officers who typically perform the consular functions. And I think this is a step in the right direction. But they will need to be vigilant and continue to automate and use the information in the visa clearing process.

Senator GRAMS. Anything else either of you would like to add?

[No response.]

Senator GRAMS. Well, I want to thank you very much for taking your time and for your answers. I also would like to leave the record open for 3 days, of course, in case Senator Boxer or others would like to ask any questions in writing. And of course we would appreciate a quick response, if possible.

[The questions referred to above and the answers thereto follow:]

### **Responses to Additional Questions Submitted to Under Secretary of State Cohen by Members of the Committee**

#### QUESTIONS SUBMITTED BY SENATOR BIDEN

*Question.* Please provide information on the rate of applications, for each of the three two fiscal years (FY 96, FY 97 and FY 98) for:

- passports
- immigrant visas, and
- nonimmigrant visas.

Of these, how many were granted and how many were denied? Of the denials, how many were denied either because the applicant had a criminal record or an outstanding arrest warrant?

*Answer.* Passports:

Passport applications were received at the following rate:



- FY 96—5,784,219 applications
- FY 97—6,340,690 applications
- FY 98—6,557,988 applications

If a person is able to prove US citizenship, it is extremely rare that a passport would be denied. A criminal record is not a cause for denial but an outstanding arrest warrant is. In FY 98, 40 applications were denied due to outstanding arrest warrants. Although statistics on denials are not maintained separately by category, we estimate that the figures for FY 96 and FY 97 denials due to outstanding arrest warrants were comparable.

VISAS—EXPLANATION OF CRIMINAL REFUSAL GROUNDS

INA Section	Explanation
212(a)(2)(A)(i)(I)	Crime Involving Moral Turpitude
212(a)(2)(A)(i)(II)	Controlled Substance Violators
212(a)(2)(B)	Multiple Criminal Convictions
212(a)(2)(C)	Controlled Substance Traffickers
212(a)(2)(D)(i)	Prostitution (within 10 years)
212(a)(2)(D)(ii)	Procuring (within 10 years)
212(a)(2)(D)(iii)	Unlawful Commercialized Vice
212(a)(2)(E)	Certain Aliens Involved in Serious Criminal Activity Who Have Asserted Immunity from Prosecution
212(a)(3)(A)(ii)	Other Unlawful Activity
212(a)(6)(B) (prior to FY97)	Certain Aliens Previously Removed from the United States (Aggravated Alien Felons—Ineligible for Twenty Years)
212(a)(9)(A)(i) (since FY97)	Ordered Removed Upon Arrival—Convicted of Aggravated Felony
212(a)(9)(A)(ii) (since FY97)	Ordered Removed or Departed While Removal Order Outstanding—Convicted of Aggravated Felony

Note: Determinations of ineligibility are not necessarily limited to cases in which the alien has been convicted of a crime. Under some subsections of INA 212(a), a determination of ineligibility may also be made when the alien admits having committed a crime or acts which constitute the essential elements of a crime, or when the consular officer has reason to believe that the alien is or has been engaged in criminal activity.

IMMIGRANT VISAS

Fiscal Year	Total Immigrant Visas Issued	Total Immigrant Visas Denied	Immigrant Visas Denied to Applicants with Criminal Records				
			INA Section	Number of Denials			
1996	423,440	207,129	212(a)(2)(A)(i)(I)	418			
			212(a)(2)(A)(i)(II)	150			
			212(a)(2)(B)	20			
			212(a)(2)(c)	113			
			212(a)(2)(D)(i)	9			
			212(a)(2)(D)(ii)				
			212(a)(2)(D)(iii)				
			212(a)(2)(E)				
			212(a)(3)(A)(ii)	1			
			212(a)(6)(B)	14			
			<b>Total</b>	<b>859</b>			
			1997	416,919	221,410	212(a)(2)(A)(i)(I)	421
						212(a)(2)(A)(i)(II)	140
212(a)(2)(B)	70						
212(a)(2)(c)	89						
212(a)(2)(D)(i)	25						
212(a)(2)(D)(ii)	3						
212(a)(2)(D)(iii)							
212(a)(2)(E)	1						
212(a)(3)(A)(ii)	6						
212(a)(9)(A)(i)							
212(a)(9)(A)(ii)	67						
<b>Total</b>	<b>822</b>						

## IMMIGRANT VISAS—Continued

Fiscal Year	Total Immigrant Visas Issued	Total Immigrant Visas Denied	Immigrant Visas Denied to Applicants with Criminal Records	
			INA Section	Number of Denials
1998	375,635	320,010	212(a)(2)(A)(i)(I)	454
			212(a)(2)(A)(i)(II)	151
			212(a)(2)(B)	141
			212(a)(2)(C)	108
			212(a)(2)(D)(i)	16
			212(a)(2)(D)(ii)	4
			212(a)(2)(D)(iii)	
			212(a)(2)(E)	
			212(a)(3)(A)(ii)	2
			212(a)(9)(A)(i)	
			212(a)(9)(A)(ii)	23
<b>Total</b>				<b>899</b>
<b>NONIMMIGRANT VISAS</b>				
Fiscal Year	Total Nonimmigrant Visas Issued	Total Nonimmigrant Visas Denied	Nonimmigrant Visas Denied to Applicants with Criminal Records	
			INA Section	Number of Denials
1996	6,237,870	1,561,005	212(a)(2)(A)(i)(I)	1,874
			212(a)(2)(A)(i)(II)	1,076
			212(a)(2)(B)	71
			212(a)(2)(C)	473
			212(a)(2)(D)(i)	7
			212(a)(2)(D)(ii)	5
			212(a)(2)(D)(iii)	3
			212(a)(2)(E)	1
			212(a)(3)(A)(ii)	319
			212(a)(6)(B)	30
			<b>Total</b>	
1997	5,942,061	1,587,877	212(a)(2)(A)(i)(I)	1,721
			212(a)(2)(A)(i)(II)	1,085
			212(a)(2)(B)	195
			212(a)(2)(c)	581
			212(a)(2)(D)(i)	19
			212(a)(2)(D)(ii)	4
			212(a)(2)(D)(iii)	1
			212(a)(2)(E)	
			212(a)(3)(A)(ii)	185
			212(a)(9)(A)(i)	3
			212(a)(9)(A)(ii)	17
<b>Total</b>				<b>3,811</b>
1998	5,806,590	1,536,419	212(a)(2)(A)(i)(I)	2,261
			212(a)(2)(A)(i)(II)	1,229
			212(a)(2)(B)	94
			212(a)(2)(C)	1,780
			212(a)(2)(D)(i)	28
			212(a)(2)(D)(ii)	11
			212(a)(2)(D)(iii)	1
			212(a)(2)(E)	
			212(a)(3)(A)(ii)	267
			212(a)(9)(A)(i)	
			212(a)(9)(A)(ii)	27

## NONIMMIGRANT VISAS—Continued

Fiscal Year	Total Nonimmigrant Visas Issued	Total Nonimmigrant Visas Denied	Nonimmigrant Visas Denied to Applicants with Criminal Records	
			INA Section	Number of Denials
Total				5,698

*Question.* In checking immigrant visa applicants against the National Criminal Information Center (NCIC) data base, how many positive “hits” resulted in Fiscal Year 1998? How many immigrant visa applications in Fiscal Year 1998 were ultimately denied after access to the full criminal history was secured?

*Answer.* In FY-98, there were 23,010 NCIC possible hits resulting from 14,504 NCIC-III namechecks conducted at the National Visa Center. Obviously, there were a fair number of multiple hits. In addition, there were 780 hits resulting from telegraphic requests from posts for NCIC-III name checks.

The Visa Office does not maintain separate statistics on visa refusals resulting from NCIC namechecks. Those refusals are included in overall refusal statistics. We can, however, provide some instructive data gathered during the fingerprint pilot established under Public Law 103-317 passed in 1994.

During a 17-month period from March 1, 1995–July 26, 1996, 647,035 immigrant visa applicants were checked through NCIC-III at NVC. These checks produced 57,407 hits that were close enough matches to warrant forwarding them to a visa processing post. All of these hits required fingerprinting to determine if the applicants were in fact the individuals listed in the NCIC database. 355 prospective immigrants were eventually determined to be ineligible for visas based on U.S. criminal convictions or drug-related offenses uncovered through this program. Forty-six cases were still pending resolution when the report on the program was written. Eighty-one of the refusals were subsequently granted waivers of ineligibility by INS, and obtained visas. The end result was a .05 percent refusal rate based on information provided through NCIC-III namechecks.

One reason for the relatively low refusal rate was the fact that the majority of cases forwarded to posts involved offenses that were not considered visa ineligibilities under U.S. immigration law. Information provided through NCIC-III checks did assist consular officers to identify serious criminals who may not have been discovered through any other means.

The State Department plays a key role in promoting U.S. border security and works closely with U.S. border and internal security agencies. We consider the FBI's NCIC-III database an important source of information needed by consular officers abroad who serve as the first line of defense in the protection of U.S. borders.

*Question. Office of Children's Issues:* Please provide details on budget and staffing in the Office of Children's Issues in the Bureau of Consular Affairs.

—Provide details on the overall budgetary resources of the office.

—How many case officers does the office have to deal with parental kidnapping cases?

—What is the average case load per case officer?

—What steps are being taken to reduce the case load per officer?

*Answer.* The FY 1999 budget for the Office of Children's Issues (CI) is \$700,000. It supports the salaries of 13 full-time employees and the day-to-day operating expenses of the office. Of the 13 full-time employees in the office there are 10 case officers. Case officers are responsible for international parental child abduction and adoption cases and issues in their assigned countries.

Each case officer is responsible for an average of 90–120 international parental child abduction cases in addition to their adoption workload. An ideal caseload would be an average of 50–60 international parental child abduction cases per officer.

The Office of Children's Issues is in the process of hiring five new full-time employees.

*Question.* In March 1998, the General Accounting Office issued a report on visa processing (“Tourist Visa Processing Backlogs Persist at U.S. Consulates” (Mar. 1998) (NSIAD 98-69)). The report indicated that the Bureau of Consular Affairs (CA) had proposed to the Under Secretary for Management that CA be given greater control over staffing and funding of overseas consular positions. At the time of the report, the regional bureaus controlled assignment of consular positions at overseas posts, thus preventing CA from shifting positions to meet changing requirements.

—Have you made a decision regarding this proposal? What decision have you made and why?

Answer. The Department has reviewed this issue, but has decided at this time not to shift control of consular positions from the regional bureaus to CA because it would be difficult to transfer the administration of the infrastructure and other support costs from the other bureaus to CA. Instead, CA continues to consult with the regional bureaus to manage consular requirements in the region. CA has also worked with the Bureau of Personnel to design an overseas staffing model that analyzes consular workload factors and measures consular staffing requirements. This analysis has been the basis for the Department of State's budget request for 65 additional consular positions. CA has worked closely in cooperation with the regional bureaus to designate the locations for these new positions.

*Question. Consular Agents Program:* In July 1998, the State Department Inspector General issued a report examining the consular agents program. The report noted that consular agents represent a cost effective means to provide such services, but highlighted several weaknesses in program management. Among other things, the report found that most agents were not receiving sufficient supervisory visits from post; received no formal training; that some agents were paid for more hours than they actually worked; that some agents were erroneously provided security clearances at unnecessary cost; that some agents were performing unauthorized visa services; that some agency records were inadequate and inconsistent; that the agents were provided little guidance provided on cash management; and that there was little effort by State to secure reimbursement from other government agencies for services performed by consular agents.

The primary recommendation of the report, from which several other recommendations flowed, is that the program needs one management focal point, as opposed to the current structure, under which the regional bureaus control the placement and oversight of agents.

—Please update the Committee on the steps the Department is taking to implement these recommendations, particularly the recommendation to place management responsibility for the program in one bureau.

Answer. The Department has carefully reviewed the July 1998 OIG audit report on the consular agent program and believes that the report provided a useful overview of the problems facing the program. The report correctly notes that responsibility for consular agents is divided between several offices in the Bureau of Personnel, the Bureau of Consular Affairs, and the appropriate geographic bureaus. The Department is still studying this issue because no single entity in the Department is responsible for all aspects of the program and funding sources are similarly dispersed.

The Bureau of Consular Affairs (CA) serves as the focal point for all consular agent policy issues. CA has taken initial steps to solve some of the problems identified by the OIG with regard to internal controls. The Foreign Service Institute (FSI) will hold a consular agents' training conference this fiscal year. CA issued guidance reminding posts that consular agent involvement in visa work should be minimal. We will continue to be aggressive in providing policy guidance that cuts across regional bureau lines and in seeking ways to streamline operations.

Consular agent positions are critical to providing consular support in areas where there is a significant U.S. citizen population but no U.S. consulate or embassy is nearby. CA has proposed to use a modest amount (\$1.5 million) in the Border Security Program in FY-2000 to fund further consular improvements to this program.

As the OIG notes, many of the management problems (pay irregularities, cash management issues, etc.) cited in the report stem at least in part from the lack of a focal point. A focal point presumably would bring standardization to aspects of the program such as training, pay grades, and position descriptions. The appropriate place may well be within the Bureau of Consular Affairs (CA). It must be noted, however, that consular agents do more than consular work. Many are engaged in commercial work. Some consular agents in Europe spend the majority of their time on U.S. military ship visits. Consular agent work is becoming more diversified as posts close and other agencies downsize.

If a decision were made to make the Bureau of Consular Affairs the focal point for the consular agent program, serious resource issues would have to be addressed. CA does not administer any overseas positions and does not have the personnel or the expertise to assume these functions. CA would need additional money and staff to manage the program; this is not specifically addressed in the OIG report. A major reprogramming of funds and positions from the geographic bureaus (which currently administer the consular agents) would be required. The same would hold true if the "focal point" were placed in any other program.

The OIG also points out that consular agent duties performed for other agencies are not reimbursed. The Department agrees that little attention has been paid to this but believes it can be addressed through the ICASS process.

*Question.* The Budget in Brief indicates that photodigitization of passports will be installed at the Passport agency in New Orleans in April, 1999 (p. 52). This is in addition to capability now in place for photodigitization at the National Passport Agency.

—What is the schedule for installation and operation of photodigitization at the other passport agencies?

*Answer.* Photodigitization deployment will continue through calendar years 1999 and 2000. The majority of the remaining 13 agencies will have the new technology installed during 1999. However, several agencies are scheduled for moves or major renovations during the next two years. To save funds and minimize operational disruptions, deployment of photodigitization for these sites will be scheduled following construction. In several instances, most notably the new facility in Charleston, South Carolina, relocation or renovation will not be complete until 2000. As not all facilities will be upgraded to photodigitization in 1999, we have begun the process of ensuring Y2K compliance for the legacy passport issuance system. The compliant system is scheduled to be implemented at all passport agencies by the end of April 1999.

*Question.* Please provide additional details on the expansion of the TIPOFF program as described on p. 57 of the Budget in Brief.

*Answer.* In FY2000, the TIPOFF Crime Program will expand operations to include creation of a “Virtual Center,” which will link LNR’s TIPOFF staff and database via secure lines to the FBI, the Crime and Narcotics Center (CNC) and NSA. The interagency MOU required to enable this seamless exchange of all source data on Russian organized crime figures was signed on March 12, 1999. Upon completion of the “Virtual Center,” resources will be budgeted to expand the TIPOFF program into other operational areas, such as Asian criminal groups, Italian Mafioso, or Weapons of Mass Destruction (WMD).

#### PERSONNEL ISSUES

*Question. Workforce Planning.—a.* The CPD indicates that it is a priority to complete the domestic staffing study and begin work on a comprehensive workforce planning model incorporating the domestic study and the Overseas Staffing Model. (CPD, at PER-2)

—What is the timeline for the completion of (1) the domestic staffing study; and (2) a comprehensive planning model?

—Do these models attempt to project workforce needs into the future? If so, how far?

—In your testimony you mentioned that a workforce planning study is currently being performed by outside consultants.

—Will you provide the Committee the results of the study when the study is finished?

*Answer.* We project the domestic staffing study will be completed by the end of FY-2000. To date, the Department has analyzed the nature of work performed in each of the domestic bureaus and catalogued the functions and staffing levels of each major organization within each domestic bureau. The Department has initiated task groups to study the major functional bureaus including Diplomatic Security; Intelligence and Research; and International Organization Affairs as well as administrative support organizations such as bureau Executive Directorates. The study’s rate of progress has been and will continue to be affected by planning and implementing the merger of USIA and ACDA within the Department and the subsequent organizational adjustments that will be required in overseas and domestic functions. Assuming completion of a domestic model by the end of FY-2000, a comprehensive planning model could also be in place by the end of FY-2000.

As currently envisioned, the domestic model will project staffing needs on an optimal basis with various calculated options for meeting the staffing options over periods from one to five years.

A workforce study is being conducted by Science & Technology Group (STG) and McKinsey & Associates. They are examining our ability to recruit, hire, retain and develop the workforce to further prepare us as we move into the 21st century. The Department will share any products that come from this effort with the Committee staff.

*Question.* During her testimony today, the Inspector General noted that several studies have recommended lengthening tours in order to promote cost cutting. The

IG stated, however, that in planning the merger of ACDA and USIA into State, a decision was made to make the shorter tours of the State Department the norm. What was the basis of this decision?

Answer. The State Department and USIA have differing tour of duty policies. In our preparations for integration, we learned that there are: 28 posts where USIA had four year tour of duty and State had three year tour of duty, one post where USIA had a three year tour of duty and State had a two year tour of duty, and 14 posts where State had three year tour of duty and USIA had two year tour of duty. In approximately 100 other countries, tours of duty were precisely the same. In addition, the State Department allows employees to remain in the United States for a maximum of six years, USIA for only four; this is a significant difference when you consider that approximately 50 percent of the Foreign Service are domestically based.

In opting for the State tour of duty we were driven by a desire to minimize disruption to families and employees who had made life decisions based on established tours of duty. Thus, the large number of State employees who would be affected by changes to USIA tours of duty was one factor in our decisionmaking. Further, there were significant savings from extending the domestic length of service by moving to State's domestic tour of duty.

*Question.* What cost savings would result from lengthening normal tours by one year?

Answer. Clearly, there are cost savings associated with a longer tour of duty. Making the transfers of individuals less frequently would result in savings in moving and transfer costs. (The size of transfer savings would vary from individual to individual depending on family size.) Cost savings would also accrue from reducing the number of times housing has to be prepared for new arrivals. At the same time that savings could be realized from lengthening a tour of duty, there are other costs which would increase such as curtailments, R&R costs, medevac costs, etc. Given the complexity of this issue and the unavailability of specific data, we cannot specifically quantify the cost savings at this time. We will continue to review this issue.

*Question.* What are the other possible benefits of lengthening tours by one additional year?

Answer. An additional year promotes continuity in an overseas position. Officers would be more familiar with their counterparts and the issues in the country when pursuing US foreign policy interests.

*Question.* What are the negative aspects of lengthening tours?

Answer. The Department assigns personnel to tours of duty based on the hardship level of a given post. Hardship is measured in terms of healthfulness, isolation, and/or danger. Greater hardship posts are generally the more difficult to staff. Lengthening the tour of duty would exacerbate the staffing problem as employees resist longer periods of sacrifice by themselves and their families.

Since living at hardship posts is difficult, officers and families tend to burn out more quickly. Potential savings in transfer costs by extending tours of duty would be greatly offset by increased costs for emergency medical evacuations, away from post educational allowances, added home leaves mandated by lengthened tours, and R&R travel.

Families also time TODs to coincide with points in the education of their children. They take advantage of transfers to place their children in particular grade schools or high schools or be closer to home for college. Lengthening tours of duty will make it more difficult for parents to manage the schooling of their children.

Many of the overseas positions requiring language ability in the most difficult languages are also at the greatest hardship posts. After first receiving the language training, many employees serve multiple tours at the post. Paneling employees to longer tours at the hardship post will provide a further disincentive to learn these hard languages.

The Department intends to alter its language incentive program and is currently negotiating the proposed changes with the American Foreign Service Association. The proposed program would provide financial incentives for employees with hard language skills to extend their tours (or do repeat tours) at posts where these languages are used. We believe this use of carefully targeted financial incentives will be cost effective and will increase average tour lengths while avoiding most of the negative effects of mandatory lengthening of tours.

Lengthening tours at non-differential posts freezes positions at less difficult posts from assignments for employees who are serving at more difficult posts.

The Department needs to measure the performance of its untenured officers in a variety of circumstances. Lengthening tours of duty will lessen the variety of tours

for junior officers and give the Department a less meaningful tool to judge the likelihood of a successful career for these new officers.

Longer service at a given locality may foster less objectivity in the way the officer perceives issues between the United States and host government.

*Question.* As you stated in your testimony, because for several years the Department hired below attrition, staffing shortages have resulted.

—Please provide precise data, as of the beginning of either the fiscal year or the calendar year, on the number of positions that are unfilled. Please break this down between domestic and overseas positions.

*Answer.* As of September 1998, the Department had 365 vacant American positions. During times of changing funding and subsequent resource levels the Department has attempted to bring the authorized position base in line with our fundable employment. This reflects the Department's overall resource management philosophy that position levels should parallel the number of people available to staff them. Maintaining higher position levels than realistic staffing levels creates considerable pressure on recruitment and staffing mechanisms.

We also have unmet needs through bureau requests validated during our FINPLAN development as well as other planning mechanisms. Unforeseen events also require movement of available officers to meet needs without the resources to back-fill resulting vacancies.

For example:

- During the FY-99 FINPLAN process, over 200 additional positions were recommended for priority consideration but could not be authorized under planning realities. Our FY-2000 OMB request validated the need for an additional 255 positions for which funding was disapproved.
- The latest Overseas Staffing Model projected the need for 160 overseas positions over and above what we are able to fund.
- We are often required to fill emergency needs (e.g., Kosovo, Haiti) by assigning officers to temporary positions. This involves a constant trade-off to meet these high priority needs by assigning officers from lower priorities. Within a finite funded employment corps, however, this results in subsequent numbers of Full-Time Permanent (FTP) positions remaining unfilled. Current data shows roughly 123 officers not filling FTP positions (thereby creating 123 vacancies) because of these types of temporary staffing arrangements.

#### USUN BUILDING

*Question.* The CPD for the Department indicates you will require funding in FY99 and FY00 for State Department costs associated with the design of the new building for USUN and for renovation of leased space. Please provide an estimate of what these costs will be in each of these years and from where these funds will be derived?

*Answer.* The Department has received no funding to date to undertake the new USUN Mission building. It was requested in the Department of State's FY-2000 budget request to OMB. Funding was not provided by OMB due to the fact that GSA had not received Congressional authorization for the USUN project.

The DOS share of the project budget is approximately 25% over the life of the project: \$20.4 million of the pre-design budget estimate of \$79.3 million for the temporary leased space and the new building.

We understand that GSA received funding in their budget passback for the Architect-Engineering fees to design the new building and demolition of the existing building.

Pending Congressional approval of funding, GSA's tentative schedule is to award a lease in December 1999 and move the USUN staff by June 2000, prior to the United Nations General Assembly.

State Department costs are currently unbudgeted. The current estimate for FY 1999 is \$275,000 for A&E design of the new building. In FY 2000 the Department of State will require \$3,105,000 for the renting and outfitting of temporary lease space for the USUN. We will assess our departmentwide priorities and reprogram within our base to meet these requirements. The balance of funds, \$16.3 million, will be required during the design and construction of the new building.

GSA and DOS await Congressional approval prior to undertaking further work on this most important project for the DOS.

## MANAGEMENT ISSUES

*Question.* In her testimony today, the Inspector General of the Department noted that agencies in a number of posts have opted out of the ICASS system. Could you provide background on:

- where this is occurring;
- which agencies have been mostly likely to opt out;
- what the results of this opting out are in terms of costs and provision of services to the embassy community;
- what measures can be taken to address this problem.

*Answer.* No agency has opted completely out of the ICASS system, either at an overseas post or at the worldwide level. Under ICASS, agencies subscribe at post, on a voluntary basis, to the services they need from a menu of ICASS support services. Each year agencies have the option to subscribe to additional services and/or to withdraw from existing services. Withdrawal from services requires six months notice. Likewise, the service provider can terminate the provision of services by giving a year's notice to coincide with the budget cycle. ICASS policies and procedures for the subscription to and withdrawal from support services are similar to those used under the previous system, the Foreign Affairs Support Services (FASS) system.

ICASS is a customer-driven system that incorporates many of the important pillars of entrepreneurial government. Support service funding is allocated to the customer rather than to the provider as a means of reducing unnecessary expenditures and overall administrative costs. ICASS is about interagency cooperation, cost sharing, and end user satisfaction, but it is also about providing services in a competitive environment.

Customers now know what the costs of services are under ICASS and can compare them to other alternatives. It is up to the service providers to demonstrate that they can provide quality services at the lowest costs. If an agency finds a better or cheaper way to do business, it should be shared and implemented collectively to reduce everyone's costs. However, that is not always possible. Ultimately, each agency must determine its support requirements based on need and within existing budgetary constraints.

With the exception of the Peace Corp's withdrawal from ICASS financial services on a worldwide basis, there has not been a wholesale withdrawal from ICASS services by any agency. In fact, the level of agencies' participation in ICASS has remained relatively constant over the past three years. As a result, the cost and provision of services to the embassy community have been essentially unaffected by any withdrawal from services by particular agencies. In sum, widespread withdrawal from ICASS services is not occurring and is not perceived to be a problem. We will continue to monitor closely agency service subscriptions as an indicator of service provider effectiveness.

## COMPUTER SECURITY

*Question.* Last year, the General Accounting Office issued a report ("Computer Security: Pervasive, Serious Weaknesses Jeopardize State Department Operations") (GAO/AIMD-98-145). The report highlighted several concerns, including that (1) State lacks a central focal point for overseeing and coordinating security activities; (2) State does not routinely perform risk assessments to protect its sensitive information based on its sensitivity, criticality, and value; (3) the Department's primary information security policy document is incomplete; (4) that State is not adequately ensuring that computer users are fully aware of the risks and responsibilities of protecting sensitive information; and (5) the Department lacks key controls for monitoring and evaluating the effectiveness of its security programs and it has not established a robust incident response capability.

—What steps have been taken to respond to the concerns raised by the report?

*Answer.*—Concern (1)—State lacks a central focal point for overseeing and coordinating security activities.

Information security remains a top priority of the Department of State. Over the past year, the Diplomatic Security (DS) and Information Resource Management (IRM) bureaus have cooperatively led the effort in the Department to address computer security weaknesses identified by the GAO Review in March 1998. In response to the GAO report, the Department's Security Infrastructure Working Group (SIWG), a focal point for security activities in the Department, established a Tiger Team Committee to address GAO vulnerabilities and conduct bureau compliance evaluations. The SIWG has also established a corporate ISSO (Information System



Security Officer) program and serves as the focal point to coordinate security activities within the Department.

Answer.—Concern (2)—State does not routinely perform risk assessments to protect its sensitive information based on its sensitivity, criticality, and value.

The Department is keenly aware of the risks involved in migrating information technology (IT) assets to open system architectures and considers the establishment of an IT security architecture a vital interest. The Bureau of Diplomatic Security has conducted numerous computer security evaluations on sensitive high value systems. These reviews included the Department's three major networks, one classified and two unclassified. System vulnerabilities are corrected through a compliance tracking function.

Presidential Decision Directive 63 (PDD63) requires that every government agency protect its critical infrastructure including its cyber-based systems. The Department's PDD 63 Vulnerability Assessment Working Group will conduct vulnerability assessments on mission critical applications. The Department of State is committed to providing integrity, confidentiality and availability for all IT resources.

Answer.—Concern (3)—The Department's primary information security policy document is incomplete.

The Department undertook a thorough review of its information systems security policies to identify areas that are incomplete.

The Foreign Affairs Manual has been updated to show that the Chief Information Officer has a key role in the security of automated information systems.

The Department participated on the National Institute of Standards and Technology (NIST) Working Group to establish government-wide requirements for security plans. The Department will incorporate this guidance into its certification and accreditation program.

Partly in recognition of password problems identified in the audit, the Department is revising its password policy to increase the frequency of changes and require the use of a stronger algorithm for creating passwords, in order to provide maximum protection against a computerized attempt to crack them.

The Department has published an expanded Internet access policy that permits employees to perform necessary work on the World Wide Web through a risk management approach of restricting processing to non-sensitive information confined to discrete, dedicated unclassified LAN systems.

Finally, the Department has initiated a concerted computer security awareness program to ensure that our employees are fully cognizant of, and in compliance with, all existing security policies.

Answer.—Concern (4)—That State is not adequately ensuring that computer users are fully aware of the risks and responsibilities of protecting sensitive information.

The Department has increased awareness of computer security through distribution of computer security awareness telegrams and the creation of security web sites. An executive-level GAO audit briefing was conducted for all functional and regional bureau employees by DS and IRM. Another briefing to address issues raised in the GAO audit was conducted at the IRM conference held November 1998 in Frankfurt for Information Specialists overseas.

DS has established new training classes and information sessions to heighten computer security awareness in the Department. ISSO training, web site training, and Internet security briefings are some of the vehicles being employed to educate and train Department users on their responsibilities and the risks associated with use of sensitive information. In addition, all new employees are briefed on computer security fundamentals, including a technical training session recently held for all bureau system managers to assist them in implementing the GAO recommendations.

Answer.—Concern (5)—The Department lacks key controls for monitoring and evaluating the effectiveness of its security programs and it has not established a robust incident response capability.

A major Department initiative has been the development of an Intrusion Detection System (IDS) capability. IDS is used for centralized monitoring and auditing of information systems to detect misuse, abuse, criminal activity and/or possible loss of National Security information. The Department's IDS capability is in place and comprises monitoring and alarm notification with real-time network scanning. Reporting procedures have been established and information disseminated in the Department and elsewhere in the foreign affairs community. Information obtained by Intrusion Detection Systems may lead to administrative and/or legal action against Department personnel or criminal action against individuals outside the Department. This information can also be used to provide a performance measure of the robustness of the Department's security programs. The Department of State cur-

rently coordinates with outside agencies, such as the FBI, NSA and GSA to share information resources, knowledge and expertise and to participate in outside Agency technical training programs.

#### OTHER ISSUES

*Question.* What was the current unobligated balance of the Rewards program account in the Emergencies account as of March 1?

*Answer.* As of March 1, the unobligated balance in the Rewards program account was \$7,657,728, which consists of \$4,450,143 for East Africa bombing rewards and \$3,207,585 for all other rewards. Potential publicity initiatives are expected to be funded at the following amounts: East Africa bombing \$60,000; regular terrorism \$72,000; war crimes \$25,000; and counter narcotics \$25,000 for a total of \$182,000. The Department has outstanding reward offers pending for the arrest of the seven terrorists charged in the bombings of Embassies Nairobi and Dar es Salaam. At a maximum potential reward of \$5,000,000 each, payment of more than one of these rewards would deplete our unobligated rewards account.

*Question.* In September 1998, the General Accounting Office completed a report on the U.S. Section of the International Boundary and Water Commission (GAO/NSIAD 98-238). The report indicated that there is minimal oversight of the Commission's operations, either by State or the Environmental Protection Agency. The primary recommendation, a recommendation to which the State Department had no objection, was that Congress consider requiring the U.S. Commissioner to obtain annual financial statement audits of the U.S. Section's activities.

—By what means does the Department monitor the activities and operations of the Commission?

—Would the Department object to a legislative mandate that there be annual financial audits of the Section? If not, do you have any recommendations about whether such audits should be conducted by an independent firm or by the State Department Inspector General?

*Answer.* The Department of State provides policy guidance and funding to the United States Section of the International Boundary and Water Commission (USIBWC). In most other respects, the USIBWC functions as an independent U.S. agency and as the U.S. half of a U.S.-Mexican international organization. Department policy oversight is exercised by the Bureau of Western Hemisphere Affairs, primarily through the Border Coordinator in the Office of Mexican Affairs. The USIBWC has a liaison officer in that office to help coordinate IBWC issues in Washington. The Department's office of budget and planning reviews USIBWC appropriation requests and oversees execution of the USIBWC budget.

Monitoring of the activities and operations of the USIBWC is conducted through written letters and memos, daily telephone calls and e-mail between USIBWC and the Office of Mexican Affairs, frequent visits to Washington by the U.S. IBWC Commissioner, and visits by Department officials to the U.S.-Mexico border area, including visits to the IBWC. Budget oversight is conducted through written appropriation and allotment documents, financial and program performance reviews.

The Department receives IBWC project reports, reports on IBWC meetings, boundary and water problems, and proposed solutions. Such solutions may take the form of exchanges of letters between Commissioners or proposed IBWC Minutes, which are reviewed and approved by the Department on behalf of the U.S. Government. Once approved by both governments, IBWC Minutes become binding binational obligations. The Department receives USIBWC budget estimates and supporting documentation as part of the annual budget process.

The Department uses such information to assure that activities of the IBWC are consistent with, and support U.S. foreign policy with respect to Mexico and to ensure consistency with legal and administrative requirements related to the appropriation and allotment of funds.

The IBWC has received EPA funding for some border environment infrastructure projects and EPA has a legitimate interest in overseeing use of those funds. In other respects EPA has no oversight role over the IBWC.

Considering that the treaties establishing and governing the IBWC contemplate its relative independence of action, the Department considers that the level of oversight it exerts is appropriate.

The Department of State and the USIBWC concurred in the GAO's suggestion that "Congress may wish to consider requiring the U.S. Commissioner to obtain annual financial statement audits of the U.S. Sections activity by an independent accounting firm . . ." In keeping with the Chief Financial Officer Act of 1990, such audits were conducted by an outside accounting firm designated by the Department's Office of the Inspector General (OIG) until fiscal year 1995. The Government

Management and Reform Act required audited agency-wide financial statements, beginning with FY 1996 statements. The Department did not require a separate financial statement for the IBWC because it was not material to the agency-wide statement. The USIBWC provides financial information on its operations, which is included in the Department's agency-wide financial statement.

As a result of the GAO's suggestion to Congress, the U.S. Commissioner has decided to issue a USIBWC policy statement requiring independent audits of the USIBWC's annual financial statements and accompanying notes. The USIBWC is identifying funds needed to do this. If a Congressional mandate would help obtain needed funds, this might be useful. If not, the Department does not consider a Congressional mandate necessary.

Should the Congress decide in favor of a mandate, the Department and USIBWC would favor continuing the practice of having the OIG designate an outside accounting firm to conduct the audit. In that event, the USIBWC would recommend the following legislative language: "The financial statements and accompanying notes to the financial statements of the United States Section of the International Boundary and Water Commission, United States and Mexico, shall be examined annually by an independent auditor in accordance with procedures established by the Office of the Inspector General of the Department of State. The results of this examination shall be included in a report which describes the scope of the examination and expresses an opinion on the financial statements."

DTS-PO

*Question.* Please provide a detailed list of DTS-PO funding sources and amounts for FY99 and FY00.

Answer.

[In millions of dollars]

	Fiscal Year 1999	Fiscal Year 2000
Diplomatic and Consular Programs American Salaries .....	\$2.673	\$2.857
Bureau Managed Funds .....	40.445	41.295
Other Agency Bureau Managed Funds .....	39.761	36.212
Capital Investment Fund—Infrastructure Enhancements .....	18.340	18.000
Emergency Supplemental Y2K Compliance .....	.912	0
Border Security—MRV Fees .....	8.881	10.000
Emergency Security Supplemental (Nairobi/Dar) .....	2.270	0
<b>Total .....</b>	<b>113.282</b>	<b>108.364</b>

*Question.* As of the start of Fiscal 1999, how many Post Communications Upgrade Projects had been completed?

Answer. At the start of FY99, 178 post upgrade projects had either been completed or were in progress leaving 84 projects to be completed in FY99 and beyond.

*Question.* Is the concept of implementing a full "charge-back" system under review or active consideration? if so, please describe the status of such review and the timeline for a decision.

Answer. DTS-PO is prepared to begin full "charge-back" for all bandwidth but OMB approval is necessary to move forward. DTS-PO is currently charging for enhanced bandwidth beyond basic service (every agency, at no charge, is provided with a 2400 bit per/second dedicated circuit or space on a 9600 bit per/second shared circuit).

QUESTIONS SUBMITTED BY SENATOR GRAMS

FULBRIGHT EXCHANGES

*Question.* The State Department is requesting an increase of \$8.5 million to augment the Fulbright exchange program.

How many new exchanges will this funding increase support and what countries are targeted with this increased funding?

Answer. The FY 2000 request represents a net increase of \$3,852,000 for the Fulbright program. This results from an increase of \$10,000,000, offset, in part of \$6,148,000 in balances applied in 1999, which do not recur in FY2000.

The net increase will allow \$1,500,000 for price increases and \$2,352,000 for approximately 149 new opportunities by U.S. and foreign Fulbright students, long-and short-term scholars, teachers and Humphrey fellows.

These opportunities include the New Century Scholars Program, a new category of U.S. and foreign Fulbright senior scholar fellowships designed to encourage U.S./foreign collaborative research on topics of national and global interest, e.g., conflict resolution, immigration, urbanization.

In addition, the increase will enable program managers to restore cultural enrichment and pre-academic orientation activities that suffered cuts in previous years; encourage greater reciprocity from partner governments and cooperating private organizations; advance alumni development; and continue broadening participation among state and community college networks and institutions serving minorities.

The targeted countries include Russia, Ukraine, China, and Nigeria. In addition circumstances permitting, we are considering a small pilot program with Iran.

#### USIA EXCHANGES

*Question.* The State Department Inspector General has found that grant management is an area of weakness in USIA, and must be carefully considered when USIA is folded into the Department. USIA annually awards around \$380 million in grants and transfers to foundations and OIG audits have identified unauthorized, unallowable, and unsupported costs associated with these awards.

Under revised Office of Management and Budget guidelines, the majority of USIA's grantees will no longer be required to have annual financial audits. Is the State Department working to develop a more comprehensive screening and monitoring process for grant recipients once consolidation occurs?

*Answer.* USIA's Office of Inspector General merged with the Department of State's Office of Inspector General in accordance with the Omnibus Appropriations Bill enacted on April 26, 1996. Many of the auditors who had previously worked with USIA's exchange program staff continue to support the same staff in monitoring expenditures by grant recipients. The Department of State Inspector issued a report on "Grantee Compliance with Audit Requirements under OMB Circular No. A-133" and USIA has already implemented or is in the process of implementing the report's recommendations.

In addition, the Department's Office of the Procurement Executive (A/OPE) will have overall responsibility for policy and oversight of the grants management program. Grants execution responsibility will reside in the program bureaus or within the Department's Acquisition Office.

—A/OPE will devote a senior level person full-time to grants and cooperative agreement program management.

—A/OPE has a grants warranting system.

—A/OPE has a grants directive system.

—A/OPE has an informal grants officer training program dependent upon established and recognized contractors who specialize in grants/cooperative agreements training.

—A/OPE will review all recent audits and investigations, formal and informal, of USIS grants and cooperative agreements and will enhance its existing program to provide for appropriate internal controls, including review and screening of recipients.

*Question.* The FY 2000 budget provides \$3,000,000 for a new Market Development Pilot Program. The program proposes to enhance commercial activities in developing countries. How is this different than current AID business center programs in developing countries?

*Answer.* The Market Development Pilot Program (MDPP) differs from the privately-operated USAID-funded American Business Centers in Russia and the New Independent States, and expands on USAID's Global Technology Network (GTN), in three critical ways. First, MDPP business development centers will be located in countries where economic reforms and trade liberalization have created real opportunities for American business. They will not have the more developmental focus of the USAID centers. Second, MDPP business centers, will have a more active business promotion dimension. Our Ambassadors and embassy staffs will aggressively promote trade and investment opportunities to American business through trade missions, seminars and workshops, and other interactive sessions done in cooperation with private sector trade associations such as the Chamber of Commerce. Third, we will not place MDPP centers in countries serviced by USAID business centers. Regarding GTN, MDPP will promote business and trade linkages beyond USAID's focus sectors: agriculture, environment and energy, health technology, and communications and information technology.

We have been working closely with USAID since the MDPP was first considered to ensure that MDPP activities complement USAID programs, rather than duplicating their activities. Both State and USAID are convinced that cooperative use of our limited resources is the best way to serve our mutual goals: bolstering U.S. exports while fostering host-country development. In particular, we will ensure that MDPP staff are added only in countries not adequately covered by USAID business centers or the Foreign Commercial Service. We are also exploring the possibility of pooling resources with USAID to add coverage in areas where neither of us would be able to go it alone—as through links with GTN.

After consultation with USAID as well as other agencies, specifically the Department of Commerce, we are finalizing our list of the fifteen countries where we propose to launch small business development centers. Our initial candidates are Bolivia, Cameroon, Malawi, Nicaragua and Nepal. FCS has identified six posts for expansion in Africa and five, as yet unidentified, posts in Central America and the Caribbean and in Asia. We are reviewing further countries, but in keeping with our overall commitment to interagency cooperation, we will not make final decisions on all of them until the FCS selects the five unidentified posts they expect to staff in FY 2000. We will, obviously, select posts where there continues to be no FCS representative.

To reiterate, if the Department of Commerce or another trade promotion agency of the USG already has plans to station personnel in any of these markets in FY 2000, we will choose another country for our pilot center. As we have state frequently to the interagency trade community, the Department will cooperate with all elements of the USG, as well as with domestic State export agencies and private sector trade promotion organizations. Export promotion resources are too limited at the State Department as well as elsewhere in the U.S. to waste a single dollar on duplication.

MDPP business development centers will take advantage of existing embassy facilities and personnel to provide a low-cost and relatively rapid solutions to expanding business promotion activities in untapped markets. As many of these embassies are in difficult developing country environments where adequate infrastructure is rare and very expensive, the value of piggy-backing on embassy infrastructure is especially great. It makes sense.

We urge Congress to support the MDPP proposal as an effective, low-cost way to help American businessmen expand into new and difficult markets. It is especially important for all elements of the USG to do all they can—individually and together—to boost U.S. exports in the current era of rapidly rising imports.

*Question.* Fiscal year 2000 will be the third in a five year infrastructure upgrade program at the State Department. Last September, GAO testified before this committee that while State is proceeding with these upgrades, it has not first implemented the type of planning and investment process called for in recent legislation and related GAO and OMB guidance developed in response to other failed modernization upgrades throughout the government.

What studies have been done to determine the management structure changes, employee modifications, and staff level changes which should occur as a result of the technological modernization underway at the State Department?

*Answer.* As the Department has modernized its information technology (IT) infrastructure over the past several years, it has been concurrently strengthening its IT capital planning process and overhauling its IT management and support organization.

The Department has fully functional IT Program and Technical Review Boards that have reviewed the technical and business viability of over 150 IT projects in the past two years. Changes are currently being instituted to further strengthen and expand these boards and bring the entire IT investment planning and management process into strict conformance with OMB Circular A-11 and the Clinger-Cohen Act. Our refined planning processes will ensure evaluation of IT investments that support the Department's overall strategic and performance plans, and will integrate more fully investment decision criteria, such as alignment with the Department's IT architectures.

The Department recently merged the Office of Information Management under the Office of the CIO and brought in a CIO with over 25 years of IT experience. This realignment, which strengthened the role of the CIO as directed in the Clinger-Cohen Act, was approved by Congress in February 1998. This realignment has consolidated information technology policies and programs under the leadership of one centrally managed office, and has enhanced the focus and control over information technology issues Department-wide.

The Department has a strong strategic and tactical planning effort in place. The current plan, which covers Fiscal Years 1998 through 2000, details 80 projects across eight major initiatives. In addition, the Department recently published an IT vision paper that establishes five ground breaking IT goals for the years 2001–2005. This paper was featured in an article in Government Computer News in February.

The five year vision set by the Department responds to the need for radical changes in the way we conduct diplomacy, and it closely corresponds to the direction of recent studies conducted by the Henry L. Stimson Center and the Center for Strategic and International Studies. These changes will generate increased demand for global connectivity, broad access to information, intelligent analytical tools, powerful search engines, greater emphasis on foreign policy applications, and other technologies. We plan to issue a new IT Strategic and Performance Plan this summer that will articulate our vision in much greater depth.

The Department has an annual IT hiring and training plan that will be updated to reflect the Department's five year vision. A training needs study was conducted in 1996 in which IT specialists and managers performed a general assessment of knowledge, skills and abilities required for the Department's IT positions globally. Another study is underway focused on identifying the current knowledge, skills and abilities of our IT professionals, forecasting future skills and workload requirements, and developing a plan to address any skills shortfalls. It will also be updated to reflect the Department's five year vision as this is further developed.

Again, thank you very much for taking your time and presenting your opportunities. Thank you.

Ms. WILLIAMS-BRIDGERS. Thank you very much.

Mr. NELSON. Thank you.

Senator GRAMS. This hearing is completed.

[Whereupon, at 3:50 p.m., the hearing was adjourned.]

### **Additional Material Submitted for the Record**

#### PREPARED STATEMENT OF MR. HAROLD PACHIOS, CHAIRMAN OF THE U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

On behalf of the U.S. Advisory Commission on Public Diplomacy, I appreciate the opportunity to submit testimony for this hearing related to America's diplomacy. Public diplomacy is a topic this Commission and its predecessors have been considering for more than 50 years. My name is Harold Pachios. I have been a member of the Commission since 1994.

For the past five decades, the bipartisan Commission and its predecessors have worked to examine, critique, and promote the efforts of the U.S. government to enhance its foreign policy objectives by influencing foreign publics. The Commission began its work in 1948, five years before the establishment of the United States Information Agency (USIA), and has been and continues to be the only independent entity in the U.S. government exclusively devoted to the area of public diplomacy. Commissioners, who serve without compensation, have included such distinguished Americans as Frank Stanton, William F. Buckley, Jr., George Gallup, Rev. Theodore Hesburgh, James Michener, John Gardner, Dorothy Chandler, Leonard Marks, Ed Feulner, Tom Korologos and Olin Robison.

The Commission is abolished by the Foreign Affairs Reform and Restructuring Act of 1998. Those associated with the Commission's work over the years believe that there is, in light of the reorganization of the foreign affairs agencies, an even greater need for an independent board to observe, analyze and make recommendations which improve public diplomacy.

Representatives Tim Roemer and Amo Houghton have sponsored legislation (H.R. 559) to reverse the abolition of the Commission, in part because the Commission, as Representative Roemer said introducing the bill on February 3, 1999, "has an excellent track record for helping the State Department and USIA achieve its foreign policy goals and giving the American people a meaningful return for their tax dollars. . . . The seven commissioners are appointed by the President with the advice and consent of the Senate. They are all private citizens who represent different professional backgrounds and who volunteer their own time as Commissioners with the conviction that public diplomacy is indispensable to the national interest and to U.S. Foreign policy. The Advisory Commission (has) . . . an average annual budget of less than \$450,000. Over the last three years, the Advisory Commission has returned an average of \$75,000."

I would like to highlight a few of the critical developments and changes in U.S. public diplomacy activities for which I think the Commission can take considerable credit.

During the 1960s and 1970s, the Commission took the leadership in getting USIA to expand its research and program evaluation effort, to target information programs to women's and labor groups abroad, to improve VOA programming and signal delivery and to give top priority to the development of direct broadcast satellite research. During the 1980s, the Commission continued to press for the development of direct broadcast satellite technology, and to require that foreign public opinion analyses become a formal part of all foreign policy decisions.

The Commission broke new ground in 1985 when it released the special report *Terrorism and Security: The Challenge for Public Diplomacy*, which deals with the balance between the need to protect our diplomats and overseas installations and the need to reach out to overseas publics. It has done so again in the 1990s by focusing on a new diplomacy for the Information Age.

The Commission's 1996 report discussed the foundations of a new approach to diplomacy in the age of globalized issues, increasingly powerful publics and the communications revolution. Although it was the catalyst for last year's Center for Strategic and International Studies' *Reinventing Diplomacy in the Information Age*, this Commission had been considering information age diplomacy since 1993.

Our 1998 report, *Publics and Diplomats in the Global Communications Age*, voices a strong call for a Presidential Decision Directive (PDD) to formalize the central role of understanding, informing, and influencing foreign publics in American foreign policy and set a national priority to secure the support of foreign publics for U.S. policy. The Commission has sounded this theme for years and it is our understanding that a PDD on International Public Information is currently being considered by the White House.

The reorganization of the foreign affairs agencies to be implemented this year is a unique opportunity to create a new Department of State. I salute this Committee for its key role in bringing about this restructuring. The Commission has supported the reorganization since early 1997. As we said in our most recent report, ordinary people have more power to influence and change their governments than ever before. The number of societies in democratic transition is unprecedented. Millions of people all over the world are increasing their power over their lives and their governments by joining nongovernmental organizations involved in a myriad of things, from neighborhood issues to international matters, and in lobbying for their causes. Publics are having an increasingly profound effect on their governments' foreign policy. Most international issues have political, economic and public dimensions and require a combination of government-to-government and government-to-people diplomacy. This country has a substantial edge in public diplomacy, both in reaching publics through advanced information technology and in our message of democracy, human rights, free markets and ethnic and cultural diversity. We must use that edge. In the post-Cold War era of instantaneous global journalism and "people power," foreign public opinion often is critical to the success of American foreign policy initiatives. The new State Department we are creating must be a responsive and flexible diplomatic institution that can deal as effectively with foreign publics as with foreign governments.

For fifty-one years this Commission and its predecessors have considered the impact and role of public diplomacy, influenced the thinking of policy makers, and raised public diplomacy issues to a greater level of visibility. The justification for a statutorily mandated advisory commission of outside citizens experienced in foreign affairs and communications is stronger today than it was when the information and educational/exchange advisory commissions were created in the Smith-Mundt Act of 1948.

I thank the Chairman and Members of this Subcommittee for accepting this statement from the U.S. Advisory Commission on Public Diplomacy.

## EMBASSY SECURITY FOR A NEW MILLENNIUM

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THURSDAY, MARCH 11, 1999

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

The committee met, pursuant to notice, at 10:10 a.m. in room SD-419, Dirksen Senate Office Building, Hon. Jesse Helms (chairman) presiding.

Present: Senators Helms, Hagel, Grams, Biden, Sarbanes, and Feingold.

The CHAIRMAN. The committee will come to order. We have to operate with at least two Senators unless the second Senator is on his way immediately, which Senator Biden is. He takes the train down from Delaware and he will be here in just a second. So we will stand at ease until he gets here.

I might add for the very important record that between the Admiral and I we have three new knees. I am not going to tell you which one has the two, but he is not using the crutch and that may be a hint to you. [Pause.]

The CHAIRMAN. All right. Good morning again. It is an honor to have a very distinguished American, Admiral William J. Crowe, with us this morning to discuss the pressing issue of embassy security. Admiral Crowe has served the American people for more than 50 years. He started when he was six.

He accepted the chairmanship of the State Department Accountability Review Boards this past fall because of his sincere concern for the security of Americans serving in our embassies around the world. The recommendations of the Accountability Review Boards carry special weight and significance, and I have scheduled this hearing this morning to examine the boards' work; because it is vital that the necessary steps be taken to make sure our embassies are as secure as possible.

On August 17, 1998, last year of course, two United States embassies, Nairobi, Kenya, and Dar es Salaam, Tanzania, were destroyed by simultaneous car bombs which killed 220 people and injured more than 4,000 others. Twelve Americans and 40 Kenyan and Tanzanian employees of the U.S. Government were killed in these two attacks.

In 1985 Admiral Bobby Ray Inman concluded an investigation which identified significant problems in the efforts of the United States to combat terrorism against U.S. facilities overseas. The Inman panel called for significant changes in State Department



standards and resources for constructing secure embassies in the most vulnerable parts of the world.

Now, Admiral Crowe, while reading your recent report, which was very well done, by the way, I was struck by the fact that you identified some of the very same problems discovered by Admiral Inman 14 years earlier.

Now, the President recently submitted a budget to the Congress requesting \$3 billion in advance appropriations for fiscal years 2001 to 2005 to replace our highest risk, most vulnerable embassies and consulates. I agree that we need to provide more resources to construct embassies which meet our security standards. I am not absolutely convinced that an advance appropriation is the proper procedure to complete this difficult task. If embassy security is a priority for the President, as it should be, funds for the construction should be identified and made available now.

In 1986 the Congress provided the State Department with \$2.1 billion to begin a substantial construction program to protect U.S. personnel and diplomatic facilities. It was estimated at that time that 57 projects could be completed with this funding. According to the General Accounting Office, of the 57 projects planned in 1986 only 7 had been completed by September 1991, and the GAO determined that there were many factors which led to this result; but a fundamental weakness of the State Department's implementation of the building plan was the lack of a firm strategy to complete the mission.

Now, I know that the State Department is making strides to improve the way they do business. But before I agree to the funding for a new construction program, I think we need to see more than just a commitment to spend additional money. We need to see a plan.

The cost of rebuilding our overseas facilities will be significant; and I am committed to providing a reasonable level of funding to accomplish that goal, but I am not suggesting that all of our existing posts must or even can be brought up to Inman standards. However, there should be clear priorities at all of our facilities, and we should focus our efforts on those posts which are most vulnerable and crucial to the conduct of our foreign policy.

The reality of the terrorist threat today requires us to be even more diligent than we have in the past. The bombings in Africa have forced us to change our perspective on security, and there will be more changes in the future as the threat continues to evolve.

Embassy security will not be achieved by a single legislative or executive action. Our efforts must be sustained and viewed as a constant duty shared by all parts of the U.S. Government.

So again, Admiral, we welcome you and I look forward to your testimony. Now, Senator Biden.

Senator BIDEN. Thank you, Mr. Chairman.

I do apologize for being late, Admiral. I want to join the chairman in welcoming you back to our committee. You have already served this Nation for decades as a military officer and as an ambassador, our Ambassador in London, and you have done a great service by chairing this committee.

Admiral CROWE. Thank you.

Senator BIDEN. Six months ago when two terrorist bombs exploded nearly simultaneously, killing over 270 people and 5,000 were injured, we were in a stark way reminded of what we have not done. The embassy bombings highlighted tragically the vulnerability of our U.S. facilities overseas. Many of our embassies are by design—were designed to be—open and clear invitations for people to come. But we did not have terrorists in mind when we built them.

Over a decade ago, as was mentioned by the chairman, Admiral Bobby Inman surveyed the state of our diplomatic security and found it profoundly wanting. The Inman panel concluded that 126 State Department posts, roughly half of our total posts, needed to be replaced or renovated, at an estimated cost of \$3.5 billion a decade ago.

Not nearly enough has been done in response to the Inman recommendations over the last decade. As you point out, it would serve no purpose to point fingers as to why we have not done more. Suffice it to say that your report notes there is plenty of blame to go around. Several administrations as well as we in Congress have failed to give security the attention it deserves, and now we have to concentrate on the task at hand.

Admiral Crowe, your report provides an excellent analysis of what we must do to correct the deficiencies that exist in our embassy security worldwide. But, I was discouraged to read many of the findings, not discouraged in terms of their accuracy but discouraged that they were accurate, including that our embassies are often excepted from implementing existing security standards, doing so only “to the maximum extent feasible.”

I was equally disheartened to note that the threats posed by transnational terrorism and vehicle bombings were at the bottom of the list of security concerns listed by the State Department.

We cannot attempt to remedy any of these deficiencies, though, without money. Last fall Congress provided \$1.4 billion in emergency funding following the bombings I referenced at the outset. In my view, in the view of I think most of us, we viewed that as just a down payment. In this year’s budget request the President seeks another \$300 million for fiscal 2000 and \$3 billion over fiscal years 2001 to 2005 to begin a new capital construction program to build and secure embassies.

I share the deep concern expressed in your report, Admiral, that this funding is insufficient. But I am also alarmed that last week the Senate Appropriations Committee decided to offset—that is our way of saying take away money—offset supplemental appropriations for Hurricane Mitch and Jordan by cutting \$70 million from last year’s embassy security funding. They may have reasons for it that I am unaware of and there may be a plan as to how they are going to make this up, but I find it somewhat bizarre that we would be cutting funding just a few months after the embassy bombings and just a few months after we decided that we needed an emergency funding to provide the money.

As we consider the administration’s request, it seems to me we should bear in mind the following. First, embassy security costs money, a lot of money. We are the world’s leading superpower. Yet when it comes to international affairs we hardly act like one some-

times. Spending for international affairs in the current fiscal year is 12 percent below the average it was for the last 2 decades. Just as we need to maintain our robust military to protect our security, it seems to me we would be well served if we understood we need a well trained, well equipped diplomatic corps to advance our international interests.

Second, in considering the funding needs for security it seems to me we have to recognize that these costs cannot be borne within the existing State Department budget. The \$1.4 billion we provided last year, which Admiral Crowe recommends we repeat each year for the next 10, represents half the Department's operating budget in the current fiscal year. It is simply impossible for the Department to absorb these kinds of funds in its current base budget.

Third, we must review the security standards for our overseas embassies. Not long after the Inman panel reported, the State Department moved away from the one size fits all approach recommended by the Inman report. Instead, the Department adopted a risk management approach, focusing priority attention on posts facing the most serious terrorist threats. Unfortunately, the terrorists figured out which ones we viewed as the most likely to be the targets of terrorists and went other places.

Fourth, security is not just about buildings; it is about human resources, including well trained security officers, well trained local guards, and well trained foreign police. It is also about strong intelligence to head off the next attack.

Last, funding the security needs overseas is not the focus of only the State Department. We have other foreign agencies, including the Agency for International Development, the U.S. Information Agency. These have facilities overseas as well.

So the job is a large one. You have laid it out clearly, Admiral. But I think that what we have to do and the State Department has to do, we have to come to grips with the internal argument no one wants to really argue about, we do not like to argue about in public. That goes beyond the money, and that is whether or not we make our embassies so secure, as some old hands at the State Department would argue, that they lose their purpose. I do not believe that to be the case, but that is an internal argument, as you well know.

So I look forward to discussing your report with you and also your view as to issues relating to whether we should go in the direction of regional embassies—there is talk being raised about that—whether we should change the way that we have viewed our presence abroad. You are one of the few people that have the vast experience both as a military officer understanding security threats and as an ambassador, understanding what the practical needs for access to the community at large and by the community at large to our embassies.

So I look forward to your testimony and thank you for the fine work you have done for this country.

Admiral CROWE. Thank you, Senator.

The CHAIRMAN. Thank you, Joe. Admiral, you may proceed.

**STATEMENT OF ADMIRAL WILLIAM J. CROWE, U.S. NAVY RETIRED, CHAIRMAN, STATE DEPARTMENT ACCOUNTABILITY REVIEW BOARDS ON THE EMBASSY BOMBINGS**

Admiral CROWE. Thank you, Mr. Chairman. I would like to say how much I appreciate the two statements that were made. It is a little shameless, but I think you must have read the report, and I am very grateful.

In the wake of turning in my report, I appreciate the opportunity to be here today and discuss the study I chaired recently. The State Department has forwarded copies of our report and I would recommend for those who do not have time for the whole report if they concentrate on the eight-page executive summary or overview. Above all, it includes the 24 recommendations of the Accountability Review Boards findings.

With that, Mr. Chairman, and with your permission, I will make a short statement.

The CHAIRMAN. Very well.

Admiral CROWE. We of course were formed according to statute. The Secretary convened these two Boards in the latter part of last year. These attacks, as you have noted, killed more than 220 people, including 12 U.S. Government American employees and family members and 32 Kenyan national U.S. Government employees.

This next figure I would like to stress very much: In addition, they injured more than 4,000 Americans, Kenyans, and Tanzanians. I must say that within that number there were very few Americans. The bombings severely damaged or destroyed the chanceries in Nairobi and Dar es Salaam, as well as several other buildings.

As called for by the statute, this report examined whether the incidents were security-related, whether security systems and procedures were adequate and implemented properly, the impact of intelligence and information availability, whether any employee of the U.S. Government or member of the uniformed services breached his or her duty, and, finally, whether any other facts and circumstances in these cases may be relevant to appropriate security management of the United States missions abroad.

The Boards—and I speak for all of the Boards in this statement—were most disturbed at two interconnected issues: first, the inadequacy of resources to provide security against terrorist attacks; and second, the relative low priority accorded security concerns throughout the U.S. Government by the Department of State, other agencies in general, and on the part of many employees both in Washington and in the field.

Saving lives and adequately addressing our security vulnerabilities on a sustained basis must be given a higher priority by all those involved, not just people who are designated as security personnel. It must be given a higher priority by all those involved if we are to prevent or at least ameliorate such a tragedy in the future.

The Boards did not find reasonable cause to believe that any employee of the U.S. Government or member of the uniformed services breached his or her duty in connection with the August 7 bombings. However, we believe and said there was a collective failure by several administrations and Congresses over the past dec-

ade to invest adequate efforts and resources to reduce the vulnerability of U.S. diplomatic missions around the world to terrorist attacks.

The Boards moreover found that intelligence provided no immediate tactical warning of the August 7 attacks. We understand the difficulty of monitoring terrorist networks, particularly networks that extend worldwide and do not recognize boundaries, and concluded that vulnerable missions cannot rely upon such warning. Occasionally, of course, they will have tactical warning and that is a bonus, and they may very well have strategic warning, but they cannot rely on tactical warning with specifics.

We found, however, that both policy and intelligence officials have relied heavily on warning intelligence to measure threats, whereas experience has shown that transnational terrorists, that is international terrorists, often strike without warning at vulnerable targets in areas where expectations of terrorist attacks against the U.S. are low.

The security systems and procedures at both posts at the time of the bombings were in general accord with Department policy for installations who have been rated as having medium threat or a low threat, as in the case of Tanzania. However, those systems and procedures followed by all the embassies under the State Department's direction did not speak to large vehicular bomb attacks or to transnational terrorism, nor the dire consequences that would result from them. We found that quite curious and alarming.

Both embassies were located immediately adjacent or close to public streets and were especially vulnerable to large vehicular bombs. The Boards found that too many of our overseas missions are similarly situated, although we did not go into great detail in any embassy outside of the two we were studying.

Unless these vulnerabilities are addressed on a sustained and realistic basis, the lives and safety of U.S. Government employees and the public in many of our facilities abroad will continue to be at risk from further terrorist bombings.

In our investigations of the bombings, the Boards were struck—and you noted this, Senator Biden—by how similar the lessons were to those drawn by the Inman Commission over 14 years ago. What is most troubling to me is the failure of the U.S. Government to take the necessary steps to prevent such tragedies through an unwillingness to give sustained priority and funding to security improvements.

The renewed appearance of large bomb attacks against U.S. embassies and the emergence of sophisticated and global terrorist networks aimed at U.S. interests abroad have dramatically changed the threat environment. In fact, it has been a sea change. We are in a new world in this regard. In addition, terrorists may in the future choose to use new methods of attack of even greater destructive capacity, including possibly biological or chemical weapons.

What I am saying is old assumptions are no longer valid. Today U.S. Government employees from many Departments and agencies work in our embassies and buildings overseas. They work and live in harm's way, just as military people do. We must acknowledge this and remind our citizenry of this reality of foreign service life.

In turn, I would vigorously argue the Nation must make greater efforts to provide for their safety. Let me stress, service abroad can never be made completely safe. That is impossible. But we can reduce some of the risks to the survival and security of our personnel. But this will require much greater effort in terms of national commitment, resources, and procedures than in the past.

I should make a particular comment on funding. If we are to have a comprehensive and long-term strategy for protecting our Americans overseas, it will be necessary to have a sustained funding plan for in-force security measures and a long-term capital building program. The Boards had complete consensus that this was very important, to have a long-term independent capital building program based on a comprehensive assessment of the requirements to meet the new range of terrorist threats.

Our study was not sufficient to study those kind of requirements. That has to be done by the State Department.

We recommended budgetary appropriations of \$1.4 billion per year sustained over a 10-year period. Those figures of course must now be honed and refined by people who are expert in this regard.

We understand that there will never be enough money to do all that should be done, and there will be many buildings that will not be up to standard for a long time. We will have to live with partial solutions and in turn a high level of threat and vulnerability for quite some time.

As we work to upgrade the physical security of our missions, we should also consider—and I repeat, consider—reducing the size and number of our embassies through the use of modern technology and by moving in some cases to regional posts in less threatened and vulnerable countries. I should add, of course, that is a very tender subject with the career diplomats.

All employees serving overseas should assign a higher priority to security and adjust their lifestyles to make their workplaces and residences safer. In overseas missions there is a tendency—and I was an ambassador and I saw that tendency; I enjoyed it myself—there is a tendency for people to continue their work in a certain conventional way, in a comfortable way, letting the system provide for their security. In other words, somebody else make me safe.

This attitude must change. Security priorities will have to be adjusted to make embassies tougher and to improve the overall odds. This will succeed only if it starts at the top and extends throughout the hierarchy to the bottom. Security, as we say in the Navy, is an all hands proposition.

We cannot allow terrorists to force us to retreat from defending our interests abroad. Making our people safe and deterring or frustrating terrorist attacks—let me repeat that: Making our people safe and deterring or frustrating terrorist attacks sends a strong signal, probably the most important signal, of U.S. determination and security.

Successful overseas terrorist attacks kill our people, diminish confidence in our power, and incidentally kill a great many people from the host country, and bring tragedy to our friends in host countries. When choosing embassy sites, I would argue safety and security concerns should guide our considerations more than whether a location may be convenient or of historic or symbolic im-

portance. That is a controversial statement, but let me assure you that for anybody that has been through a bombing attack there is not anything controversial about it.

Most host countries want our embassies to be safe. If they do not, we probably should not be there. There is every likelihood that there will be further large bombs and other kinds of attacks. We must face this fact squarely and do more to provide our security, or we will continue to see our people killed, our embassies blown away, and the reputation of the United States overseas eroded.

Mr. Chairman, my colleagues and I believe very strongly that the lives and safety of our people serving America abroad must receive both our attention and our priority.

Thank you, Mr. Chairman.

The CHAIRMAN. Admiral, an excellent statement. I guess I view it as excellent because I agree with every sentence you said.

We now turn to questions. I checked with the distinguished minority leader, and we agree that 7 minutes probably would be best for the first round.

Now, one thing is clear, as you indicated. There is simply no way to make U.S. embassies invulnerable to attack. But the President's budget calls for an advance appropriation of \$3 billion for a 5-year program to build new embassies and so forth and so on. We both know that.

As a result, it may very well be up to 10 years before secure embassies are open for business, the way I calculate it. I have stated these concerns in a letter to the Chairman of the Senate Budget Committee, Senator Domenici, and I ask that it be made a part of the record at this point.

[The material referred to follows:]

*March 4, 1999.*

Hon. PETE V. DOMENICI,  
*Chairman, Committee on the Budget,*  
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN, The President's fiscal year 2000 budget is the first since enactment last October of the Foreign Affairs Reform and Restructuring Act, which requires the consolidation of the functions of the Arms Control and Disarmament Agency (ACDA) and the U.S. Information Agency (USIA) into the State Department. (Consolidation will be completed prior to the start of fiscal year 2000. I believe this will strengthen the Secretary of State's ability to conduct foreign policy.)

As a result the State Department has presented a fiscal year 2000 budget that includes an additional 1,943 personnel from these two agencies, who will now report to the Secretary of State. In addition, the State Department has more direct oversight over the Agency for International Development.

*State Department Administration of Foreign Affairs Budget*

I am convinced that the State Department is not adequately looking for opportunities to streamline and reduce duplication and overlap in the consolidation process. In testimony before the Committee last week, the Secretary of State indicated that the State Department would achieve savings in the future, but she could not point to any specific savings. As agencies are eliminated, and functions moved, it seems incredible that certain duplication cannot be eliminated. For example, administrative personnel of the previous two agencies surely could be down-sized. Also, as USIA personnel are integrated into regional bureaus, all duplication in regional analysts certainly should be eliminated.

The General Accounting Office (GAO) has long been critical of a lack of long-term planning by the State Department. Specifically, GAO has found that the State Department continues to resist setting funding priorities. Reorganization presents a real opportunity for reductions to occur in staffing levels while maintaining a vigorous presence overseas. Budget discipline, when and if implemented, will force at least some of these needed changes.

Also, the GAO and other independent foundations have found that the present cable writing and review process may be too cumbersome, given the widespread use of electronic mail and the possibilities of the Defense Messaging System for transmitting classified communications. In addition, the report found that the need for face-to-face diplomatic meetings might be reduced by using other communication methods, such as video-conferencing. Again, budget discipline could go a long way to achieving a streamlined communication system and provide an opportunity for some reduction in personnel.

The President's budget also requests an advance appropriation of \$3 billion for a five-year embassy construction program to begin in fiscal year 2001. I am concerned that the State Department has not adequately determined that the security of U.S. personnel abroad must be a priority. Instead of including a rational five-year plan, commencing in fiscal year 2000, the President's plan would defer most of the embassy upgrades until the out years of the plan. As a result it could be a decade before secure embassies are open for business.

The proposed plan, which provides minimal funding in the first three years, also would prohibit securing efficiencies in embassy construction. Given the failure to commit adequate funding in the next three years under the plan, it will be impossible for the State Department to secure one contract to both design and build an embassy or one contract to build multiple embassies in a region.

I am opposed to an advance appropriation for embassy security. However, I hope the Senate budget resolution will include a multi-year commitment to securing U.S. facilities overseas. The Committee intends to mark-up a five year authorization bill for the construction of secure embassies. Funding would be provided in a new authorization that could not be tapped for other State Department activities, and would require the Secretary to certify compliance with optimal security standards. Although it is impossible for the United States to provide totally risk-free embassies, the Congress should approve reasonable funding for minimizing the risk for U.S. personnel overseas.

#### *Foreign Assistance*

The President's fiscal year 2000 budget requests \$1 19,000,000 more for foreign aid programs than the 1999 levels. With a serious agriculture crisis at home, as well as numerous other domestic priorities, it is difficult to reconcile the Administration's desire for more foreign aid. American taxpayers expect Congress to cut foreign aid unless it directly promotes U.S. national interests.

The Committee has just received the Agency for International Development's fiscal year 2000 Congressional Presentation documents, and we are still in the process of reviewing them. Nevertheless, I can offer several comments that I hope your Committee will consider:

#### *Development Assistance Fund*

The Administration's request for another increase for "sustainable development assistance" programs is not justified. According to President Clinton's 1993 task force on foreign aid reform: "Despite decades of foreign assistance, most of Africa and parts of Latin America, Asia and the Middle East are economically worse off today than they were 20 years ago." Under the stewardship of the Clinton Administration, the situation has further deteriorated. In fact, A.I.D. cannot explain how its programs are performing and whether they are achieving their intended goals. A September 30, 1998 A.I.D. Inspector General report titled "Audit of the Status of USAID's Implementation of the Government Performance and Results Act of 1993" revealed that, "USAID will not be able to meet the reporting requirements of the Results Act since it relies on infrequent, untimely data that is targeted at measuring results for the development community as a whole."

Expanding on the same theme, an October 5, 1998 A.I.D. Inspector General report entitled "Audit Quality of Results Reported in the Global Bureau's Center for Human Capacity Development Results Review and Resource Request (R4) Report Prepared in 1997" disclosed that the "Global Bureau's Center for Human Capacity Development did not report results which were objectively verifiable, supported, and/or accurate." There are scores of Inspector General reports on country programs and various functional bureaus which contain virtually the same findings. Simply put, A.I.D. cannot demonstrate that its development assistance programs even work, and yet it requests a funding increase of \$119,000,000.

Included in its request for development assistance, the Administration asks for \$482,000,000 for population control and HIV/AIDS activities, as well as \$25,000,000 for the U.N. Fund for Population Activities (UNFPA). The Clinton Administration has begotten the largest population control account in U.S. history and is the world's largest provider of international population control assistance. Despite this



fact, the United Nations and many recipients of these funds harshly criticized the U.S. Congress at a U.N. conference in The Hague in February for suspending funds to UNFPA for fiscal year 1999.

Mr. Chairman, you are fully aware of the horror stories about Chinese women being forced to abort their babies and undergo forced sterilization procedures, and UNFPA's longstanding involvement with China's population control program is precisely the reason Congress suspended its support. I sincerely hope Congress will stand on principle and deny UNFPA funds for fiscal year 2000. (In addition to funding projects from the population control and HIV/AIDS accounts, these misguided projects are funded also from other accounts, including Child Survival and Health, Infectious Diseases, Development Fund for Africa, Economic Support Funds, Support for Eastern Europe and Democracy (SEED) and Freedom Support Act (assistance to the New Independent States). A.I.D. should stop misusing these accounts.)

#### *AID Operating Expenses*

Congress should scale back significantly the Administration's \$508,000,000 request for AID's Operating Expenses, which is \$15,000,000 more than Congress appropriated for fiscal year 1999. As a "laboratory" for the Vice President's "reinvent government" initiative, AID should be a model of efficiency, but this is not the case.

A January 1999 General Accounting Office report called "Major Management Challenges and Program Risks" documented problems at A.I.D. that many of us have suspected for years:

The lack of an integrated financial management system and the existence of material control weaknesses hinder the agency's ability to produce auditable financial statements. As in the previous year, USAID's Office of Inspector General (OIG) was unable to express an opinion on the agency's financial statements for fiscal year 1997. The process of preparing financial statements and subjecting them to independent audit is the first step in generating complete, reliable, and timely financial information for decision makers at all levels. Without financial integration and strong controls, USAID's systems do not comply with federal accounting and management requirements.

Mr. Chairman, I remind you that this devastating analysis of A.I.D.'s financial mismanagement comes after the Administrator of A.I.D. spent nearly \$100,000,000 on a computerized financial management system that, according to GAO, "does not work as intended and has created problems in mission operations and morale."

#### *Inter-American Foundation and African Development Foundation*

I strongly urge, that funding for the Inter-American Foundation—which has spent more than \$1 billion since its creation—and the African Development Foundation be eliminated. In 1998, the Foreign Relations Committee forced the Inter-American Foundation to end several grants to groups in Ecuador clearly identified by the State Department to be terrorist organizations which had actually kidnaped Americans and threatened their lives, as well as the lives and safety of other U.S. citizens while extorting money from them. Abolishing these two foundations outright, which I have consistently advocated, would save the taxpayers at least \$35 million annually.

#### *United Nations*

As you well know, the Congress approved and the President vetoed a bill by Senator Biden and me to reform the United Nations in exchange for the payment of arrears to the United Nations. The Committee will consider the U.N. reform bill again this Congress. The payment plan calls for \$244 million in FY 2000 funds, and an additional \$107 million in debt forgiveness. In addition, the President's budget includes more than \$1.6 billion for assessed and voluntary contributions to international organizations. This does not include other AID transfers to these organizations for specific programs and activities. International organizations represent more than one quarter of the State Department's operational budget. The U.N. Reform bill would reduce the U.S. assessment and begin a reduction in these expenditures.

Pete, I look forward to your guidance regarding budget resources within the total 150 foreign affairs account, and am particularly interested in finding resources within the account for embassy security.

Sincerely,

JESSE HELMS.

The CHAIRMAN. Let me go further. Admiral, the Accountability Review Board was quite clear in identifying the urgency that

should be placed on constructing secure embassies. Do you believe the President's budget request gives adequate priority to embassy security?

Admiral CROWE. No, sir, my Boards do not believe that. They think it is inadequate. They think we need a firm declaration by the U.S. Government that this failure, this vulnerability, should be eradicated and we should have a sustained program to correct it, supported by all the government.

The CHAIRMAN. Now, the Accountability Review Board made a recommendation, as I mentioned earlier, to provide I think it was 14 billion bucks over a period of 10 years to construct secure embassies. That is a significant level of funding. I have been watching the State Department budgets for a few years, and I am not sure the State Department has the capacity to handle that level of resources. But that is neither here nor there.

What structural changes, sir, would need to occur within the State Department in order to engage in a 10-year project of this magnitude?

Admiral CROWE. Well, I am not so sure I am competent to answer that well, Mr. Chairman. Clearly it would put a burden on them that they do not currently have. On the other hand, in my informal conversations with the State Department, and particularly the people in this business, they think the necessary changes could be made in a short period of probably around a year, 18 months, to gear up to handling this kind of program.

Now, when we submitted that figure we were aware, first of all, that that figure is an estimate made by some people who are not in this business, and that it would never be—we would never come to that figure exactly. But we feel that to really correct the problem we have to be somewhere in that neighborhood.

We have to have two things. We have to have a sustained program, and what we plan for is, of the \$1.4 billion, we would have recommended \$1 billion each year would go into a discrete capital fund devoted strictly to the building, design, building, *et cetera*, of number. The rest of it, \$400 million each year, was to be for making improvements on current embassies, those embassies that will not be brought up to standard for a while and that cannot be replaced.

I would like to say one thing about that. I could not understand why we did not put more attention on vehicular bombing. We have had some experience with it. We have had three in Lebanon, we had Khobar Towers, *et cetera*, *et cetera*. I think in questioning people who have been in this affair for quite some time and their experience, that when they first came on the scene there was a conclusion reached that the only way to fight a bomb like that is standoff distance: No standoff distance, there is nothing you can do.

That is not true. We have found a lot of things you can do to make the current embassies better and safer. They will not necessarily deter attack, and they will not be invulnerable; but you can make the survival of the people that are in them—you can raise it quite a bit.

Again, just like building an embassy, it does cost money. But there are a number of improvements that can be made to current buildings. Not only will they make them safer, there is a good op-

portunity—rather, a good prospect that when terrorists are choosing targets they are deterred by these kinds of improvements. They want their bombs to work. They want to kill a lot of people. They want to wreak a lot of damage. When they cannot, they may not attack it.

The CHAIRMAN. Well, you have touched on this, but let me draw it a little tighter. The construction program which the Accountability Review Board recommends has been faulted by some for creating an environment that would make our embassies seem more like a fortress than anything else. Now, these critics obviously have not served overseas in vulnerable spots, but that is neither here nor there.

These critics think that our foreign service officers will be unnecessarily hindered by an overemphasis on security. I do not agree with this conclusion, but I want to hear what you think about it.

Admiral CROWE. Well, first of all, I am not sure where the statement emanates from, because anyone that has served overseas recently knows that we do not have any open embassies. I do not know where that expression exists today. We have some embassies that are very open to light, but they are not open to people. We have locked up our embassies the world around, and you can get in an embassy to do business by invitation and be accompanied and escorted and go through a rather extensive security procedure. That is the only way you can get in one.

Now, that is a tragedy. I remember visiting embassies two or three decades ago that were very inviting; and it was very pleasant, *et cetera, et cetera*. But today we have put security clamps on all our embassies. So right now it is not an open affair.

As far as hampering the people that work there and so forth, that is their business. They will get to where they have got to go no matter where your embassy is.

I do not concur that it is impossible to build an attractive embassy and also make it safer. I just do not think that is right. I must admit that the most difficult feature in the whole business is to find an area to build embassies so you do have sufficient stand-off and so forth.

I would say one other thing in this regard. We are talking about killing Americans. We are talking about the American image and so forth and so forth. But look at it from the host country standpoint. They are very interested in their own citizens not being injured or killed; and they would like very much to have our embassies not be attacked, and they do not want our embassies to attract attacks. So I think it is in their interest, and they will tell you this if you go to one of these countries, that they are not as interested in symbology and our flag, *et cetera, et cetera*, as they are in our embassies being safe and their people around those embassies being safe.

The CHAIRMAN. Thank you, sir.

Senator Biden.

Senator BIDEN. Thank you, Mr. Chairman.

Admiral, as I read the recommendations that your Board and you put forward, I was struck by a couple things. Here we are sitting in a building in the United States of America, the capital of America, where we have a road that runs straight down the middle here,

that literally anybody could drive up in a panel truck and get out and run and both these buildings are gone, the one we are sitting in and the one I work in across the street.

Our offices kind of are across from one another, the distinguished chairman and myself. I am in the first floor of the other building, he is in the fourth floor here. And there is no security, I mean, for that.

But I find it fascinating that here we are in Washington, where there have been some attacks, and on the other side of the Russell Building I have what we call the terrorist entrance. There is one entrance where there is an obelisk with a copy, and another entrance that has a sign saying "Do Not Enter." I call that the terrorist entrance. Obviously they will be deterred. They will see that and say, "Do Not Enter," and they will not go in.

So I guess what I am trying to say here is that we get to this issue of host countries and host countries making judgments about how they are going to participate with us, to the extent that they are willing to participate with us and I guess other embassies, but primarily us, in helping with the security side of the agenda.

I am always a little bit struck as to whether that is kind of wishful thinking that that is going to happen, when right here in this city we have trouble making judgments about things that relate to openness versus—and also, forget openness, just ease and access. I mean, in the city—I do not live in Washington, but the debate about Pennsylvania Avenue and whether or not they should close Pennsylvania Avenue to through traffic in front of the White House is a gigantic issue.

Admiral CROWE. Maybe we should close Washington, Senator.

Senator BIDEN. Well, my constituency might vote for that, but I am not sure about the rest.

I realize I sound like I am not being very serious, but I am being deadly earnest when I say, in order for us—one of your recommendations here, which I agree with, is that the Department of State should expand its effort to build public support for increased resources for foreign affairs, to add emphasis on protecting, *et cetera*, all of which we should do.

I am wondering how realistic it is when we cannot even do that in this country. Now, granted—and I realize I am not asking a question, but there is a question at the end here. You have been both places. You are a military man, and you also have been an ambassador.

I recall when we had the bombing outside of the Republican cloakroom, and thank God we did not stay in as late as we were going to that night because, according to the security people here, they said there clearly would have been injuries and possibly deaths if we had been in as late as we were supposed to be in.

I remember we had a caucus—I think it was a joint caucus, although I am not certain of that—and security people came in and told us a number of the things we could do in order to make ourselves safer and our staff safer, one of which was the concern that someone from up in the gallery would throw something or bring in a gun or whatever. And they said, we could put these beautiful plexiglass, bulletproof glass, from the railing to the ceiling, that would be in an aesthetic sense pleasing, that you could not really

tell from the floor that it was glass, although it would be clear it was.

I remember almost every Senator, I think in both parties, said: No, no, no, no, no, do not do that. We were told: Well, you are the guys and women that are going to be shot, or you are the ones somebody is going to drop a bomb on over the side, or you are the ones. And everybody said: No, we cannot do that symbolically, we cannot separate the people's chamber from the people.

I guess what I am trying to get at is this, that we have an awful lot to overcome here in terms of the notion about accessibility. Your point is, the embassy where you were the Ambassador, a beautiful, beautiful, beautiful embassy.

Admiral CROWE. With 192 windows.

Senator BIDEN. And it sat way back, though. I mean, not way back. It sat, what—does not that fence run—how far off the road is it?

Admiral CROWE. You are talking about my residence?

Senator BIDEN. Yes.

Admiral CROWE. Yes, I have standoff distance in the residence. There was a suggestion the other day that we build the embassy there.

Senator BIDEN. Yes.

Admiral CROWE. Not a bad suggestion.

Senator BIDEN. Not a bad suggestion once you are no longer the Ambassador.

Admiral CROWE. The embassy itself—

Senator BIDEN. There are an awful lot of people out there I am not sure see themselves in the Court of Saint James.

Admiral CROWE. The embassy, however, had three streets and three sides within 15, 20 feet.

Senator BIDEN. Well, here is the area I would like you to talk about. We are going to argue a lot about—and I happen to agree with your report. I happen to agree we should make the commitment. I happen to agree we should make it a priority. I happen to agree we are underfunding it. I happen to agree we should bite the bullet and move forward.

But I am not so sure that is going to happen. I hope it does. I do not want to jinx it. I hope it does. But in the event, whether or not it does, how much can we gain in terms of overall security—and I know you cannot quantify it in percentages, but in a generic sense—how much can we gain through the other recommendations of, for example, providing all regional security officers comprehensive training, getting the marines—relying more on the military being a part of our presence there?

In other words, are there other resources we can reach out and allocate and/or expend in an area that do not relate to bricks and mortar, that could in any substantial way—I know we have to do bricks and mortar, but in addition to that? How important is it that we have better training for personnel? How important is it that we have literally, not figuratively, more marines on post? How important is it that we deal with those types of issues, coordination with host countries, sitting down with them with security plans saying, look, if you close this we could do this?

There does not seem to be much emphasis on those.

Admiral CROWE. Well, actually our report devotes quite a bit of attention—

Senator BIDEN. No, I do not mean by you. I mean right now there is not that much attention.

Admiral CROWE [continuing]. —The simple answer to your question is quite a bit. There are lots of things we can do. But let me just expand on that a little bit. To begin with, I also make jokes about Washington, *et cetera, et cetera*; but let me tell you, these buildings, living in this city, this is nothing like where many of our embassies are.

Senator BIDEN. I understand that.

Admiral CROWE. The main thing you enjoy is you enjoy an effective police force, effective law enforcement, which some of these cities that our embassies are in—nothing. In fact, in Nairobi they have a tremendous crime problem. People were mugged in the front street right within ten feet of the embassy entrance, *et cetera, et cetera*.

I would like to make one distinction, though. Please do not misunderstand. We have always been afraid of in embassies assassinations, we have been afraid of suitcase bombs, we have been afraid of mortar attacks. I have visited the British Cabinet Room that was attacked by mortars by the IRA, *et cetera*. Foreign service officers have gone overseas for decades with that threat in mind. They do not have any hesitation, *et cetera*.

But we are not talking about shots or mortars. We are talking about bombs that do a great deal of damage here and in a sense are suicidal. People may be willing to go now, but if you are going to blow an embassy away like those things can do, you are going to have trouble finding people to do it.

But there are a lot of things that we can do, and I do not think they are things that people would object to. We have recommended some procedures, which incidentally are already being implemented by the State Department. We implemented some—we have recommendations on more security guards, on the training of the security guards, more coordination with the local embassy, and even offering to train local police forces if necessary.

The one structural thing you can do is we can put better windows in our embassies. Again, it is money, though. But it does not upset anything in terms of appearance or openness if you put laminated windows in instead of mylar. Everybody, unfortunately, in this attack—from what we can learn, the curious thing, in almost all attacks we have had, with maybe one or two exceptions, something has happened before the bomb was ignited—gunshots were fired, people were hollering, *et cetera, et cetera*—that gave warning, not a lot of warning, a minute, 2 minutes in Nairobi.

People heard gunshots, ran to the window, and everybody standing in front of a window was killed. Windows are by far the most dangerous thing in the entire operation.

You can change those windows. You can make them safer. You can make them higher. Incidentally, everybody that ran under or went under a table or desk survived, curiously enough. They may have been covered with rubble, had to dig them out, but they survived. That simple procedure change, which I think is being implemented, with a discrete alarm for bomb attacks so people do not

evacuate—if you evacuate that may be exactly the wrong thing to do.

As a matter of fact, I will tell you a humorous story. The first evacuation drill we had when I was Ambassador in London, we had sort of tuned it up so it would go well and we cleared the building in 8 minutes. We were very proud of ourselves, but when we were through clearing the building there were 700 of us standing in the middle of Grosvenor Square. We decided that was not a very good idea, either. But it had not occurred to us there.

These drills have been around getting out of the building. You do not want to do that with a bomb. That is where you get killed, is if you are trying to run out. You have got to get under cover some way and take your chances.

There are things that can be done. That \$400 million a year we were recommending was for those kinds of improvements. We are well aware we are not going to be able to change the location of a lot of our embassies. Maybe it is not a good location, but the one thing we had in Britain, though, despite our bad location from this standpoint, was we had an excellent police force, we had excellent law enforcement protection, and also excellent police intelligence in London. That is comforting. It may not be enough, but it is comforting.

Senator BIDEN. Thank you very much, Admiral.

The CHAIRMAN. Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you.

I wish to thank you, Admiral Crowe, again for a very distinguished piece of leadership.

Admiral CROWE. Thank you, Senator.

Senator HAGEL. You are one of America's premier public servants, and have been for many decades; and for that we are all indebted. Once again, you are taking on a very important assignment here, and the report that you have given us is a very important document.

First let us be politically accurate about this. What we are talking about here has no political constituency in this country, so it is not a good 5-, 10-second sound bite. It is not any of us can go back to our States and talk about with great pride that we are going to put more money in the construction budget for embassies. So this is a difficult issue politically.

All the more reason why we have to have some leadership. I think your report is right on target. The question now is does the Congress and the administration have the courage to act on it. That is, simply put, the issue.

Admiral CROWE. I could not have said it better, Senator.

Senator HAGEL. Well, thank you. That is why I agree with you so often, Admiral; although there are too damn many Admirals in this, you know, Inman and Crowe. If we had some good Army intelligence we might—[Laughter]

Admiral CROWE. You make Nebraska admirals, do you not, as I recall?

Senator HAGEL. We do, among other things. Thank you.

I was particularly pleased to see your reference in your statement about the front line responsibilities of our foreign service career professionals, likening it to our military professionals. We owe

that kind of security to our foreign service professionals just as we do our military professionals. We realize, as you have stated, there is no such thing as a risk-free society. No one is asking for that.

But I would like to ask a question regarding the President's budget. I noted, Admiral, in the February 19 *New York Times* story you spoke rather plainly, as you do, about this issue. I know, as you do, that the President has submitted an fiscal year 2000 budget for security construction requesting less than \$50 million for this purpose.

Now, that flies in the face of what you and your commission have recommended. If I might for a moment just quote one sentence from that *New York Times* interview, you said: "I think there are going to be more attacks, and we are going to lose more lives."

Now, with that and all that has been said today, and there will be more said, can you explain why the administration made such a small construction request?

Admiral CROWE. First of all, Senator, let me say something about your initial remarks. It is true the foreign service and the State Department does not have a constituency in this country. But they have a constituency. It is the President and the Congress. That is their constituency. Of course, that does not involve a lot of votes, *et cetera, et cetera*.

I am not privy to the discussions and the coordination that went on regarding this year's budget, but I am familiar with the process from my own experience, how it goes. The budget that is ultimately submitted by Departments, the State Department in this case, I can assure you is not what the State Department really wants for this thing. It is the result of a very push and pull bureaucratic process within the administration, including more than the State Department; and this is the amount of money, when all the factors were taken into account, that the administration thought they could this year dedicate to security. Then the State Department requests that.

It is not enough. Put simply, it is not enough; and we are really talking here about money and lives. We are switching off for budgetary reasons lives, and that disturbs me mightily.

Senator HAGEL. Admiral, have you met with the President on this?

Admiral CROWE. No, I have not.

Senator HAGEL. Has the President requested a meeting with you on this?

Admiral CROWE. No. I have met with the OMB and the NSC people.

Senator HAGEL. Well, as I said earlier, and you just said it, this is not going to be dealt with or fixed unless the President is actively engaged. This is going to take Presidential leadership to get this done.

Has Secretary Albright spent some time with you on this?

Admiral CROWE. Yes, she has.

Senator HAGEL. I know she is serious about it—

Admiral CROWE. Very serious, yes.

Senator HAGEL.—because I have talked with her as well.

Well, I think some of us are going to have to suggest the President get personally engaged in this. This is all good rhetoric, politi-



cal talk, about how we must focus on protecting our foreign service professionals, but surely the administration's budget does not connect with the rhetoric. I think we are going to have some administration representatives up next, which I will have an opportunity to talk a little more plainly to them about this.

But I am very, very concerned about no leadership from the top on this, and this will not get fixed without that.

Let me move to another point.

Admiral CROWE. There are some efforts—I should tell you there are some efforts being made to draw this together and come up to some long-range conclusions and a program in the NSC. I have been informed of that and asked to occasionally contribute, but I have heard no more than that as of this point.

Senator HAGEL. Thank you.

I am going to quote you back from your statement here. On page 4 of your statement: "Successful overseas terrorist attacks kill our people, diminish confidence in our power, and bring tragedy to our friends in host countries." Would you reflect for a moment, Admiral, on the long-term consequences of that statement as we deal in this new global community, real global community that we live in?

Admiral CROWE. I think, just as I say that our traditional landmarks have disappeared and we are facing a new situation, I think from the standpoint of host countries, from foreign constituencies, *et cetera*, it is a new situation for them, too. I know for a fact that in Kenya, for example, and Tanzania also, I am sure they had never considered the possibility that when we were attacked by a Moslem terrorist that they would lose people, *et cetera*, that they would be impacted so heavily.

But they have been, and they have reacted strongly to it. They do not like it. I do not blame them. They should not like it.

The host countries are going to have to change. I have seen programs, for example, on television on the very subject that Senator Biden asked about, the openness of the embassy, and local people testify, like in Jordan: Well, I would prefer to have an open embassy. Those countries that have been subject to this sort of thing, anybody that has been through this, does not agree with that at all. They want the embassy to be safe.

I repeat, a lot of people work in our embassies besides Americans. In my embassy in London we had about 700 foreign service nationals. If they were killed that would be a tremendous blow to London and to Great Britain.

They also are changing their attitudes, their approaches. They have to do that. I can assure you they are very interested, and it is a very high priority that our embassies be safe.

Senator HAGEL. Thank you.

The CHAIRMAN. Admiral, forgive me. I have been notified I have got to go to another meeting that I committed to go to. I am going to ask Senator Grams to come over and take the gavel. While he is getting here, Senator Sarbanes is recognized.

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

The CHAIRMAN. I will be back presently. I do not want to go to this other meeting, but it is one of those things you have got to do.

Senator SARBANES. Admiral Crowe, I want to echo my colleagues in welcoming you to the committee and expressing our very deep

appreciation for a very distinguished life of service to our Nation. You have been an exemplary public servant. A further reflection of that was your willingness to take on this responsibility as the Chairman of the Accountability Review Boards. We are very appreciative to you for taking on that task and for your report.

I too have conflicts this morning but came here, because I think this is an extremely important hearing. Every time something of this nature occurs we hold hearings and get reports. We would be better off if we would just act on the reports and commit the resources. If people are worried about whether the resources will be used properly, then we ought to maintain a tight oversight. We ought not to delay. In my view we must commit the resources until we have a perfect plan to work on.

We know much of what needs to be done. We know this right now. As you pointed out, there is a backlog of thought-out measures that can be taken now, let alone the other things that need to be done.

Admiral CROWE. There is also a great deal of research being done, which is improving every day.

Senator SARBANES. Right. So I think we need to move ahead.

Now, you expressed disappointment in the administration's request. I take it that is on the level of resources that they requested?

Admiral CROWE. That is my—I assumed that was the question, yes, sir.

Senator SARBANES. There is one aspect of their request that has an interesting possibility. This is the idea to request an advance appropriation. This in effect would make commitments ahead of time for a number of years if the funding level is adequate. I understand that is a concern you have, and I share that concern.

One of the problems in this area is that we obviously have very short memories. We become very energized about this problem after something happens, as for instance, in Nairobi. You do a report come in and make recommendations. I would like to lock in a commitment over a number of years where the decision has been made by the Congress, to ensure an undertaking, so that memories do not start fading. You know, people have short memories. Other priorities and emergencies come up, and all of a sudden this lapses into the background.

I think to some extent that is what happened to the Inman recommendation.

Admiral CROWE. It is.

Senator SARBANES. I do not want to see it happen to your recommendation.

Would you be supportive of an effort in the Congress to try to lock in a commitment to an embassy security package on a full funding basis? I do not know how many years we can do, but we can make a commitment over a period of years. It may not be 10 years and \$1.4 billion as you propose.

Admiral CROWE. No, I understand.

Senator SARBANES. Whatever we can do to move in that direction, you would regard as positive?

Admiral CROWE. Absolutely, strongly support it.

Senator SARBANES. Well, I hope we will be able to do that here. I hope we do not get involved in saying we think we have got to do this, because it is a clear priority and then turn our attention to other matters. That is why we do not get this problem solved.

Our people are exposed. I think the point you make is very important regarding these foreign service nationals. In fact, in the two African bombings the overwhelming number of people that were killed were foreign service nationals.

Admiral CROWE. Absolutely.

Senator SARBANES. The one other point you made was about the collective failure of the U.S. Government over the past decade to provide adequate resources to reduce the vulnerability of U.S. diplomatic missions to terrorist attacks in most countries in the world. I agree strongly with that. I commend you for not trying to then apportion out blame amongst the various decision makers. There is plenty of blame to go around for everybody, including the Congress. I think we just ought to recognize that and move forward from there.

One of the things you said that really struck a responsive note was: "We can make our embassies attractive and safe." I wish you would elaborate on that a little bit, because of the notion that in order to make an embassy safe it should have the appearance of being a fortress. If you give the appearance of being a fortress you give the impression of America under siege.

It seems to me that with modern technology and it is quite possible to still have embassies that look attractive but do not send the message that you have withdrawn because of the security threat. Although, at the same time, we should have in place very effective security measures for the safety of the people who work and visit the embassy.

Admiral CROWE. I would concur with that. I do not claim to be an architect. Just because of my involvement in this report, I have studied some of the past conflicts between architects that build embassies and the people that work in them, how functional they are, how functional they are not. I think that there is a strong belief in the architectural community that you cannot do that, you cannot make a fort that is attractive.

I cannot accept that. I am sure there are some hungry architects in this country that, if they had the opportunity that some of these people do to build embassies, they would build one that is both attractive and safe. It can be done. It has to be imaginative and you have to make some compromises that probably you would not like to do.

Just a simple thing like raising the height of windows. You can still have windows. You can still have windows that are fairly resistant. They can still let in light and air, *et cetera, et cetera*. It is just that if you have a full window it is going to kill more people than if you have a high window.

I got involved through my wife in the Vietnam Women's Memorial when that was being formed and so forth and so forth, and I sat on a board to choose the design. I had a lot of contact with artists and sculptors and so forth who were going to design this thing. They were very visionary and very interesting. They just did not have anything to do with the Vietnam War, that was all.

That is sort of the problem here. The architects, once it gets going, they take a proprietary interest in the building, not working in it or serving in it or surviving: in the building as their monument and projecting their image of the United States to these foreign countries. That is fine, but we are beyond that now. We have got to do something to make these people safe. I think it can be done.

Senator SARBANES. Well, Mr. Chairman, I see my time is up. I again want to thank the Admiral very much for his contribution here. I am very hopeful we will be able to act upon it in a very forthright fashion. I am extremely supportive. I think we have got to address this problem.

It is unfair to the men and women who serve us abroad, often under very dangerous circumstances, not to do what we reasonably can to give them increased protection. That is not only our own people. It is also the foreign nationals who undertake to work for the United States in the respective countries.

It is obvious there is a great deal we can do to significantly heighten the level of safety. I think it would be a terrific accomplishment of this committee, which has had a distinguished history, if we could pick up on the report of the Admiral and his colleagues and really carry it through to fruition. I hope we will be able to do that. Thank you very much.

Senator Grams [presiding]: Thank you very much, Senator Sarbanes.

Well, first let me say welcome to the Admiral, and I want to echo all that has been said by other members of this committee, that we owe a great deal of thanks for the job that you have performed as Chairman of the Accountability Review Boards on the Embassy Bombings in Nairobi and Dar Es Salaam. Admiral Crowe should be commended for once again answering the call of his country, as he did in the Navy as Chairman of the Joint Chiefs of Staff and also as Ambassador to the United Kingdom.

Admiral CROWE. Thank you.

Senator GRAMS. In reviewing the conclusions of your panel, Admiral, I was disturbed to find that they are strikingly similar to those stated by the Inman Commission, which issued an extensive embassy security report, as you have mentioned, 14 years ago. Clearly, the United States has devoted inadequate resources since that time and placed too low a priority on these security concerns.

I regret to say that the administration's response to your report, Admiral, is completely inadequate. The administration has asked the Congress to provide for an advanced appropriation of \$3 billion with no strings attached. That funding does not start until next year, not this fiscal year. It starts in the year 2001, and the bulk of the money is proposed in the out years.

I think that is playing budget games at the expense of security concerns, and we are not going to let that happen. Under the administration's plan we are doomed to repeat some of the same mistakes that were made in the 1980's following the Inman recommendations. The funding structure makes it impossible under these plans to achieve efficiencies in embassy construction. There is just not enough funding in the next 3 years to permit a sole con-

tract to design and build an embassy or a sole contract to build multiple embassies in a region.

Furthermore, given the backloading of the funding, it could be a decade before secure embassies are up and running. So clearly, again as we have heard here this morning, that is not acceptable to members of this committee.

As chairman of the subcommittee with oversight responsibilities for embassy security issues, I plan on introducing a 5-year authorization bill, I think much like what you have maybe mentioned here this morning, Admiral, that makes sure that the money is set aside for embassy construction and security and it is not used for any other purposes.

Also, the Secretary of State is going to have to certify that there is compliance with specific security standards, because again 14 years from now I do not think we want to be back and finger-pointing at anything, and I do not want this Congress to revisit this matter and find that funds were diverted, that U.S. personnel were put at risk.

Working abroad is never going to be risk-free, but we can take a number of measures to make sure that safety is increased for our U.S. Government workers overseas. I am going to work closely with Chairman Helms and other members of this committee to ensure that a comprehensive embassy construction plan is developed and that it is implemented.

Now, Admiral, a couple of questions. I would like to raise one important security issue that I raised with the Secretary of State just several weeks ago when she was before this committee. That was the issue of co-locating U.S. Government entities within chancery compounds. Now, as you know, after the August terrorist bombings AID, the headquarters for AID, decided not to move their missions in Kenya and Tanzania into the more secure embassy compounds that are going to be built. This was in opposition to State Department guidelines. But after hearing from us and listening to U.S. officials in Kenya and Tanzania, I think AID has reversed itself.

So the question: First, do you believe that when the issue of co-location comes up that no exceptions to the above-mentioned guidelines should be made, and that again with a caveat, and that is unless it can be demonstrated that it is in the U.S. interests to leave our people at a higher risk situation? So do you think if that decision is made on co-location there should be no exceptions?

Admiral CROWE. I do not know of any that I would agree to. Our study was not charged to study some of the other agencies, but I think they should go through the similar process that we have asked the State Department to: first of all, to reconsider how many people they have overseas; and second, how many agencies they have overseas and to weigh the risk in all of this.

We had very spirited discussions over the co-location argument that you just mentioned, whether it is best or not. But I think from a security standpoint there is very little argument that they should be co-located together. I know that people—there are a lot of things people are not going to like about this. They are just going to have to change their way of life. But as I said, the old landmarks are gone and we have got to think about it in a new way.

If you are thinking particularly in economical terms of defending a certain area and certain interests, it is better off having them all together. In London I had 26 Federal agencies in my embassy. We shared the misery with everybody.

Senator GRAMS. What about regionalism for embassies?

Admiral CROWE. Well, we came down strongly that that should be looked at, and I still believe that it should. The State Department is now forming a—I am sorry, I do not have the full name of it, the official name—a board to look at the possibilities of reducing numbers, *et cetera, et cetera*. I will sit on that board. I have agreed to do that.

Senator GRAMS. Would it make sense, Admiral, to modify the current procedures so that the Secretary of State must sign off on diplomatic security decisions, and that is to grant waivers of the above-mentioned guidelines that I said about co-agency relocations?

Admiral CROWE. Of course, waivers are the way they do it now. You use waivers to—you have these rather idealistic guidelines and it is clear that many embassies do not meet them, so the device for getting around that is a waiver.

We suggested—and I have talked to the Secretary of State about it and I think she is going to do it—that her leadership and the sensitivity at her level and the attention that she pays to it will be instrumental in trying to make the whole foreign service sit up and take this into account. So I would not object to your proposal at all.

Senator GRAMS. So you would agree, then, it would be a thing to consider to bring it up to the higher level than where it is done currently, give it that type of attention?

Admiral CROWE. Yes.

I see that the panel I referred to is going to be called the Overseas Presence Panel.

Senator GRAMS. Admiral, you have recommended sustained funding for embassy security at levels of \$1.4 billion each year for the next 10 years. The administration's request for advanced appropriations includes zero dollars for the year 2000. It starts at \$300 million in fiscal year 2001 and increases incrementally to \$900 million in fiscal year 2005.

Now, you said earlier in testimony that you believe this was not adequate. But from a security standpoint, do you believe that funding should start in fiscal year 2000 instead of 2001, the sooner the better?

Admiral CROWE. I think the sooner the better. Now, I should qualify the whole business with that these should be looked at very carefully by people that do this as to what they can absorb or not. I made some inquiries in the State Department about absorbability and they—our suggestion for the first year, they could not handle that much money. I think the estimate was that they could absorb comfortably about \$650 million.

But for the out years, from 2 to 10, they thought they could handle that very comfortably. I think the sooner the better. I mean, we are at risk right now at this moment.

Senator GRAMS. Thank you, Admiral. Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

We were all deeply shocked by the embassy bombings last August and moved by the courage and determination of the members of the embassy staff as they assisted both their colleagues and the many Kenyans and Tanzanians injured in the tragedy.

I thank you for having investigated these twin tragedies, for your candor and your devotion on this. I appreciate the interest of all the Senators on this panel, especially Senator Sarbanes' comment that we somehow have to stay focused on this so that we do not just get to it again the next time there is a bombing.

Secretary Albright has said, Admiral, that no overseas embassy can now be considered a low threat post. If this is the case, what criteria do you think the administration should use to determine how security upgrades are prioritized?

Admiral CROWE. A very tough question, Senator. We spent quite a bit of attention to it. The previous system was that they have a board that reviews constantly and recurringly the whole picture and rates embassies as critical, high, medium, and low. This was done primarily to give them a device for prioritizing moneys and how they would spend it. It makes a lot of sense from that standpoint.

What we discovered, however, was that the threat system took on a life of its own. For example, we talked to people in Tanzania who said, one of them said he had been in Lebanon and he wanted to go with his family to a low-threat post so he would have a couple of years of relaxation, and Tanzania was a low-threat post, so that is why he went there. We talked to security officers that said: Well, I did everything that was necessary and expected for a medium-threat post or a low-threat post.

We criticized that system and the State Department had already, of course, come to similar conclusions on their own, and Dave Carpenter will be testifying I think this morning. He can tell you about some of the current—that the system is being revised completely, primarily, as I understand it, to take into account more things than they did originally.

Transnational terrorism—it used to be customary to concentrate on local events and so forth. Now we are talking about—well, in this particular instance Mr. bin Laden lives in Afghanistan, commits an act in Kenya, for example. That is transnational terrorism in spades.

Whatever system you come to, it is still necessary to have a way of prioritizing your expenditures because you cannot do everything simultaneously. I do not have a good answer for you, to be frank about it.

Senator FEINGOLD. Actually, thank you, Admiral. I think it was a helpful answer.

I am the ranking member of the Africa Subcommittee. I remember being so surprised that these were the two locations that were hit. It just did not seem to add up. That is one of the things we have to deal with.

In that regard, I just want to follow on Senator Grams' question about the idea of these regional embassies. I am concerned that this could be employed or maybe overemployed with regard to Africa in particular. Do you believe the United States can efficiently and effectively handle the range of bilateral issues in defense na-

tions and meet the needs of not only U.S. citizens but U.S. businesses in countries if we do not have a dedicated full post in each country?

Admiral CROWE. What we recommended, of course, was not necessarily to do it, but to look at the question very carefully.

Senator FEINGOLD. Yes. I just want your thoughts on it.

Admiral CROWE. It is not unprecedented. We have a similar situation in the Caribbean, as I understand. I know that the feelings in the State Department and among career people run very highly opposed to this system.

When I was in London, the British use it quite frequently, and I think in Africa as well as some other places they have a single embassy and people are accredited to a number of countries and go out and visit frequently, *et cetera, et cetera*.

You give up—I will be the first to admit, when you do this you give up something. On the other hand, if you are buying safety, if you are saving lives in the bargain, it is certainly worth considering and thinking about. I tell my foreign service friends that it is a new era. They have got to think about these other things. They cannot just discard them out of hand. You gain something, you lose something. Now, is it worth it, is the bargain worth it?

Senator FEINGOLD. Fair answer.

Let me followup again on the question in Africa. It happens that this attack was in Kenya and Tanzania, but I have had the experience of being at the American embassy in Angola. I want to make sure that as we look at Africa we do not just respond to the fact that these incidents occurred in these two countries.

Admiral CROWE. No.

Senator FEINGOLD. I am wondering if there is any comment you would make about the particular challenges that U.S. diplomats face in Africa?

Admiral CROWE. Well, you are above my pay grade there, Senator. I do not know that I am competent to do that. I have been in an awful lot of embassies, but not many in Africa. I have been to Nairobi before my return visit, but I do not know much about the African ones.

Senator FEINGOLD. Fair enough. Let me just comment that this is going to be quite a challenge, given all the flashpoints in Africa at this point and your excellent comments about how you cannot just assess a threat anywhere any more with regard to simply the situation in that country. I think that is obviously going to be true with regard to all the difficulties in Africa at this point.

So I thank you again, Admiral, and I thank the chair.

Senator GRAMS. Thank you very much.

Admiral, thank you.

Senator Biden, did you have any further questions?

Senator BIDEN. Thank you very much, Admiral.

Senator GRAMS. Admiral, thank you. I do have a couple of questions that I would like to submit to you in writing, if possible, and we will leave the record open in case any other members would also like to submit a question to you in writing. I appreciate your time this morning.

Admiral CROWE. Thanks very much, Mr. Chairman.

Senator GRAMS. Thank you very much, Admiral.



Admiral CROWE. It is a pleasure to be here, and I am very sincere about everything we said today.

Senator GRAMS. Thank you very much.

I would like to call now our next panel: the Honorable David G. Carpenter, Assistant Secretary of State for Diplomatic Security; and also the Honorable Patrick F. Kennedy, Assistant Secretary of State for Administration.

Welcome, gentlemen, and we would like to hear any opening statements if you have those. Mr. Carpenter.

**STATEMENT OF HON. DAVID G. CARPENTER, ASSISTANT  
SECRETARY OF STATE FOR DIPLOMATIC SECURITY**

*[Assistant Secretary Carpenter was accompanied by Hon. Patrick F. Kennedy, Assistant Secretary of State for Administration and Patsy L. Thomasson, Director, Office of Foreign Buildings Operations, Bureau of Administration, Department of State.]*

Mr. CARPENTER. Yes, Mr. Chairman, members of the committee: I am very pleased to have the opportunity to participate in this hearing on the important subject of the security of American personnel overseas. I request that my written statement be entered into the record because I would like to summarize it now so as to allow as much time as possible for your questions.

By law, the Secretary of State is charged with "the protection of all U.S. Government personnel on official duty abroad, other than those personnel under the command of a United States area military commander, and their accompanying dependents." This is a solemn responsibility, and Secretary Albright has made it clear that she has no higher priority.

Let me start by briefly describing the role of the Bureau of Diplomatic Security. DS' primary function is to provide a secure environment for the safe conduct of foreign affairs. In addition, we provide protection for the Secretary of State and other senior government officials, resident and visiting foreign dignitaries, and foreign missions in the United States.

For example, the month following the East African bombings we had to ensure the safety of scores of foreign ministers attending the United Nations General Assembly meeting in New York. In October the security of the Wye Peace Talks and its high profile participants was also our responsibility.

We also have the statutory authority to investigate passport and visa fraud, crimes that can facilitate terrorist and other criminal acts against American interests. Our Protective Intelligence Investigations Division is responsible for investigations involving terrorist threats and activities directed at personnel and facilities that we have the responsibility for protecting.

In close cooperation with the FBI and other agencies, our counterintelligence program is designed to deter foreign intelligence efforts directed against our personnel and facilities worldwide. Together with other departments, bureaus, and Federal agencies, DS also provides the operational component for the Counterterrorism Rewards Program, the Antiterrorism Assistance Program, and the program for the Protection of Foreign Missions and Officials. The latter two are vital to securing effective security assistance for our operations from host governments abroad.

Finally, DS chairs one of the most successful security outreach efforts to the U.S. private sector operating overseas, the Overseas Security Advisory Council, which provides information and guidance to more than 1600 U.S. firms and other private sector groups operating internationally.

The Bureau's dynamic mission is carried out by a worldwide cadre of dedicated special agents, security engineers, couriers, security specialists, and other professionals.

Other bureaus within the Department, of course, also play a vital role in maintaining a secure environment for American personnel overseas, particularly the Bureau of Administration and its Office of Foreign Buildings Operation. FBO is responsible for the construction, leasing, rehabilitation and maintenance of over 12,000 government-owned and leased properties in 260 posts and is at the vanguard of purchasing land and building the new facilities required to meet our security needs.

Assistant Secretary for Administration Patrick Kennedy and his FBO Director Patsy Thomasson are here with me today.

I would like to give you a snapshot of the security environment affecting U.S. diplomatic interests. This terrorism threat is global, lethal, multi-dimensional, and growing. Our analysts estimate that during the past 12 months there were over 2,400 threats or incidents against our U.S. interests overseas. Their estimate for the same period a year prior is approximately 1,150 such threats or incidents, which is over a 100 percent increase.

The threat is generated by indigenous and transnational anti-American groups and by state sponsors of terrorism. The Bin Laden organization has been the primary generator of threat information and appears to be the most dangerous terrorist threat to U.S. diplomatic facilities and personnel overseas. Over 650 threats have been linked to this organization or to the East African bombings since August 1998. This truly transnational organization reportedly has a presence in over 25 countries and its tentacles may spread to many more.

During the decade prior to the tragic August 7th bombings in Nairobi and Dar Es Salaam, all the attacks against U.S. interests involved indigenous terrorist elements. While we were aware of threats from external terrorist groups, none ever materialized. The August 7th bombings demonstrated the existence of a global terrorist organization capable of and intent on attacking U.S. diplomatic posts.

All our posts are now considered at risk. We need to take a comprehensive security approach. Global or regional networks may strike where we are most vulnerable, not just in their home areas. In this environment no system of post by post assessment can be perfect.

However, in an effort to improve the threat assessment process we have broadened our existing threat criteria to better assess the threat posed by transnational terrorism, especially threats from global terrorist networks. In addition to the threat ratings, we now factor in the vulnerability of posts to terrorist attacks. Under this new approach, all posts should meet a high level of protection against acts of terrorism and political violence.

I would like to share with you some of the steps the Department is taking to develop a comprehensive and long-term strategy to deal with this challenging environment. We know that there is no such thing as perfect security. However, with these security measures our goal is to deter and to diminish the effects of possible actions to the best of our ability.

Thanks to the Congressional bipartisan support for the fiscal year 1999 emergency security appropriation, the Department has sent interagency security assessment teams to 32 posts to assess our security needs, deployed 120 DS special agents overseas on temporary duty, enhanced physical security with vehicle barriers, bollards, video cameras, and recording devices, as well as other measures, worked with local governments to close or change traffic patterns in several cities, increased local guards by over a thousand around the world, acquired or placed under contract properties to increase setback at five posts, and expanded our crisis management training programs dramatically both at home and overseas.

Immediately following the bombings in East Africa, we conducted a top to bottom review of the security posture of all our diplomatic facilities around the world. The 7 interagency Emergency Security Assessment Teams (ESAT) teams recommended relocating 9 of 32 posts surveyed, mainly because of the lack of adequate setback needed to mitigate the effects of an explosive blast.

We continue to dispatch Security Augmentation Teams and Mobile Training Teams around the world to augment security and provide training to our personnel. We have initiated a global surveillance detection program, which is up and running in 90 posts. Also in place is mandatory security inspection of all vehicles entering overseas facilities, regardless of the post's threat level.

The key to the success of our security programs, however, is trained and experienced professionals who can provide essential management and leadership. Overseas, for example, DS special agents referred to as regional security officers serve as the chief of mission's principal adviser on all security matters and are responsible for protection of life and classified information for all U.S. agencies, their employees, and families at post.

Typically, the RSO manages a security program that includes a vast network of physical and technical security, marine security guards, a local guard program, security and counterintelligence briefings, and a broad criminal and personnel investigative program. They also administer the antiterrorism assistance training for foreign police and liaison with host government security.

At the majority of our missions, the RSO is the primary liaison official with host government security and law enforcement officials, gaining investigative and security support for U.S. initiatives and investigations on behalf not only of DS, but other Federal, State, and local law enforcement agencies. The relationships developed through this network are vital whenever assistance from the host government is needed to respond to threats against our people and facilities.

All the funding we use to provide security-related things could well be wasted if we do not have a significant number of well-

trained DS agents and other security professionals to oversee and manage our security programs.

Thanks to the supplemental appropriation, we are hiring and training 200 new Diplomatic Security agents in fiscal year 1999, as well as 17 security engineers, 34 security technicians, and 20 diplomatic couriers. DS has established 140 new special agent positions overseas, 75 to be assigned this year, with the remaining 65 in early 2000. Overall, we will hire and train an additional 391 employees, which include the new DS special agents as well as critical technicians, construction project managers, support specialists, and security inspectors.

To maintain the security enhancements already funded and to respond to the threat conditions I outlined earlier, we must continue to receive sufficient intake of security and support personnel in future years. We are requesting a total of \$268 million in fiscal year 2000 to fund the recurring costs of the programs which I just outlined, begun under the fiscal year 1999 emergency security appropriation.

We must strive to improve security over the long term, not to provide just a temporary fix. Without funding for the recurring costs and continuing support to sustain our initial investment, these programs will not remain viable. In addition, we hope the Congress will resist the move to take back part of the emergency appropriation to fund an unrelated supplemental to respond to Hurricane Mitch, as deserving as that is on its own merits.

The needs, however, go far beyond providing physical security enhancements and additional staffing to our existing facilities. As I described earlier, we are now confronting an unprecedented level of credible security threats from those with transnational capabilities. Over 80 percent of our embassies and consulates have less than a 100-foot setback from the street and many are in desperate need of greater security improvements.

In Nairobi and Dar Es Salaam we are moving ahead with efforts to permanently replace the bombed structures. We have begun a model embassy project to determine what our missions in East Africa should look like, seeking to improve efficiency, reduce the number of employees and others exposed to potential violence, and identify the resources needed to protect those who remain. As we build new facilities both here and elsewhere, we will tailor them to the conclusions from this project.

The fiscal year 1999 emergency security appropriation also provides \$185 million in funding for post relocations, site acquisitions, design and construction for some of our highest risk posts. We are working on several posts with these funds. Since the funds became available, we have acquired land in Doha and have started construction of interim facilities. We have made substantial progress toward acquiring four more sites.

Next month the Secretary will be sending you a report on the Department's actions taken in response to the Accountability Review Board recommendations. The Accountability Review Board investigation of the bombing incidents in East Africa, chaired by Admiral Crowe, concluded that the Department must undertake a comprehensive and long-term strategy for protecting American officials overseas, including sustained funding for enhanced security

measures, for long-term costs for increased personnel, and for a capital building program based on an assessment of requirements to meet the new range of global terrorist threats.

The Department agrees with virtually all of the Board's recommendations and is taking a very careful look at how each can be implemented.

To finance the construction costs of these projects and pursue the long-term sustained security-driven capital building program recommended by the ARB report, the Department is seeking an fiscal year 2000 appropriation as well as an advanced appropriation totaling \$3 billion for fiscal year 2001 through 2005. The advanced appropriation will enable the Department to begin to fund site acquisition, design and construction of new facilities at the highest risk locations.

Last month President Clinton told the joint Congressional leadership that he is looking forward to working together on this issue, and Secretary Albright has affirmed that she is looking forward to working with the Congress as part of that dialog.

With the funding provided by the emergency security appropriation, State has established a high level panel to review overseas presence. This panel began its work this week and is slated to conclude in early summer. It is chaired by Lewis Kaden, a prominent New York attorney, and includes distinguished representatives from the private sector and government, including Admiral Crowe.

The panel's mandate is to look at the level and type of representation required abroad to carry out America's foreign policy interests, given resource constraints, advances in technology, and the worldwide security situation. This will include a closer look at the idea of regional embassies and the tradeoffs entailed in such an approach. The panel will also recommend criteria for reshaping our missions overseas to maximize effectiveness and security, and outline a multi-year funding program for construction and related costs to achieve those goals.

In conclusion, I would like to thank you for the opportunity to participate in this important hearing and for your support, and for the support you and your colleagues have shown for the protection of our personnel overseas and the security needs of the Department of State and the Bureau of Diplomatic Security.

My colleagues and I would be pleased to respond to your questions. Thank you.

[The prepared statement of Mr. Carpenter follows:]

PREPARED STATEMENT OF DAVID G. CARPENTER

INTRODUCTION

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to participate in this hearing on the important subject of the security of American personnel serving overseas. As Assistant Secretary of State for Diplomatic Security, I am here to address the efforts of the Department of State and particularly the Bureau of Diplomatic Security (DS) in protecting our country's personnel, facilities and national security information.

By law, the Secretary of State is charged with "the protection of all United States Government personnel on official duty abroad (other than those personnel under the command of a United States area military commander) and their accompanying dependents." Since the Department provides the platform for some 30 agencies as they pursue the interests of the United States around the world, our security responsibilities are not just to State Department employees but employees of all U.S. Govern-

ment agencies with personnel stationed abroad, as well as American citizens and foreign nationals seeking services at our embassies and consulates.

This is a solemn responsibility and Secretary Albright has made clear that she has no higher priority. Under Secretary Cohen for Management and the rest of her leadership team have been doing everything we can to ensure that the appropriate management tools are in place to effectively meet this responsibility.

#### THE BUREAU OF DIPLOMATIC SECURITY

Let me start by briefly describing the role of Diplomatic Security (DS). The Bureau of Diplomatic Security has a broad mission. Its primary function is to provide a secure environment for the safe conduct of foreign affairs. In addition, we provide protection for the Secretary of State and other senior government officials, for resident and visiting foreign dignitaries, and for foreign missions in the United States. For example, the month following the East Africa bombings we had to ensure the safety of scores of foreign ministers attending the annual United Nations General Assembly meeting in New York. In October the security of the Wye Peace Talks and its high profile participants was our responsibility.

We also have the statutory authority to investigate passport and visa fraud, crimes that can facilitate terrorist and other criminal attacks against American interests. Our Protective Intelligence Investigations Division (PII) is responsible for investigations involving terrorist threats and activities directed at personnel and facilities that we are responsible for protecting. In close cooperation with the FBI and other agencies, our counterintelligence program is designed to deter foreign intelligence efforts directed against our personnel and facilities worldwide.

Together with other Department bureaus and federal agencies, DS also provides the operational component for the Counterterrorism Rewards Program, the Antiterrorism Assistance (ATA) Program, and the program for the Protection of Foreign Missions and Officials (PFMO) here in the United States—the latter two are vital to securing effective security assistance for our operations from host governments abroad. Finally DS chairs one of the most successful security outreach efforts to the U.S. private sector operating overseas—the Overseas Security Advisory Council, which provides information and guidance to more than 1,600 U.S. firms and other private sector groups operating internationally.

The Bureau's dynamic mission is carried out by a worldwide cadre of dedicated special agents, security engineers, couriers, security specialists and other professionals. We currently have approximately 278 Regional Security Officers (RSOs) assigned to 146 posts, 34 Security Engineering Officers operating out of 67 overseas locations, and 186 Special Agents assigned to field and resident offices in 19 cities throughout the United States, as well as personnel at headquarters here in Washington who support those on the frontline or travel overseas to provide training or emergency security services.

Other bureaus within the Department, of course, also play a vital role in maintaining a secure environment for American personnel overseas, particularly the Bureau of Administration and its Office of Foreign Buildings Operations. FBO is responsible for the construction, leasing, rehabilitation, and maintenance of over 12,000 government-owned and leased properties at 260 posts and is at the vanguard of purchasing land and building the new facilities required to meet our security needs. The Assistant Secretary for Administration, Pat Kennedy, and his FBO Director, Patsy Thomasson, are here with me today.

#### THE CURRENT SECURITY ENVIRONMENT

Next I would like to give you a snapshot of the environment affecting U.S. diplomatic interests. This terrorist threat is global, lethal, multi-dimensional and growing. Our analysts estimate that during the past twelve months, there were over 2,400 threats or incidents against U.S. interests overseas. Their estimate for the same period a year ago is approximately 1,150 such threats or incidents—over a 100 percent increase.

The threat is generated by indigenous and transnational anti-American groups and by state sponsors of terrorism. The daily byproducts of this threat are the countless uncleared walk-ins, threat letters, anonymous phone calls, intelligence reports, and surveillance incidents directed at U.S. diplomatic facilities. To understand the level and scope of the current security threat, it is necessary to examine each of its four major components.

##### *1. The Threat from Indigenous Terrorist Groups*

Indigenous or domestic terrorist groups are those that operate only within their country of origin. Such groups have a low threat projection in that their operations

are restricted to a single country. They have been a constant threat to our facilities since the 1970s when many of the Marxist groups first surfaced. In general, these groups use tactics such as firing anti-tank rockets, throwing molotov cocktails, planting car bombs, or close-order assassinations. Specific credible threats from these indigenous terrorist groups are rare. From August 1998 to the end of February 1999, we recorded about two dozen threats from these groups. However, the absence of a large number of threats from the indigenous groups should not be misinterpreted as a decline in this threat. For example, from 1987–1997, there were 232 indigenous terrorist attacks on U.S. diplomatic facilities. Very few of these attacks were preceded by threat or intelligence reports suggesting a threat. The threat from these groups is a general one and is based on their anti-American rhetoric and past attacks on U.S. targets. It should also be emphasized that the indigenous terrorist groups tend to carry out anti-American attacks in response to U.S. foreign policy decisions or military actions. For example, during Operation Desert Storm in 1991, U.S. targets were frequently attacked by indigenous terrorist groups in Europe and Latin American to protest U.S. air operations over Iraq.

### *2. The Threat from Transnational Terrorist Groups*

A transnational terrorist group is one that has or can operate in multiple countries. This type of group poses a more complicated threat since its projection is much wider than the indigenous terrorist groups and consequently requires a wider deployment of security resources. Historically, these groups are fewer in number than indigenous ones. Today, there are at least three transnational terrorist groups—Egyptian Islamic elements, Lebanese Hezbollah, and the Usama Bin Laden organization. These groups generally employ indiscriminate, mass-casualty tactics such as “car/truck bombs.” While all three groups are doctrinally anti-American, only the Bin Laden organization has carried out an attack on a U.S. target within the past five years.

The Bin Laden organization has been the primary generator of recent threat information against U.S. diplomatic facilities overseas. Over 650 threats have been linked to this organization or to the East African bombings since August 1998. Our analysts believe that about 33% of these threats are “viable” threats; that is, they are either logical, consistent with previous reporting of Bin Laden organization tendencies, or based on credible intelligence reports or walk-ins.

Currently, the Bin Laden organization appears to be the most dangerous terrorist threat to U.S. diplomatic facilities and personnel overseas. This organization reportedly has a presence in over 25 countries and its tentacles may spread to many more. It is dangerous because it has a potentially global reach, it appears well-financed, it has a dedicated cadre, it engages in suicide attacks, it has an avowedly anti-American ideology, and it appears to have plugged into or provides support to over a half-dozen indigenous terrorist groups around the world.

As George Tenet has testified, “there is not the slightest doubt that Usama bin Ladin, his worldwide allies, and his sympathizers are planning further attacks against us. Despite progress against his networks, bin Ladin’s organization has contacts virtually worldwide, including in the United States—and he has stated unequivocally—that all Americans are targets.”

### *3. The Threat from State Sponsors of Terrorism*

The U.S. Government currently lists seven state sponsors of terrorism. Some of these states currently cause us more concern than others. The threat to our diplomatic interests from these state sponsors has not been realized, but given the nature of their relationship with the United States and their record of state sponsorship of terrorism, we cannot dismiss this threat.

### *4. Threats Triggered by U.S. Actions Overseas*

There are a number of U.S. foreign policy or military actions that might engender reactions which would increase security concerns for our diplomatic facilities and personnel. This could be, for example, the bombings of facilities in Sudan and Afghanistan, responses to Iraqi behavior, or developments in Kosovo. In some cases, such actions trigger an outburst of anti-American activity that ranges from telephonic threats to demonstrations, bombings or assassinations.

For example, anti-American fallout occurred during our military buildup on the Persian Gulf in February of last year and again from our joint action with Britain against Iraq in December. From February 1 to March 1 last year, during a period of heightened tensions with Iraq, over 130 anti-American threats and incidents were recorded worldwide. In early December, after U.S./U.K. airstrikes on Iraq began, we recorded during a ten-day period 18 threats and 15 anti-U.S. incidents directed at U.S. diplomatic facilities in 19 countries.

Unfortunately, U.S. diplomatic facilities serve as a very visible target for anti-American militants or hostile governments who may want to send a more violent message to the U.S. Government.

*Conclusion Regarding the Threat*

U.S. diplomatic facilities and personnel overseas have been, are and will continue to be threatened by anti-American terrorist groups, which see our presence as prominent overseas symbols of the United States Government. They are perceived by terrorists as more accessible than U.S. military facilities. The emergence of the Usama Bin Laden organization as a transnational terrorist group willing to engage in suicide attacks against U.S. diplomatic facilities has dramatically increased the security threat—a threat that unfortunately has all the attributes of a long-term security problem.

AFTERMATH OF THE EAST AFRICA BOMBINGS

During the decade prior to the tragic August 7, 1998 bombings in Nairobi and Dar es Salaam, all of the attacks against U.S. interests involved indigenous terrorist elements. While we were aware of threats from external terrorist groups, none ever materialized. The August 7 bombings demonstrated the existence of a global terrorist organization capable of and intent on attacking U.S. diplomatic targets.

All our posts are now considered at risk, and we need to take a comprehensive security approach. Global or regional networks may strike where we are most vulnerable, not just in their home areas. In this environment, no system of post-by-post assessment can be perfect. However, in an effort to improve the threat assessment process, we have broadened our existing threat criteria to better assess the threats posed by transnational terrorism, especially threats from global terrorist networks. In addition to the threat ratings, we now factor in the *vulnerability* of all posts to terrorist attacks, and under this new approach *all* posts should meet a high level of protection against acts of terrorism and political violence.

EMERGENCY SECURITY APPROPRIATION AND BEYOND

We want to thank the Congress for its bipartisan support of the \$1.4 billion in the Fiscal Year 1999 Emergency Security Appropriation. In the aftermath of the bombings of our Nairobi and Dar es Salaam embassies, Congress' support made it possible to respond quickly to provide assistance to the bombing victims, begin restoring our operations in Kenya and Tanzania, and implement critical security measures worldwide.

I would now like to share with you some of the steps the Department is taking to develop a comprehensive and long-term strategy to deal with this challenging environment. We know that there is no such thing as perfect security. However, with these security measures our goal is to deter and to diminish the effects of possible actions to the best of our ability, remembering there can be no 100% guarantee.

With Congress' bipartisan support for the Emergency Security Appropriation, the Department of State has:

- Sent inter-agency Emergency Security Assessment Teams (ESATs) to 32 posts to assess security needs;
- Deployed 120 DS Special Agents overseas on temporary duty;
- Enhanced physical security with vehicle barriers, bollards, video cameras with recording devices and other measures;
- Worked with local governments to close or change traffic patterns in several cities;
- Increased local guards by over 1,000 around the world; and
- Acquired or placed under contract properties to increase setback at five posts.

Immediately following the bombings in East Africa, we conducted a top-to-bottom review of the security posture of all of our diplomatic facilities around the world. The seven inter-agency ESATs recommended relocating 19 of the 32 posts surveyed, mainly because of the lack of adequate setback needed to mitigate the effects of an explosive blast. We continue to dispatch DS Security Augmentation Teams (SATs) and Mobile Training Teams (MTTs) around the globe to augment security and provide training to our personnel.

Host governments have allowed us to close streets, install jersey barriers and bollards, and employ vehicles as barriers at key checkpoints around our embassies. They have also been responsive to our requests for the assignment of additional host government security personnel to protect our buildings and staffs. Overall this support has been excellent; however, many countries are limited in what they can provide. The Emergency Security Appropriation has been invaluable in this regard, and



its increased Anti-terrorism Assistance Program funding will pay dividends in the long-term through the training of local government officials.

We have initiated a global surveillance detection program, which is up and running in 90 posts. Also in place is mandatory security inspection of all vehicles entering overseas facilities, regardless of the post's threat level.

Fifty-three new bomb detection units have been shipped to posts, and we plan to ship 200 more by the end of this fiscal year. Three hundred new metal detectors have been sent to posts with another 300 to be shipped this fiscal year. We have deployed 16 "back-scatter" x-ray units with 82 more ordered and to be shipped by the end of the year. The "back-scatter" system detects metal and measures density for explosives.

Additional physical and technical security upgrades are ongoing, such as vehicle barriers, blast walls, closed-circuit event recording cameras with VCR control, and radios—all designed to enhance the perimeter security of our facilities. To date, over 200 additional time-lapse VCRs have been deployed overseas.

To effectively implement the measures funded in the supplemental, the Department has consulted with the General Services Administration, the Department's Inspector General, the Army Corps of Engineers and others to take advantage of expertise and experience. We have met with major multinational companies on their approaches to large scale, cost-effective construction. We have met with those who implemented the earlier Inman program to learn from both their successes and their mistakes. We have detailed month-by-month plans for obligating funds and implementing programs, and we are providing careful oversight through regular status meetings.

#### SECURITY PROFESSIONALS KEY TO SUCCESS

The key to the success of our security programs, however, is trained and experienced professionals who can provide essential management and leadership. This is true both at headquarters and overseas.

Overseas, for example, DS special agents, referred to as Regional Security Officers, serve as the Chief of Mission's principal advisers on all security matters, and are responsible for the protection of life and classified information for all U.S. agencies, their employees, and families at the post. Typically, the RSO manages a security program that include: a vast network of physical and technical security, Marine Security Guards (if present), a local guard program, security and counterintelligence briefings, and a broad criminal and personnel investigative program. They also administer the anti-terrorism assistance training for foreign police and liaison with host government security.

At the majority of our missions the RSO is the primary liaison official with host government security and law enforcement officials, gaining investigative and security support for U.S. initiatives and investigations on behalf of not only DS, but other federal, state, and local law enforcement agencies. Annually, DS supports over 5,000 requests for assistance from U.S. law enforcement, ranging from counterfeit currency investigations to the apprehension of "top 15" fugitives. The relationships developed through this work are vital whenever assistance from the host government is needed to respond to threats against our people and facilities.

In short, all the funding we use to provide security-related "things" could well be wasted if we don't have a significant number of well-trained DS agents and other security professionals to oversee and manage our security programs.

Thanks to the supplemental appropriation, we are hiring and training 200 new Diplomatic Security agents in Fiscal Year 1999, as well as 17 security engineers, 34 security technicians and 20 diplomatic couriers. DS has established 140 new special agent positions overseas—75 to be assigned this year and the remaining 65 in early 2000. The Department's FY 2000 request includes \$41 million to provide ongoing salary, training and support costs for the direct-hire U.S. Government employees.

Overall we will hire and train an additional 391 employees, which include the new DS special agents, as well as critical technicians, construction project managers, support specialists, and security inspectors. To maintain the security enhancements already funded and respond to the threat conditions I outlined earlier, we must continue to receive sufficient intake of security and support personnel in future years.

We are expanding our crisis management training programs dramatically both at home and overseas. One hundred crisis management exercises will take place at posts this year, followed by 100 more in FY 2000. We have also trained about 700 employees domestically so far this fiscal year. This ambitious overseas and domestic

training schedule will help ensure that our personnel are fully prepared to respond to future crisis situations.

I am pleased to report that we are already benefiting from a heightened awareness about how to react in a crisis. Just a couple of weeks ago, in Tashkent, Uzbekistan, a series of blasts directed at the Uzbekistan Parliament Building went off near one of our facilities. During one car bomb blast, the building's windows shattered, but not a single employee was injured, thanks to this training.

We are requesting a total of \$268 million in FY 2000 to fund the recurring costs of the programs, which I just outlined, begun under the FY 1999 Emergency Security Appropriation. We must strive to improve security over the long-term, not to provide just a temporary fix. Without funding for the recurring costs and continuing support to sustain our initial investment, these programs will not remain viable.

In addition, we hope that Congress will resist the move to take back part of the Emergency Appropriation to fund an unrelated supplemental to respond to Hurricane Mitch, as deserving as that is on its own merits.

#### NEW AND REHABILITATED FACILITIES

The needs, however, go far beyond providing physical security enhancements and additional staffing to our existing facilities. As I described earlier, we are now confronting an unprecedented level of credible security threats from those with transnational capabilities. Over 80% of our embassies and consulates have less than a 100-foot setback from the street, and many are in desperate need of greater security improvements.

In Nairobi and Dar es Salaam, we are moving ahead with efforts to permanently replace the bombed structures. On February 8, 1999, only six months after the bombings, we were proud to raise the American flag over the new interim office building in Dar es Salaam, where we had acquired five parcels of land, renovated 38,000 square feet of space, and constructed 10,000 square feet of new space. In Nairobi, we have begun renovating the interim office building, which should be completed and ready for occupancy by July. Planning for the new office buildings in Dar es Salaam and Nairobi is on schedule. Site acquisition for both buildings is scheduled for mid-April and the design/build contract for the buildings will be awarded in late FY 1999.

We have begun a Model Embassy project to determine what our missions in East Africa should look like, seeking to improve efficiency, reduce the number of employees and others exposed to potential violence, and identify the resources needed to protect those who remain. As we build new facilities both here and elsewhere, we will tailor them to the conclusions from this project.

The FY 1999 Emergency Security Appropriation also provides \$185 million in funding for post relocation, site acquisition, design, and construction for some of our highest risk posts. We are working on several posts with these funds. Since the funds became available, we have acquired land in Doha and have started construction of interim facilities. We have made substantial progress toward acquiring four more sites.

For new construction projects, we will employ best practices to save time and money. These include:

- Using the design/build process, where appropriate, to reduce costs and time;
- Prequalifying a pool of American Architect/Engineering firms to reduce delivery time and procurement effort;
- Using repetitive design concepts for new office buildings in multiple locations; and
- Employing a single design/build contractor for multiple locations, possibly beginning with Dar es Salaam and Nairobi.

#### ACCOUNTABILITY REVIEW BOARD (ARB) RECOMMENDATIONS

Next month, the Secretary will be sending you a report on the Department's actions taken in response to the Accountability Review Board (ARB) recommendations. The Accountability Review Board investigation of the bombing incidents in East Africa, chaired by Admiral Crowe, concluded that the Department "must undertake a comprehensive and long-term strategy for protecting American officials overseas, including sustained funding for enhanced security measures, for long-term costs for increased personnel, and for a capital building program based on an assessment of requirements to meet the new range of global terrorist threats."

The Department agrees with virtually all of the Boards' recommendations, and the Department is taking a very careful look at how each can be implemented. It is also looking at our presence abroad to ensure that we are defining and operating under the appropriate parameters. To finance the construction costs for these

projects and pursue the long-term, sustained security-driven capital building program recommended by the ARB report, the Department is seeking a FY 2000 appropriation as well as an advance appropriation totaling \$3 billion for FY 2001 through FY 2005. The advance appropriation will enable the Department to begin to fund site acquisition, design, and construction of new facilities at the highest risk locations.

Last month, President Clinton told the joint Congressional leadership that he is looking forward to working together on this issue. And Secretary Albright has affirmed that she is looking forward to working with the Congress as part of that dialogue.

There is no doubt that we need setback to adequately protect our people overseas, and acquiring setback—whether by purchasing adjacent land or building new facilities—costs money. If the U.S. Government cannot protect our people, no agency will be able to attract and retain them. Without people, we cannot represent America and our nation's interests around the world. And I can assure you, as the Secretary has stated repeatedly, we will not be intimidated by terrorists.

#### REVIEW OF OVERSEAS PRESENCE

With funding provided by the Emergency Security Appropriation, State has established a high-level panel to review overseas presence. This panel began its work this week and is slated to conclude in early summer. It is chaired by Lewis Kaden, a prominent New York attorney, and includes distinguished representatives from the private sector and government, including Admiral Crowe and Ambassador Felix Rohatyn. This interagency panel is to team up private sector involvement with representatives of key foreign affairs agencies.

The panel's mandate is to look at the level and type of representation required abroad to carry out America's foreign policy interests given resource constraints, advances in technology, and the worldwide security situation. This will include a close look at the idea of "regional embassies" and the trade-offs entailed in such an approach. The panel will also recommend criteria for reshaping our missions overseas to maximize effectiveness and security.

#### CONCLUSION

Again, I want to thank you for the opportunity to participate in this important hearing and for the support you and your colleagues have shown for the protection of our personnel overseas and the security needs of the Department of State and the Bureau of Diplomatic Security. We look forward to working closely with you as we continue to implement the FY 1999 Emergency Security Appropriation and as Congress and the Administration deliberate and make crucial decisions regarding our security policies and programs for FY 2000 and beyond.

Senator GRAMS. Thank you very much, Mr. Carpenter.

Mr. Kennedy, do you have a statement?

Mr. KENNEDY. No, Mr. Chairman.

Senator GRAMS. Well, maybe I will go to you, then, for the first question. We are going to keep these to 5 minutes on a question round here for this.

Again to kind of restate the question I asked Admiral Crowe, the President's budget request for the construction of overseas facilities calls for a \$3 billion advanced appropriation. This plan would begin to obligate construction funds in 2001 and the bulk of the funds for fiscal year 2000. The President has not requested a penny for capital construction projects in 2000.

It might appear to some that the President may be playing budget politics with the lives of State Department employees. But if moneys were appropriated for construction in fiscal year 2000, Mr. Kennedy, would the State Department be able to start embassy construction projects?

Mr. KENNEDY. Yes, sir, we would.

Senator GRAMS. And where?

Mr. KENNEDY. I would prefer, Mr. Chairman, not to list in open session specific posts that we would identify, because by giving in

a public session the list of those posts we would go to first I am in effect disclosing what we regard as our most vulnerable. I would be glad to address those in executive session or to meet with you or members of your staff privately and fully go over that. But I think it might not serve our mutual interest to do this in open session, sir.

Senator GRAMS. So you would say that plans have been drawn up or at least commitments made to certain facilities?

Mr. KENNEDY. We know where we would go first. We believe that by using the resources of Ms. Thomasson in the Foreign Buildings Office, the real estate professionals there, we would be able to move quickly to acquire sites and, using modern American technology—we have met with the American building industry and using a concept called design-build, where you award a single contract to one American company and they run the design and build simultaneously, we would be able to move off at a fast pace, sir.

Senator GRAMS. So if there is an ability, there is an ability, to utilize funding this year, why does the President's budget not reflect the urgent priority of securing facilities overseas?

Mr. KENNEDY. The President's budget does identify \$36 million for site acquisition and the beginning of efforts in the design arena. We are also moving forward with funds that we have acquired through the asset management program and are working on another set of posts. For example, Mr. Carpenter has already identified that we are moving ahead on Doha using other sources of funds.

So we are fully committed to making our posts overseas as secure as they possibly can and as fast as we possibly can.

Senator GRAMS. You mentioned \$36 million for site acquisition, *et cetera*.

Mr. KENNEDY. Yes.

Senator GRAMS. I think the Admiral mentioned \$640 million would be something that the State Department could absorb in funding and construction. But realistically, what level of funding would you—or do you think the State Department could utilize this year, and how many facilities would it fund?

Mr. KENNEDY. Obviously, the construction of any embassy takes more than 1 year. But we do believe that if additional funds were available there are additional sites that we could begin the acquisition process for, and we could use, as I mentioned, the design-build process in order to begin our efforts, so that by the end of fiscal year 2000 we would have those sites already under construction or the design process well along, because it is, as you know, a multi-year process to go from nothing to land to the plans to the hole in the ground to the ribbon-cutting.

Senator GRAMS. But between \$36 million and \$640 million, you could use more money this year. And is the Admiral's figures close to correct in your opinion?

Mr. KENNEDY. I believe we do have the absorptive capacity, yes, sir, to do \$650 million, \$640 million, yes, sir.

Senator GRAMS. So the \$36 million is just a small start?

Mr. KENNEDY. As I know others have said, we regard this as a multi-year endeavor and we are certainly prepared to start it.

Senator GRAMS. All right. Senator Biden.

Senator BIDEN. Thank you.

Mr. Carpenter, what is the biggest, fastest, cheapest bang for the buck you can get right out of the block? In other words, I am going to just give you examples to make the point: replacing every window in every embassy tomorrow; having these regional security folks up and running; getting agreements with host governments to allow you to have additional security at either ends of the block. A thousand things you know a hundred times more about than I do.

What are the things you can do the quickest with the least money? I am not nearly as sanguine as my colleagues are about—I think the administration has not put enough money in, but in truth I think they recognize that we are not very responsible. The truth of the matter is the idea that we already cut 70 million bucks out of what we did last year sure does not send a signal saying, hey, send us a big budget. You know what I mean? I mean, we are a bunch of phonies up here talking about how we are going to do all this and then we cut 70 million bucks out of the budget already.

So I think both the administration and the Congress are less than sincere about the degree to which they find this an urgent priority. But that is not worth doing.

You are the guy on the ground. Your folks are the ones. What are you going to do in the meantime while we get up here and—I mean, the chairman and I agree we should spend more money. I think this committee agrees we should spend more money. I am not sure we are going to go take on the appropriators and tell them they are full of malarkey, what they did. I hope we will.

But you have been around a while, I know. You have a hell of a reputation. You are a pretty tough guy. In the meantime, you sit in these meetings with your personnel and you say: OK, guys, look. I know this town. I have been around. We may get the money, we may not get the money. We get this much now, this is what we should do.

Can you talk to me as if I were one of your agents in training and you are saying what the deal is here? I mean this sincerely. I think one of the things—and I am going to stop with this—one of the things is we should stop kidding the American people. We should stop kidding the foreign service personnel. We should stop.

I do not think anybody is deliberately kidding them, but I do not think anybody at State thinks they are really going to have 650 million bucks to spend in the next year and a half. I think they would like it. I do not think they think they are going to get it. I do not think anybody up here thinks we are going to figure out how to break the caps and do all the things we have got to do while the Democrats play games and the Republicans play games, because that is what they are doing. It is a big game going on right now.

But you are there. If something happens again we are going to turn to you and say: Hey, security, what did you do? Tell me about what you are doing. I got your statement, but tell me what are the real things you think you can get the biggest bang for the buck out of short-term?

Mr. CARPENTER. I think you define the problem as, what are we trying to defend against here? And it is not the typical crimes; it

is not the assassinations; it is not the kidnapping; it is not that type of crime. However, we do have to consider those, I might add.

Senator BIDEN. Yes.

Mr. CARPENTER. Those are not off the table here.

Senator BIDEN. Right.

Mr. CARPENTER. But I think the reason that we are here today is a car bomb, a large car bomb. If I had the ability to wave a wand and make it all right out there, I would acquire land. We need more setback. You cannot even begin to defend effectively at 100 percent, or even to a large degree, against a car bomb without adequate setback.

However, having had the benefit of listening to Admiral Crowe speak previously, you know that there are things that we can do in the absence of setback. Most of that involves personnel. It involved considerable increase in personnel. It involves a considerable increase of trained, professional personnel.

From the very beginning of this tasking we have looked at this as a program: What do we need to do to have a program to defeat this? I have no business sitting before you if I do not think we could defeat this, this problem, or at least neutralize it or keep it at bay. To that end, what we have tried to do is hire more local guards, engage our RSO's, not only those that are in place overseas but the—

Senator BIDEN. "RSO," regional security officers?

Mr. CARPENTER [continuing]. —Regional security officers, I am sorry—as well as our bench, which is very lean here domestically, I might add, to go overseas, work with our own guards, our own locally hired guards, work with local law enforcement, convince them of the magnitude of this threat, the legitimacy of this threat, and our need to be secure.

Absent setback, that is working. We do have, as we have stated, 88 percent of our facilities without setback. We have been able to close some streets. We have been able to acquire some land. But those are in the minority of the instances.

Senator BIDEN. Well, I guess—my time is up, but I guess that what I am saying to you is that we will get, State will get more money. We will have more money. We will wrangle about how much more money. The recommendation for a multi-year budget here, I will be very surprised if the appropriators do that. I mean, maybe somebody knows something I do not know, but I will be very surprised if the appropriators do that.

But in the meantime you can, you can—I would take whatever the hell you have and run with it now to do the very things you are talking about. I hope State is not going to wait around until the whole picture is in place. You are going to be able to hire 10, 20, 30, 50 additional personnel quicker than you are going to be able to get, acquire the land, have enough money and certainty the land is going to be there to be acquired. So I hope we do that, and I hope we do things like the interim measures.

I am not a security expert, to state the obvious, but things like just changing the windows. That is a costly process. That is a lot of money, but it is a hell of a lot less money than what we have to do to replace every embassy. So obviously we all agree the setbacks are important, but just for example, I was talking to one se-

curity person, they said it would be good if we just had enough personnel so that we were able to station plainclothes personnel outside the embassies literally blocks away, a rotating guard watching vehicles come down the street.

I mean, to me it sounded so simplistic and yet so reasonable. Now, a lot of people are going to say you are wasting a lot of money. You have got two, three, four folks on shifts that are 24 hours, 2 8-hour shifts say covering the area. That is a lot of bucks and they are going to say, well, the chances of picking it up are one in whatever. But apparently the security people tell me that stuff can make a difference in the meantime.

Mr. CARPENTER. If I may say, and I do not think I am giving away the farm here, we are doing that, and we are doing that right now at 90 posts. I would hope in the next 6 months we will be doing that at 260 posts.

Senator BIDEN. Good, good.

Mr. CARPENTER. It is an effective way. It has already paid dividends overseas. We do pick up things. We do make people know that we are out there, that we are watching, that we are concerned for the safety of our people.

Senator BIDEN. Good. While we are talking about building—and I realize everyone is sincere about that—and while we are talking about acquiring property, we are talking about doing all these things, I hope you do not wait around for us. I hope you go and do all those things you can do within the limitations of the budget you are presented with.

Mr. CARPENTER. Senator Biden, you force me to make one additional comment. I truly believe that one of the main reasons we have not had another embassy bombed is the steps we took following the August 7th. I have to believe that. I think we have done—

Senator BIDEN. I think you have, too.

Mr. CARPENTER [continuing]. —in some instances a superior job. However, our problem, the biggest thing that is bothering me, is our ability to sustain that. We have drawn upon host government support in a lot of countries and they have done a fantastic job. However, as we move further and further away from August 7th, that support quite frankly is diminishing, and that truly is our problem.

Senator BIDEN. If the chairman will permit me one more point, the chairman knows more about this issue than most of us do, myself included. One of the things I think—I know what we have been doing for years with our FBI in terms of training personnel in other countries, on a recent trip I took to Mexico, how we are going to deal with trying to assist the Mexicans on drug trade relative to training their police officers.

There is a lot of countries that, if you had the flexibility to be able to offer them incentives to continue their cooperation with you on matters relating to their needs for domestic security, we could get a lot done. I guess I am just saying to you I do not think we should just think linearly here. And I know you do not, but I think you should make clear to us and through State, through the appropriate channels, the other things we could do in the meantime while we are making a 10, 12, 15, \$18 billion commitment.

That is really the point I wish to make, and I know you are doing a lot of this stuff.

Thank you, Mr. Chairman.

Senator GRAMS. Thank you very much, Senator Biden.

The one thing that concerns me when he talks about the budget is he has got a lot of experience here and knows how some of this stuff is handled. But the best intentions I hope go farther than maybe—or maybe the budgeting goes farther than the best intentions.

Mr. Carpenter, the Accountability Review Board had numerous recommendations concerning standards of security. One concern was the perception that security is not the highest priority of the State Department. It is your responsibility to raise that level of awareness throughout the Department, starting from the top down.

So how do you respond to the criticism that oversight—or that overemphasis on security hinders the daily conduct of your foreign policy?

Mr. CARPENTER. As you know, Mr. Chairman, I have only been at State Department since August 11th, and it has not been my perception that the State Department views security as a low priority, certainly not since August 11th. I have engaged in numerous meetings with all elements within the State Department discussing what we are up against, the needs for all bureaus to come together in support of this mission, and have yet to be rebuffed on any of my approaches, yet to have come face to face with a segment of the Department that has not been supportive.

So it has been my experience, albeit only for 7 months, that the State Department is very, very supportive of this mission from the bottom to the top. I meet every morning with the Secretary of State to discuss the security situations, what we are doing and where we are doing it, and have received incredible support to that end.

So again, it has not been my experience that security has taken a back seat to anything at the State Department.

Senator GRAMS. Has that been from the get-go in your tenure there, or was it after the bombings, or has this been probably—is it a new concern or do you think—you know, we all can get lax. When everything is going well we kind of put aside the dangers. Did it take the bombings to re-emphasize the security measures?

Mr. CARPENTER. Clearly, a bombing is going to bring everything into focus and uncover some things that may not have been widely known throughout the Department or widely appreciated throughout the Department. These two events were of such a magnitude that everyone within the Department was moved.

I would be hard-pressed to make judgments prior to my taking this position.

Senator GRAMS. Senator Biden asked you from the get-go the biggest bang for the buck, what could we do out of the box to get the most security in the shortest period of time. Going beyond that, are there any recommendations that you feel it would be too difficult or too impractical right now to impose? I mean, there are some short-term things, but what are some of the other ideas that might be too difficult, expensive, impractical?

Mr. CARPENTER. I do not know that we have rejected conceptually any of the suggestions of the ARB based on finances or their



doability. However, I would make one statement that goes a little bit contrary to what the Admiral said about mylar. Laminated windows are extremely expensive. In some of our facilities overseas you would be affecting the structural integrity of that building to put it in. You need some specialized labor to install them.

We just completed a series of testings that showed that mylar still is second best, if you will. It is the best for existing windows, short of replacing all the windows in all of our facilities with laminates, which would be tremendously expensive, and probably not even doable in the great number of our facilities because of the structural integrity. If they cannot be adequately fastened, they become basically an obstacle that can be blown across the room, causing equal collateral damage.

So we are proceeding. We continue to have mylar at our facilities. Now, new buildings, new constructions, and where windows are needing to be replaced, mylar would not be the substance. We would be replacing them with laminated state-of-the-art equipment.

Senator GRAMS. Do you think there would be too much reliance, then, put on that initial thing to say that maybe we can solve a lot of problems quickly by funding say the mylar in windows, when we really should be looking beyond that and doing something else? Or in the short term is this something we should really consider strongly, according as the Admiral mentioned that is something we could do quickly, maybe less expensive, until we can do the construction?

Mr. CARPENTER. Well, we are actively involved right now in basically a two-phased approach. The first phase is shoring up our perimeters and our security in the best possible way. That includes all of the bollards, the barriers, and trying to acquire setback. That is, as someone referred to earlier, that is just the down payment.

The final solution is the second phase, that is embassy construction, replacing these facilities as quickly as possible.

I keep getting notes passed to me that say that the money that we are using in phase one is the money from the emergency supplemental. That supplied the legs that are carrying us to address all of our immediate needs.

Senator GRAMS. Did you have something you wanted to add, ma'am?

Ms. THOMASSON. I just wanted to say, Senator Grams, that we have been down—

Senator GRAMS. Maybe you should identify yourself.

Ms. THOMASSON [continuing]. —I am sorry. I am Patsy Thomasson. I am the Director of the Foreign Buildings Office.

Mr. Carpenter's people and Foreign Buildings Operation people went down to the Corps of Engineers research station a couple weeks ago to look at what they are doing in terms of research on both mylar and on different kinds of windows. We do really believe that in a short-term fix we can provide a greater level of security for these people overseas, because we brought some of the mylar-coated windows back from Dar es Salaam after we found them in the rubble site, and they did work and the glass was still stuck to the mylar. So it did do a lot of safety precautions there that we did not see in Nairobi.

But we are depending on the Corps of Engineers to help us with research both for windows, window frames, and the method of installation of the windows in the window frames.

Senator GRAMS. Thank you very much.

Mr. KENNEDY. Senator, if I could add one anecdote, about 3 weeks ago there were a series of bomb explosions in a nation in Central Asia, not addressed at the United States but addressed at sort of a local problem. At the first noise, using the training that David Carpenter's people had put out, some of the local nationals started to move toward the windows, but all of the Americans said: Get down and get back. They led everyone to the middle.

A series of bombs went off. All the windows in the building were blown out on one side. The mylar prevented any shreds and shards from flying through the building and hurting people. And the people had already taken the training that we had given them and they had moved to the center of the building, away from the perimeter.

So the combination of training and the mylar is that first phase, that first step that Dave is talking about, and we are already seeing it paying dividends.

Senator GRAMS. I also get notes. One question: Did the mylar melt on any of those windows in Nairobi?

Mr. CARPENTER. "Melting" is not a word that I have heard used, but I can comment that on the side of the building where the bomb went off mylar probably was, let us call it, ineffective. On the other sides of the building, though, there could have been more collateral damage had those windows not had mylar coating.

Senator GRAMS. So it cannot be 100 percent.

Mr. CARPENTER. No, absolutely. A bomb that size, that close, is going to defeat pretty much everything.

Senator GRAMS. If we see a bomb like the one in Oklahoma City, where it did tremendous structural damage, the windows are not a concern at that point.

Mr. CARPENTER. Correct, correct.

Mr. KENNEDY. Yes, sir.

Senator GRAMS. Just a couple quick questions I would like to ask Secretary Kennedy to wrap this up. The Accountability Review Board, as we heard Admiral Crowe say this morning, recommended spending \$14 billion over 10 years on embassy construction. Now, you have got to be concerned that once a number like that has been thrown out it is awfully hard to start pulling back from that. All of a sudden, we have now set a marker out there, even if it does prove to be inaccurate or unreachable.

But have you prepared an estimate, Mr. Kennedy, for the total funding necessary to bring our embassies up to standard? Is there a number out there, new construction, repairs, retrofits, *et cetera*?

Mr. KENNEDY. Mr. Chairman, we have not, we have not done a 10-year forward projection. What we have done is we have looked in our budget cycle, looked at 5 years out. As Admiral Crowe noted, his \$14 billion projection was \$1.4 billion a year, which was composed of 2 elements: \$1 billion a year for new construction and \$400 million a year for a combination of interim steps and carrying forward security programs, such as Dave has talked about, of personnel and others.

I think that on the order of a billion dollars a year is something that is probably in the out years a figure that is rational when you think about the number of embassy facilities which do not meet setback standards and which are of such ancient construction that, as you gave the example of the Oklahoma City, that no steps that we could take for those facilities would ever stop a large bomb. We need both to move to a new location and new construction because, even if we got additional land around them, the inherent fragility of the construction from even in some places, from the nineteenth century, would not stop a bomb.

Senator GRAMS. Your initial estimates, do they consider co-locations or regionalized embassies? Are you taking that into account in your recommendations?

Mr. KENNEDY. We are running those numbers now. In response to something in an exchange with Admiral Crowe, we have recently received a letter from the Agency for International Development saying specifically to us that they have shifted their position and they now wish to be involved with the co-location at all future new constructions. Obviously, we have been in intense discussions, as you know, sir, with the United States Information Agency as part of the merger process, and we are agreed that all new embassy construction will include the public diplomacy section, the former United States Information Agency personnel, as part of that facility.

So those are two of the largest components. The other U.S. Government presence overseas comes in at usually less than half a dozen each. So we have always planned to include the legal attaches from the FBI, the Secret Service representatives, the Agricultural personnel.

Senator GRAMS. I do not know if you can answer this in this hearing, and you do not have to give me locations or cities, but of the facilities that have been identified for upgrade how are you prioritizing which embassies will be dealt with first?

Mr. KENNEDY. We have put into place in effect a Department-wide endeavor. We take the information that the Diplomatic Security Service has, drawing from the entire range of U.S. Government resources, the intelligence community, the law enforcement compensation. So where is our threat highest? Then we also factor in the vulnerability, drawing on my Foreign Buildings Office colleagues, where are the facilities that do not have the adequate setback and the construction?

Then we meet with the assistant secretaries for all the regional bureaus, because they know the political dynamics as well in the countries which are under their jurisdiction. Then we bring this entire package together and present it to a joint sort of duo composed of the Under Secretary of State for Political Affairs, Tom Pickering, and the Under Secretary for Management, Bonnie Cohen.

So taking threats, vulnerability, the doability of construction, local conditions, the political dynamic, running all those things together, we vet and validate that and do then come up with a list, which I would be glad to brief you on offline of exactly what that list is comprised of. But I would prefer, sir, not to do that in public session.

Senator GRAMS. But as we found out in Nairobi and Dar es Salaam, maybe those embassies that would be considered low risk can be some of the most vulnerable.

Mr. KENNEDY. This process that we have been re-engaged in and redoing since August 7th takes that into account. As Dave mentioned earlier, there is no post that we are now considering to be low or medium threat. We consider all our posts to be threatened, and then we go to the vulnerabilities inherent in that situation, which is the local political situation, the ability of local police forces to provide us additional protection, the capabilities of indigenous intelligence services to ward off, the porosity of borders that these countries have, i.e., the potential of terrorists to infiltrate and not be held off by those local services, and then adding in the construction of the building, how far the setback is.

So we put all these things together, and we have retooled, in effect, our process since August 7th to take those factors into account, sir.

Senator GRAMS. I do not know if your timetables allow for it today, but, just concurring with the staff, they would like to have a closed door meeting to maybe get more information on what embassies you would have on a priority list, where you would begin, and things like that. So if not today, if that would not be convenient, if some other time could be set where staffs could be involved and get an idea.

Mr. CARPENTER. We would welcome that opportunity.

Mr. KENNEDY. Absolutely.

Senator GRAMS. Thanks very much.

Mr. Carpenter, did you have anything else you would like to add?

Mr. CARPENTER. No, sir, other than just to make one statement. I have been in the Federal Government for almost 27 years now, 26 of it with the United States Secret Service, and I feel that I am no rookie when it comes to threats and dangerous environments and experiences along this line. I just feel compelled to mention, everything that I have ever experienced in my 26 years in the Secret Service pales in comparison to what the State Department is facing right now.

I could not be more serious about that. I could not be more concerned about it. I cannot word strongly enough the need for this to be dealt with in the most expeditious manner. This is a problem that is looming. I feel I have an obligation to the people out there in the State Department that are fighting the good battle to do the right thing and let this committee know that.

I appreciate you allowing me to say that. I thought it was something that you should know.

Senator GRAMS. Well, we appreciate that; and I appreciate that type of concern, because I think it is shared by the members of this committee, and wanting to do the best job we can in the shortest period of time, to give you the tools that you need to carry out your job in the most responsible way. So I hope we can do that and work together on this.

Mr. CARPENTER. Thank you, Mr. Chairman.

Senator GRAMS. Thank you very much. I just want to let you know, too, that we will keep the record open for 3 days, so if any

Senators would like to submit questions. And of course, we would ask for a quick reply.

[The questions referred to above and the answers thereto follow:]

### **Responses to Additional Questions Submitted to Assistant Secretary of State Carpenter by Members of the Committee**

#### QUESTIONS SUBMITTED BY CHAIRMAN HELMS

*Question.* On February 24, 1999, you and Under Secretary of State Bonnie Cohen testified before a House Appropriations Subcommittee that you procured 53 explosive trace detection machines.

When were these machines purchased, and what was the cost agreed to on the contract?

*Answer.* The Department established two blanket purchase agreements (BPA) in August 1998 for GSA-list explosive detection equipment. Purchases have been made since September 1998 under these BPAs. The exact cost has varied due to the different discount schedules from the GSA list cost under each BPA. The most recent system purchase cost under the first BPA was \$35,572, and includes at-post installation and operator training. The most recent system purchase cost under the second BPA was \$37,671, plus additional cost for at-post installation and training travel.

*Question.* What criteria was used to select these machines? Was the best proven technology acquired in the recent purchase?

*Answer.* The primary consideration for selection was prior FAA approval. Beyond this, the criteria included best value, reliability, ease of operation, maintenance, logistics and adaptability to Embassy security requirements. The Department believes that the equipment purchased represents the best proven explosive detection technology for the Department's needs.

*Question.* The Federal Aviation Administration recently completed an extensive laboratory and field study of trace detection equipment; and based on its exhaustive testing and evaluation, will be procuring only one type of equipment to secure our airports.

Are you familiar with the results of the FAA test program?

*Answer.* The Department is familiar with the FAA testing and approval procedures, which we have tracked since early 1997. We have corroborated the accuracy of the Department's base-line data with the FAA and obtained formal updates of the most recent test results (January, 1999). The equipment purchased by the Department is currently approved by the FAA.

*Question.* Did the State Department, which has not conducted any comparative field testing, select the same equipment as the FAA, and if not, why not?

*Answer.* The Department has chosen equipment approved by the FAA and, in fact, deployed by the FAA. Field-testing was accomplished by the Department on this equipment, October of 1997 through August of 1998, and the equipment was ready for accelerated deployment under the FY 1999 Emergency Security Supplemental. Field testing of the equipment available under the second purchase agreement is currently being scheduled.

*Question.* Did the FAA find in any of the equipment, hardware defects which could lead to detection failures, and if so, does the State Department have any of this equipment out in the field?

*Answer.* The Department is not aware of any hardware defects, but has been advised by the FAA that human error can lead to a two-sided "sample trap" (swipe) being inserted backwards, causing the strength of the detection to drop. The Department has tested this and found the strength of the detection to drop, but still produce a positive alarm detection, whichever side of the swipe is inserted forward. Nevertheless, the manufacturer has already modified the sample trap by inserting a hole in the center, thereby eliminating the potential that human error would reduce the strength of explosive detection. The Department has confirmed that the FAA continues to use the equipment that the Department has deployed.

*Question.* I understand the FAA has the capability to receive automatically, on a daily basis, field reports from the trace detection equipment deployed at airports across the country. The reports relay the frequency of use and number of positive detections for each machine.

Do the 53 trace detection units recently purchased by the State Department have this remote intelligence gathering capability?

Answer. The Department already has established lines of communication for threat reporting. It does not appear that at this time another channel of control or reporting and, by extension, analysis is warranted.

*Question.* Should the equipment guarding our overseas diplomatic facilities not have the same capabilities as those guarding our domestic airports?

Answer. The equipment fielded by the Department has been approved by the FAA and is currently used at the vast majority of domestic airports.

*Question.* In late December of 1998, after terrorist threats against our embassies were made public, I received a copy of a letter sent to the State Department from a manufacturer of trace detection equipment. This letter indicated that to help meet this immediate threat, it could have been delivered, within days, dozens of trace detection machines.

How and when did the State Department respond to this offer? Please provide a copy of the response.

Answer. We have been unable to locate such a letter. Diplomatic Security personnel have spoken on different occasions with several manufacturers of trace detection equipment since September, 1998, all of whom indicated the capability to deliver trace detection equipment on short notice.

*Question.* \$50 million of the \$1.4 billion from the emergency supplemental was provided for the security improvements to our embassies for retrofitting or replacing glass windows and doors to better resist bomb blasts. I understand that on November 27, 1998, the State Department published a solicitation for providing window film. The solicitation did not specifically spell out strength or thickness of the window film, nor reference a performance standard which the window film had to meet.

Is the film identified in the solicitation to be 4mm protective film?

Answer. No. There is no specific reference to a thickness. For clarification it is noted that the thickness for previously specified shatter-resistant window film was 4 mil (0.1mm), not 4mm as cited in the question. The solicitation for shatter-resistant window film (SRWF) addresses the technical criteria which must be verified by an independent testing laboratory to ensure compliance with specified requirements. The tests include impact performance; tensile, peel and puncture strength; surface abrasion; and flame spread and smoke density. These criteria have been determined to be the primary performance characteristics of SRWF. While the vast majority of films which passed our technical review for this solicitation are 8 mil, it is noted that the film of some manufacturers meets the required technical criteria, but is of different thickness. These variations are due to different technologies being used in the manufacture of the film. The technical criteria used in the solicitation is based on specifications and testing by the U.S., British, Israeli and Australian governments.

*Question.* Has the State Department determined that the 4mm film is determined to meet the security needs of our embassies?

Answer. No. Shatter-resistant window film (SRWF) in the form of 4 mil (0.1mm), not 4mm as cited in the question, has been in use since the physical security standards were first developed in 1986. Since the bombings of our two U.S. embassies in Africa in August 1998, a working group of the Overseas Security Policy Board, in its review of the physical security standards, recommended the use of 8 mil (0.2mm) SRWF or performance equivalent. In the current solicitation, the required SRWF is identified by a "technical criteria," which must be verified by an independent testing laboratory. The actual thickness of SRWF of some manufacturers will vary in meeting the technical criteria established by performance testing. This recommendation is based on research performed by the U.S. Department of Defense, GSA, and British, Israeli and Australian governments.

*Question.* Is the State Department investigating other materials, such as thicker film or laminate glass, to be used for better resistance to bomb blasts?

Answer. The interagency Overseas Security Policy Board (OSPB) physical security standards currently require that all new office buildings be constructed to meet blast protection requirements, including the use of laminated windows composed of thermally tempered glazings or heat-strengthened glass. This standard is also required for major renovations involving newly acquired buildings and existing office buildings.

The State Department currently has an ongoing research and development effort to identify and test new products and materials that will enhance the mitigation of blast effects.

Diplomatic Security, working closely with the Department's Office of Foreign Buildings Operations, is coordinating with elements within the Department of Defense to test and evaluate construction methods and products that will offer a higher resistance to bomb blasts, both in newly constructed and major renovations of existing office facilities. Unfortunately, at this time, there is no realistic universally applicable solution to this complex problem.

*Question.* In light of the Accountability Review Board with respect to 4mm window film, will you be amending your solicitation to purchase window film that might provide a better degree of protection?

*Answer.* The term "4mm window film" is a misnomer. In addition to using laminated windows, historically the State Department has been using 4 mil (0.1mm) window film (SRWF). Since the bombings, it was determined that 8 mil (0.2mm) SRWF, or performance equivalent, provides increased protection. As a result, the most recent solicitation for bid to purchase SRWF is oriented to specifications and performance criteria that match the increased protection. As additional information is obtained from the ongoing research efforts, Diplomatic Security will continually review this specification and amend it as necessary.

*Question.* After the bombings of the Murrah Federal Building, in Oklahoma City, the General Services Administration (GSA) issues its Glazing Mitigation Guidance for Windows. The guidance specified five different protection levels for buildings.

Did your solicitation of December take into account the GSA recommendations?

*Answer.* Yes, the GSA recommendations for shatter-resistant window film were evaluated as part of the process leading to the specification for 8 mil SRWF or performance equivalent. In fact, the State Department exceeds GSA's recommendation of 7 mil. Research performed by the U.S. Department of Defense and the British, Israeli and Australian governments was also evaluated leading to the criteria used in this solicitation.

*Question.* GSA standard for "medium-high" protection calls for 7mm-8mm thickness for windows in buildings here at home. Is this a standard that the State Department recognizes? Why, or why not?

*Answer.* Again, the use of the term "7mm-8mm" is incorrectly used. It should read, "7-8 mil." The interagency Overseas Security Policy Board (OSPB) has approved the use of 8 mil (0.2mm) shatter-resistant window film for diplomatic offices and residences overseas. This decision is based upon research performed by the U.S. Department of Defense, GSA, and the British, Israeli and Australian governments.

*Question.* Has the Overseas Security Advisory Council recommended 8mm film as well as laminated glass for window security improvements?

*Answer.* The physical security standards, currently approved by the Overseas Security Policy Board (OSPB), require that all new office buildings be constructed to meet blast protection requirements, including the use of laminated windows composed of thermally tempered glazings or heat-strengthened glass. This requirement also applies to major renovations involving newly acquired buildings and existing office buildings. The OSPB has also approved the use of 8 mil (0.2mm) shatter-resistant window film in those cases where laminated windows are not or cannot be installed.

*Question.* The U.S. Army is currently testing and evaluating a gunfire detection system. This system has been effectively determining the precise source of gunfire, differentiating the type of weapon used, and exact trajectory of the gunfire. The Chief of Staff of the U.S. European Command has identified and urgent need for a sniper detection system for a variety of operations including embassy security.

Does the State Department have any plans for deploying this capability to protect U.S. personnel abroad?

What are the logistical requirements for deploying such a system in a static situation such as at an embassy?

If this type of system were deployed at an embassy, who would provide the operational control to respond to a sniper detection?

Could this system be deployed as part of the Secretary's mobile detail or for other high visibility members?

*Answer.* The Department of State has no plans to deploy such a system at this time. The deployment of such counter sniper systems can be appropriate and the Department would support such deployment whenever Commander in Chief (CINC)

forces are deployed to protect embassies such as FAST Marines to Nairobi and Skopje. CINC forces when deployed at our missions are outside the mission and exposed to hostile fire for long periods of time. CINC forces also have the requisite chain of command and operational response capability to make such systems useful.

We believe that the most effective defense against sniper attacks on our personnel is to minimize the exposure through other defensive measures. However, the Diplomatic Security Service constantly seeks to integrate technology into its operations to improve efficiency with increasing its ability to safeguard its personnel and facilities.

DS, through its Mobile Security Division, has been coordinating with the Army Research Lab to obtain periodic test results in order to access the merits and applicability of gunfire detection systems. Although such systems have the potential to enhance security, we feel it would be prudent to wait until the completion of testing and evaluation before making any decisions.

Without deployed CINC forces, Foreign Service posts lack an immediately available operational response capability. Under most circumstances, operational response to a sniper attack upon our diplomatic mission normally rests with the host government, which in our view would not be enhanced by such systems.

Most Secretarial and foreign dignitary visits are of brief duration and marked by active schedules, therefore requiring many movements of the deployment systems. However, the vehicle-mounted unit, once fully tested and evaluated, would provide possible reductions of a sniper threat during motorcade operations. While the concept is sound and the technology warrants further investigation, more data and testing are required before realistically considering technology this costly.

#### QUESTIONS SUBMITTED BY SENATOR BIDEN

##### OVERSEAS PRESENCE ADVISORY PANEL

*Question.* Last month, the Committee was notified of the Department's intention to create an Overseas Advisory Panel.

If the Panel is to advise on the location and configuration of embassies, why is the Department beginning the design work and site acquisition for construction and renovation of several embassies prior to the completion of this review by the Panel?

*Answer.* The panel has been commissioned to look at a number of issues regarding our diplomatic presence abroad and we expect that their recommendations will be delivered to the Secretary by mid summer. However, there are a number of posts where we have a sustained interest in a diplomatic presence, and as demonstrated by the bombings in Africa, there is an urgent need to address physical security concerns worldwide.

In accordance with the Emergency Security Supplemental Appropriation, the Department is proceeding with acquisition and design work in Kenya, Tanzania and other priority posts. We have also taken immediate steps to improve the current safety of our representatives overseas as quickly as possible. At the same time, the Department has begun a review process via the Overseas Presence Review Panel, Nairobi 2010 and other programs to ensure we have considered relevant factors regarding our presence in those countries as we continue with the design process.

##### EMERGENCY PREPARATIONS

*Question.* Does every U.S. diplomatic mission have an emergency plan that covers a variety of threats including vehicle bombs, gunfire, arson, and strafing?

What kind of training do diplomatic personnel received in the event such an emergency should arise?

How is this training done? Is it on an interagency basis? Is it done by simulation and role-playing?

*Answer.* The Department of State Foreign Affairs Handbook (volume 12, number 1) Emergency Planning (EPH) requires every U.S. Diplomatic Mission to have an emergency action plan (EAP). With the exception of three recently opened U.S. Missions, all have approved plans. The EPH and individual mission EAPs cover the following major areas: Post Organization, Threat, Hostage Taking, Aircraft Hijacking, Bombs, Civil Disorder, Disasters, Major Accidents, Defense, Destruction of Classified Information, Mass Casualty, Fire, Draw Down of Personnel, Mission Evacuation and Safe Haven.

Department of State personnel are placed into the Crisis Management Training continuum from the Junior Officer to the Ambassador level. The training objectives are drawn from the EPH and the major areas covered under a Mission's EAP.

Training is conducted at the Foreign Service Institute, the Diplomatic Security Training Center and at U.S. Missions. Domestic training is classroom oriented,



though simulation and role-playing are often included. Overseas, Crisis Management Exercises are entirely simulation (table top exercises).

Training is provided to other Foreign Affairs Agencies, either through their participation in regularly scheduled classes or upon request. Crisis Management Exercises involve all personnel at U.S. Diplomatic Missions to include Foreign Service National Employees.

#### THREATS TO U.S. DIPLOMATIC PERSONNEL

*Question.* Car bombs have caused the most horrific loss of life, but terrorists have used other techniques against our embassies as well—including assassinations, riots and mortar attacks.

What are the modes of attack that are of greatest concern, and that drive embassy security programs?

What steps are being taken to protect U.S. personnel from these other threats or modes of attack?

*Answer.* The types of threat which pose the greatest concern to the security and safety of our facilities and employees overseas include: suicide vehicular attacks, unattended vehicle bombs, standoff weapons, mob violence, kidnapping and assassination, and crime. Additionally, the use of chemical and biological weapons against our facilities raises new concerns that traditionally have not been addressed.

In meeting these threats, Diplomatic Security (DS) has initiated security programs specifically devised to reduce the likelihood of a successful attack against our personnel and facilities. In order to provide protection against the threats of vehicle bombs and mob violence, our guard forces have been expanded to enhance perimeter security and create the maximum set-back attainable. In many cases our overseas missions have successfully negotiated with host governments for the closure of adjacent streets and the screening of vehicles on these public thoroughfares. Closed circuit television coverage, with time-lapse recording capability, is being expanded at all overseas posts to provide better monitoring of perimeter areas. To assist guards in their inspections, explosive detection equipment is being deployed. This equipment will not only be utilized to inspect vehicles entering our compounds but also to check suspicious vehicles located outside the perimeter. X-ray equipment is an additional measure being provided to improve our capability to detect explosives and firearms.

To counter the threat from a standoff attack, as well as to enhance our ability to detect a threat at its earliest stage, surveillance detection units are being established at all posts. These units concentrate on the pre-operational stage of a terrorist attack and further augment perimeter security. Surveillance detection units may be comprised of static, roving and mobile assets.

An increased number of armored vehicles are being deployed to protect personnel against assassination, kidnapping and mob violence. The deployment of additional and replacement walk-through metal detectors serve as a reinforcement to the visitor screening process and protect personnel from both assassination and random acts of violence. DS training teams are assisting posts with tactical driver training, guard force training, and personal protective measures.

Crime continues to be a major concern for all personnel assigned overseas and consumes much of the attention of the Embassy's security officer. An enhanced residential security program is being implemented which expands on the current use of residential security equipment and guards.

The Department has also recently approved and initiated a program to help counter the threat from chemical and biological agents.

Through the Emergency Security Supplemental, 140 new Security Officer positions have been created overseas. These positions will greatly enhance the Department's ability to provide professional security support in response to these growing threat concerns.

#### THE TERRORIST THREAT

*Question.* Which individual or organization is the primary terrorist threat to U.S. overseas facilities?

Do we still face state-supported terrorist groups that may make use of diplomatic passports, the diplomatic pouch, and information gathered by professional intelligence services?

What skills and resource do the groups associated with Osama bin Laden bring to bear?

What about the use of chemical, biological or radiological weapons against U.S. overseas facilities? Are there defenses against those attacks that ought to be incorporated in any new or remodeled embassies?

Answer. The Osama bin Laden organization is the primary terrorist threat to U.S. interests overseas at this time.

State-supported terrorist groups continue to pose a potential threat to the U.S. interest overseas. The potential for terrorist actions by state-supported terrorist groups varies and could be triggered by what they perceive to be hostile acts directed against them by the United States.

Groups associated with the Osama bin Laden organization have access to substantial finances, weapons, explosives, and false documents. However, the primary resource or attribute they possess that differentiates them from most other types of terrorist groups is that they are willing to die for their cause. This commitment allows them to employ tactics which are difficult to counter and defeat.

Solid information on the capability of any terrorist group to launch a chemical, biological or radiological attack is almost non-existent. Nonetheless, Diplomatic Security (DS) feels it only prudent to prepare against the possibility of such attacks.

DS has joined with the Foreign Buildings Office (FBO), the U.S. Army Development and Engineering Center (Edgewood Research) and the Army Biological/Chemical Command among others to identify Chem/Bio countermeasure materials and technology that can be incorporated into the design and construction of new embassies.

Issues such as location and protection of air intake vents, creation of Chem/Bio safe havens and deploying air filter and alarm systems will be considered on all future buildings, funding permitting. Retrofitting current buildings is likely to be more expensive and problematic; however, the working group will seek technical solutions to retrofit problems.

#### INTELLIGENCE ON TERRORISTS

*Question.* A decade ago, the State Department focused particular attention on the threat posed by foreign intelligence services. One discovery at that time was that some unclassified State Department computer systems contained information that would be useful to a terrorist group.

Has the Department made sure that information on security measures, motorcade routes, and the like, is no longer accessible to foreign nationals?

Answer. Information on security measures, motorcade routes and the like are designated Sensitive but Unclassified Information (SBU). This information warrants a degree of protection and administrative control. SBU information can be circulated to Foreign Service National Employees (FSNs) but only in the performance of official business.

The Chief of Mission in consultation with the Regional Security Officer (RSO) certifies the sensitivity level of each automated system staff position. When it is determined that an FSN is assigned to a sensitive position and should have "need to know" access to SBU information, their background investigation is updated. After normal working hours, access by an FSN must be authorized in writing with a specific time period indicated by the U.S. citizen supervisor. At critical technical or critical human intelligence threat posts, access to systems by FSNs is structured to permit minimum user access, and that access is supervised by a cleared U.S. citizen.

*Question.* No matter how much effort you devote to passive defense, one major element in frustrating terrorist attacks is knowing who is about to strike you, and where and when.

What measures are you taking to improve our tactical information about terrorist threats?

Answer. Acquiring intelligence on the specifics of a planned terrorist attack is the primary objective of U.S. intelligence and investigative agencies. It is also the most difficult piece of the puzzle to obtain. As you are aware, the Accountability Review Boards determined from their review and evaluation of circumstances surrounding the bombings of our embassies in East Africa that there was no tactical intelligence information that forewarned of the attacks.

The Department's Counterterrorism Rewards Program is one of the most established tools in the prevention and investigation of terrorism. The Rewards Program is designed to solicit information about terrorist acts through our very active web site ([www.heroes.net](http://www.heroes.net)) which receives over 100,000 hits per month, as well as through our "Heroes Hotline" and Heroes Post Office Box. In addition to advertisements over the Internet, DS designs posters, matchbooks and dollar flyers which advertise rewards for specific acts of terrorism. The primary goal of this program is to obtain information about an attack prior to its execution. A recent initiative, utilizing this program, entails flooding a region under specific threat with radio and print media advertisements, focusing on the fact that the U.S. Government will pay

for information that results in the prevention of an act of terrorism. We are already beginning to see positive results with this initiative. In the past, there have been incidents where information provided in advance of a terrorist act resulted in the prevention of the act and arrests of the perpetrators. We have paid six million dollars to date for information on terrorism.

DS has expanded its relationship with the U.S. Government intelligence agencies. We now have two agents assigned to the CIA's Counterterrorism Center. We have also assigned additional DS agents to FBI Joint Terrorism Task Forces as well as agents to the FBI's Counterterrorism Center.

#### THREATS AND PRIORITIES

*Question.* For the past decade, the Department has made decisions about security resources based on the "Composite Threat List," which ranked embassies in one of four threat categories—critical, high, medium and low—based on four different types of threat (terrorism, human intelligence, crime, and technical). The Accountability Review Board chaired by Admiral Crowe concluded that "every post should be treated as a potential target."

Are you in the process of revising the threat list?

Do you agree with the conclusion that every post should be treated as a potential target?

If that is the case, then how do you set priorities?

*Answer.* The Department has already revised its criteria and methodology for assessing the threat from terrorism, and for determining threat levels for overseas posts. The threat methodology, in addition to evaluating the threat from indigenous terrorist groups, takes into account the threat of transnational terrorism against U.S. diplomatic facilities by incorporating such factors as the local security environment, host country realities and the geopolitical situation. Among the considerations are: the presence in country of an external terrorist element or a sympathetic or supportive organization or community; the capability and willingness of host country security, intelligence and law enforcement agencies to protect U.S. diplomatic facilities and personnel; the effectiveness of airport and border security controls; the availability of weapons and explosives in the host country; and the proximity of a country where armed conflict is occurring.

We agree that every post should be treated as a potential target. Following attacks against our embassies in East Africa, all overseas missions, regardless of threat levels, were instructed to adopt "high threat" perimeter and access control standards, wherever possible.

In establishing priorities for overseas security programs and allocating security resources, the Department considers the threat level, security standards adopted by the Overseas Security Policy Board, and physical characteristics (such as building setback, perimeter security and blast protection) which are indicative of a post's potential vulnerability to attack.

#### UNIVERSALITY VS. REGIONAL EMBASSIES

*Question.* One of the recommendations made by the panels chaired by Admiral Crowe was that the State Department should look at reducing the number of diplomatic missions, by establishing regional embassies located in less dangerous countries. This raises an issue as to whether the United States should remain committed to "universality," that is, being represented with an embassy in nearly every country in the world.

Does the Department support universality? If so, why?

*Answer.* The Department agrees with Admiral Crowe that in the wake of the tragic bombings in Nairobi and Dar es Salaam, a serious review of our overseas presence should be undertaken. As a result, the Secretary directed that a high level panel be convened to conduct such a review, taking into account our concerns about security with changes that have affected our foreign policy priorities in recent years. We hope to have the results of its deliberations in the coming months. The Secretary will then be in a better position to decide issues related to our foreign policy presence and platform abroad.

Our commitment to universality is based on the needs of our global diplomatic agenda, one that requires leadership and transparency. We have no intention of shortchanging our interests overseas in a knee-jerk reaction to the threat of terrorism. The only way that the U.S. can maintain its leadership role in the world is to stay engaged and meet critical challenges head on. As the principal foreign affairs agency of the U.S. government, the Department of State must and will continue to do its part in helping the nation meet these challenges.

## EMBASSY SECURITY VS. ACCESSIBILITY

*Question.* One of the difficult questions in assuring security is striking a balance between the needs of security and the needs of diplomacy. That is, while security imperatives are important, we can never make an embassy bombproof, and at the same time we must take care not to build embassies that are so isolated that they significantly interfere with the ability of our people to do their jobs.

How do we strike the right balance here?

*Answer.* All of our posts abroad should be subject to periodic examination with regard to policy priorities, the security environment, and how best to reflect this balance. At present the Chief of Mission, in coordination with all affected Departmental bureaus, is assigned this role. He can and should feel free to use the Mission Program Planning process, and the authorities granted him under the National Security Directive 38 to ensure that these two issues are not in conflict.

Today, the United States is facing an unprecedented terrorist threat to its diplomatic facilities around the world. In this environment, all of our missions in every geographic region are considered potentially at risk to terrorist attack. As the tragic bombings in Nairobi and Dar es Salaam demonstrate, well organized and well financed terrorist organizations can strike anywhere in the world.

Realizing that no American embassy or consulate can be made bombproof, our security program seeks to deter acts of terrorism and reduce the risk to our personnel and facilities abroad to the greatest extent possible.

## HOW MUCH MONEY IS ENOUGH?

*Question.* The resource need for embassy security is tremendous. To meet this need, the Crowe panels recommended that the State Department spend \$1.4 billion a year for the next ten years for security. The State Department is requesting \$3 billion in advance appropriations for a capital program in Fiscal Years 2001–2005.

I recognize that you are bound by the budget request, but if Congress were to provide more funding, how much could the Department reasonably manage over what period of time?

How much could you reasonably spend in Fiscal Year 2000 (when the Administration seeks only \$36 million)? If you received that amount, how many embassies could be constructed?

*Answer.* The \$36 million requested in FY 2000 and the \$3 billion requested in a phased build-up between FYs 2001 to 2005 could be increased to \$600–700 million in the first year, then ramping up to the levels recommended by the ARB. With \$650 million, we could acquire sites, complete design and/or construct 33–35 facilities.

[Note: the current request includes \$300 million in FY 2001, \$450 million in FY 2002, \$600 million in FY 2003, \$750 million in FY 2004, and \$900 million in FY 2005.]

Our on-site assessments indicate that the majority of posts have compelling facility needs such as adequate setback, structural hardening, relocation, or other security requirements.

The Department is now well-positioned to execute an aggressive construction program. We have made great strides since the tragic bombings in Nairobi and Dar Es Salaam last August.

Additional funding would allow us to accelerate the pace of the plan recommended by Admiral Crowe and the Accountability Review Boards in the aftermath of the bombings.

## INMAN ACT AUTHORITY

*Question.* Section 401(f) of the 1986 Diplomatic Security Act provides that “In the event that sufficient funds are not available in any fiscal year for all the diplomatic security (programs), as justified to the Congress for such fiscal year, the Secretary of State *shall report* to Congress the effect of the insufficiency of funds will have with respect to the Department of State and each of the other foreign affairs agencies.” (emphasis added)

Has this authority ever been used to report to Congress? If not, why not? Will you consider using this authority if Congress fails to appropriate sufficient funds in any fiscal year for embassy security?

*Answer.* During the five fiscal years of the Department of State’s Supplemental Diplomatic Security Program (FY86 to FY90) no report on the effects of the insufficiency of funds was submitted to Congress. The reporting requirement under Section 401(f) applied only to the fiscal years 1986 through 1990 following the 1985 Inman Panel recommendations. With the lapse in this reporting requirement, the

Department had no basis for reporting to Congress concerning its funding requirements, outside of the President's annual budget request to Congress. However, additional funding has been sought through supplemental requests and budget amendments.

#### THE THREAT

*Question.* A recent news report indicated that the United States has prevented Osama bin Laden from carrying out at least seven vehicle bomb attacks on U.S. facilities overseas since the embassy bombings.

Can you tell us more about these?

Can you tell us about the tactics or measures that may have helped block these attacks?

Was there any special equipment involved that we should be aware of and for which we should provide more funding?

*Answer.* The Department defers comment to the first question to more appropriate agencies within the U.S. intelligence community.

We can say, however, that since the East Africa bombings in August 1998, and with the \$1.4 billion in the Emergency Security Supplemental Appropriation, a number of steps have been taken and efforts are ongoing to enhance the perimeter security of our facilities.

Examples of on-going security upgrades include installing vehicle barriers, bollards, blast walls and video cameras with recording devices. We have increased local guards by over 2,000 at our embassies around the world; and have acquired or placed under contract adjacent properties at five posts to increase setback. The Department has also worked with host governments to close streets, establish vehicle checkpoints and change traffic patterns around our facilities to further increase setback. Furthermore, support from host countries to assign additional security personnel to protect our buildings and staff has been excellent. In addition, a global surveillance detection program has been initiated and mandatory security inspections of all vehicles entering overseas facilities are being conducted, regardless of a post's threat level.

The Department believes that the various security measures in place, and that continue to be taken at our diplomatic facilities overseas, present a significant deterrent and obstacle to be overcome by any terrorist group planning an attack, and may in fact have prevented actual terrorist plans from being carried out.

We will require additional funding in FY 2000 and beyond to cover the recurring cost of the security measures made possible by the Emergency Supplemental, as well as to provide further security enhancements.

#### DIPLOMATIC SECURITY SERVICE MANPOWER

*Question.* a. The supplemental appropriations provided last fall permits DS to hire 200 more security agents.

What is the current timetable for (1) hiring; (2) training; and (3) putting into position such agents.

b. Please outline the various missions of the Diplomatic Security Service—overseas security officers, protective details, passport and visa fraud—and the percentage of resources devoted to each.

c. Work force projections: How many DS agents are projected to leave in the next five years either because of (1) retirement; (2) voluntary departure; or (3) reaching time-in-class limits?

What plans are you making to hire new agents over the next five year period?  
d. Field offices: what is the number of agent positions in the domestic field offices of DS? Of these, how many were filled as of March 1?

e. Given that it will take some time to bring on time 200 new agents on board, what interim measures can you take using retired annuitants, limited extensions, or other measures, to fill current personnel shortfalls?

*Answer.* a. Since the supplemental appropriation was enacted in October 1998, DS has made significant progress in meeting its objective of staffing the 200 new special agent positions. As of March 1999, exactly one-half of the target number had entered on duty. The following table shows the hiring to date, the projected classes, and graduation dates. All of the 200 special agents are projected to be on board by the end of fiscal year 1999. Typically agents proceed to their assigned duty stations immediately after graduation.

Basic special agents class	Number of employees	Enter on duty (Training)	Graduation/report to assigned office
BSAC-50 .....	30	November 2, 1998 .....	April 28, 1999
BSAC-51 .....	24	January 31, 1999 .....	July 9, 1999
BSAC-52 .....	46	March 1, 1999 .....	August 13, 1999
BSAC-53 .....	24	May 24, 1999 .....	October 29, 1999
BSAC-54 .....	48	June 28, 1999 .....	December 17, 1999
BSAC-55 .....	28	August 9, 1999 .....	February 10, 2000
Total .....	200		

b. The Bureau of Diplomatic Security is actively engaged in a number of issues and programs that further the interest of the U.S. Government, in general, and the Department of State, in particular. The agents assigned domestically are essential to support overseas operations and are routinely dispatched overseas to augment security and respond to emergencies. The functional breakdown of special agent positions and the equivalent percentage of total agent resources are shown in the following chart:

Function	Number of Special Agent Positions	Percentage of Total Special Agent Resources
Domestic:		
Protection <sup>1</sup> .....	60	6.1
Field Offices <sup>2</sup> .....	200	20.3
Criminal Investigations (Passport & Visa Fraud) Headquarters .....	24	2.4
Counterintelligence .....	20	2.0
Protective Intelligence Investigations .....	45	4.6
Antiterrorism Assistance .....	11	1.1
Mobile Security and Training .....	75	7.6
Physical Security Programs .....	40	4.1
Overseas Operations (Domestic) .....	35	3.6
Management/Other Miscellaneous Programs .....	22	2.2
Other Bureaus/Agencies .....	33	3.4
Subtotal—Domestic .....	565	57.40
Overseas:		
Overseas Security .....	418	42.5

<sup>1</sup> Protection requirements are augmented by agents from other DS programs, primarily DS field offices.

<sup>2</sup> DS field office personnel spend the majority of their work time on protection and criminal investigations.

c. The following chart shows projected personnel losses over the next five years. These include losses due to retirements, both voluntary and mandatory, resignations, and time-in-class restrictions.

Category	1999	2000	2001	2002	2003	Total
Voluntary retirement/time-in-class .....	21	21	30	23	12	107
Mandatory retirement .....	7	2	7	11	19	46
Other attrition .....	5	5	5	5	5	25
Total .....	33	28	42	39	36	178

DS plans to back-fill vacant agent positions caused by retirement, resignation, time-in-class, or other reasons. We also believe that security conditions in FY 2001 and beyond will require the hiring of a significant number of personnel beyond those needed to fill staffing gaps due to attrition.

The current register of qualified special agent applicants will expire in the summer of 2000, at which time a new register will be developed. DS plans to continue refreshing the register every eighteen months or sooner, as required, and maintain cooperative relationships with schools, community leaders, and law enforcement organizations to inform and recruit high quality applicants for its special agent vacancies.

d. There are currently 200 special agent positions in DS field offices throughout the country, of which 188 were filled on March 1, 1999.

e. DS is currently using a number of retired annuitants (15) to fill staffing shortages and to augment its Overseas Operations staff. Typically, these employees fill in at posts overseas during temporary absences created by staffing gaps and extended absence of the regularly assigned security officer. In other programs, DS is exercising the new authority provided in the Emergency Security Supplemental to employ personal services contractors (PSCs) domestically.

#### RECRUITMENT OF AGENTS

*Question.* In bringing on new agents, you need to hire and train them quickly, but you also need to make sure you are hiring quality agents.

In your recruiting of new DS agents to date, what kind of recruits you are seeing? Is the Department competitive, in terms of salaries and benefits, and working conditions, with other law enforcement agencies, either federal or local?

Do you need additional authorities or funding to assist your recruiting?

*Answer.* DS strives to recruit the highest quality candidates available, and at the same time, improve the diversity of the special agent corps. Candidates must have a four-year degree from an accredited college or university and have one year of relevant work experience. Of course, candidates must be in top physical condition and be available for worldwide assignment. Thus far, the new DS agents have proven to be excellent.

In addition to regular newspaper and other advertising, the DS recruitment team has targeted schools with larger percentages of minority students. DS field offices throughout the country are actively working to establish cooperative relationships with local school officials and their students. DS uses *Peterson's Guide to Schools* to select target schools with female populations above 70 percent, and schools with a high percentage of Hispanic African-American, and Asian-American enrollment. Examples are Oklahoma State, Southern, Tulane, Xavier, New Mexico State, Clarke, University of Illinois, Virginia State, University of north Dakota, University of Puerto Rico, University of Houston, and San Francisco State.

The Bureau is competitive with other federal law enforcement agencies in terms of entrance salaries, other pay, and benefits. New agents are currently being hired at the base salary range of \$30,572 to \$42,319, depending upon education and experience. These salaries do not include locality or law enforcement availability pay, which amount to at least 25 percent of base salary. With the combination of availability of worldwide assignment, extensive protective detail requirements, and tremendous responsibility for the safety and protection of U.S. diplomatic and consular facilities overseas, the working conditions of DS special agents are unique.

At the current time, DS does not need additional authorities or funding to recruit and hire special agents. However, additional funding will be required after the Emergency Security Supplemental funding is depleted in Fiscal Year 2000 in order to maintain the register of candidates and to continue hiring at an appropriate pace.

#### SECRETARY ALBRIGHT'S PROTECTIVE DETAIL

*Question.* Last summer, the Inspector General issued a review of the Secretary of State's protective detail. It painted a troubling picture—of not enough agents assigned to the detail, which led to agents being greatly overworked, and not getting enough time to do proper weapons and other training.

What has been done to correct the deficiencies cited in the Inspector General's report?

*Answer.* Based on the Inspector General's report, additional agents have been assigned to the Secretary's protective detail. Prior to the IG report, the detail was staffed with only 24 agents. The detail has now been authorized staffing up to 50 agents. Currently there are 42 agents assigned. However, with the graduation of the next special agents class in late April, the detail will be at its authorized staffing level.

The DS Training Center has developed additional in-service training classes specifically for the Secretary's detail. The classes provide refresher training and include arrest techniques, defensive driving and firearms training. Classes have already begun and will continue, the Secretary's travel schedule permitting, until the entire detail has undergone in-service training. All agents assigned to the Secretary's protective detail are weapons qualified.

Pursuant to the Inspector General's recommendations, a number of technical and procedural modifications have been taken to enhance the security in the Secretary's suite and surrounding areas.

## INTEGRATING TECHNOLOGY INTO THE CONSTRUCTION PROGRAM

*Question.* There is an inter-agency panel called the Technical Support Working Group which coordinates research and development activities on terrorism. The group is doing important work on the technologies involved in "hardening" buildings and "blast mitigation."

How do you ensure that the work of this group is integrated into the design and modifications of embassies?

*Answer.* Diplomatic Security (DS) and the Office of Foreign Building Operations (A/FBO) participate in the Technical Security Working Group (TSWG) as members of several sub-working groups including: blast mitigation, explosive detection, armored vehicles, and anti-ram vehicle barriers. Specifically, in the area of blast mitigation, DS and A/FBO coordinate closely with the Defense Threat Reduction Agency (DTRA), the lead agency for TSWG's blast mitigation work. We have participated in recent tests performed by TSWG/DTRA and have provided specific research and development projects for some of the tests. Through this coordination, we are jointly able to ensure that technology developed by the TSWG will be incorporated in the design and modifications of our embassies. Additionally, a joint TSWG/Department of State (DOS) program is currently underway in which TSWG will study two specific embassies and provide DOS with specific design guidelines to improve blast mitigation characteristics.

## SECURITY STANDARDS

*Question.* In light of the Embassy bombings last August, are you reviewing the security standards contained in 12 Foreign Affairs Handbook?

Do you anticipate making any significant revisions to the standards?

The current standard for standoff distance for New Office Buildings is not, as is commonly believed, 100 feet, but is 65 feet (12 FAH-5 H-433.2)

What factors lead to the decision to make this standard 65 feet? Is the 65 feet standard still applicable?

*Answer.* Following the Embassy bombings last August, the interagency Overseas Security Policy Board (OSPB) established a working group to conduct a priority review of the physical security standards to determine what standards should be revised to meet the terrorism threat. The Working Group presented its proposed recommended changes to the OSPB in January 1999. The recommended changes are currently being utilized by the Department in conjunction with new construction/major renovation projects and purchases of security materials. Formal approval of the revisions by the Department and the OSPE is anticipated shortly.

The salient recommended changes for embassies/consulates and buildings/com-pounds where the U.S. Government is the sole occupant are summarized as follows. The expansion of standards to all threat levels include, but are not limited to:

- anti-ram barriers and perimeter protection
- hardened guard booths at perimeter vehicle entrances
- establishment of minimum 100 feet setback for new office buildings (NOB) and newly acquired buildings (NAB) and to maximum extent feasible for existing office buildings (EOB)
- expansion of blast protection for NOBs
- establishment of blast vulnerability studies of NABs and EOBs prior to purchase or renovation to mitigate the effects of blast
- use of laminated windows for all NABs and EOBs undergoing major facade/window upgrade or renovation

New policies have been established to expand the Local Guard Program, create a Counter Surveillance Program, and expand the installation of explosive detection systems at all posts.

During the early 1990s, a distinguished panel headed by then Under Secretary of State for Management, John F.W. Rogers, submitted a report to Congress outlining recommendations in a number of areas of design and construction. One of those recommendations led to the establishment of a minimum 65-foot setback for all chancery/consulate NOBs that are constructed to meet blast protection requirements. The philosophy for the change was that setback could be varied, so long as the strength of the building or blast protection was also adjusted to provide the same effective protection. The lesser the setback, the stronger the building design had to be.

Although the setback standard of 65 feet is currently codified in 12 FAH-5 (Physical Security Handbook) and 12 FAH-6 (OSPB Security Standards and Policy Handbook), the 65-foot setback standard is no longer applicable as a result of the planned



revision of the security standards. The Foreign Affairs Handbooks will be changed accordingly.

MAINTAINING SECURITY EQUIPMENT

*Question.* The supplemental appropriations last fall provided significant funding for DS to procure security equipment. In March 1998, the Inspector General issued an audit report entitled “Management of the Security Equipment Life Cycle” (SIO/A-98-17). The report suggested that there were several deficiencies in the Department’s system for tracking the life cycle of equipment, and ensuring that there were adequate standards in place for replacement and repair of equipment.

What steps have been taken to improve Department procedures for monitoring the life cycle of security equipment since the report was issued?

*Answer.* The Department has contracted to have the existing Property Accountability Management System (PAMS) software rewritten. In accordance with the DIG report, the resulting software will incorporate life cycle tracking features like those found in private industry. These new features include items such as data on repair history, warrantee information, and life expectancy. This new software will enable the Department to make informed cost-benefit decisions regarding repair/replacement options.

The emergency supplemental provided the Department funding to replace old and obsolete security equipment worldwide. However, this equipment will also become obsolete in time, and, without reliable and continuous funding for replacement and modernization, it is likely that in several years we will again be maintaining equipment that should have been replaced. In addition, an adequate cadre of engineers and technicians is required to ensure that the equipment is properly installed, adequately maintained and replaced at the appropriate time.

QUESTIONS SUBMITTED BY SENATOR FEINGOLD

*Question.* How do you plan to pay for the \$3 billion advance appropriation? Can it be done consistent with the Balance Budget Act of 1997 caps? Will it come out of existing programs and operating funds within the Function 150 account? What are the budget and foreign policy implications of doing so?

*Answer.* It is our understanding that the Administration’s FY 2000 budget proposes discretionary spending that—with mandatory offsets and resources contingent upon Social Security reform—meets the caps set by the balanced budget agreements. The Department defers to OMB on the details of budgetary cap issues.

The budget did not propose that existing programs and operating funds within the Function 150 account be cut to fund this requirement. Absorbing the full requirement within the limited resources available to Function 150 would constitute a reduction in U.S. foreign affairs spending that would seriously undermine America’s capacity to pursue its foreign policy objectives and promote our economic security.

*Question.* If the 150 account is the source, from where would you draw these funds in light of the already declining resources available for foreign affairs programs?

*Answer.* As stated elsewhere, the Administration does not intend to fund embassy security upgrades by further depleting the Function 150 account.

*Question.* What does this advance appropriation mean for real cash outlays over the next five years?

*Answer.* Budget authority for this capital construction program, which includes site acquisition, design, and construction, is estimated to outlay over five fiscal years. Outlay estimates in the budget for the advance appropriation are based on the historical outlay rate for capital construction projects, as follows:

(\$ in thousands)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Budget authority .....	300	450	600	750	900
Outlays .....	90	216	370	544	698

*Question.* If you do not see this outlay being covered through the Function 150 account, what would be the source of the offsetting funds?

Answer. As discussed in the response to your first question, the budget does not propose that offsets be provided within the Function 150 account to fund this requirement. The Department defers to OMB on the details of the source of offsetting funds.

*Question.* Will the yearly portions of this advance appropriation be included in each year's budget request or will it come in the form of emergency supplementals?

Answer. An advance appropriation is one made to become available one fiscal year or more beyond the fiscal year for which the appropriation act is passed. Advance appropriations requested in FY 2000 will become available for embassy construction in FY 2001 through FY 2005. Since these appropriations are not available until after FY 2000, the amounts will not be included in the FY 2000 budget totals, but will be reflected in the budget totals for the fiscal year in which they are requested. Advance appropriations for the embassy security construction program are requested in the form of non-emergency, discretionary funds.

Again, I want to thank you then very much for being here this morning. We look forward to working out a time to meet with the staff as well.

Thank you very much. This hearing is complete.

[Whereupon, at 12:16 p.m., the committee was adjourned.]



## MARKUP: FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2000–2001

WEDNESDAY, APRIL 21, 1999

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

The committee met, pursuant to notice, 10:41 a.m. in room SH-216, Hart Senate Office Building, Hon. Jesse Helms (chairman) presiding.

Present: Senators Helms, Lugar, Hagel, Smith, Grams, Brownback, Thomas, Ashcroft, Frist, Biden, Sarbanes, Dodd, Kerry, Feingold, Wellstone, Boxer, and Torricelli.

The CHAIRMAN. The Foreign Relations Committee will come to order.

The committee today is considering the fiscal year 2000–2001 State Department authorization bill. It is the first authorization since the enactment this past October of the Foreign Affairs Reform and Restructuring Act, which required the consolidation of the Arms Control and Disarmament Agency and the U.S. Information Agency into the State Department.

Now, every provision in this bill has been agreed to by and between Senator Biden and I and our staffs. He did not get everything he wanted and I did not get everything I wanted. That is the way the cookie crumbles. We did agree, however, to address several significant oversight and authorization issues in this bill.

The bill strengthens and preserves the arms control and verification functions of the U.S. Government and addresses other non-proliferation matters. The bill authorizes a 5-year, \$3 billion construction blueprint for embassy upgrades in order to provide secure environments for our overseas personnel. This title of the bill is developed from legislation introduced by Senator Grams that would create a firewall for funding from other State Department expenditures in order to ensure that these funds are not raided to pay for other State Department activities.

Now, the bill makes some key reforms to strengthen the foreign service. Most foreign service officers are supportive of ensuring that the poor performing members of the foreign service are not kept in the service by laws that are manipulated to protect such employees. The changes in the bill would streamline the disciplinary and grievance process set out in the Foreign Service Act.

The bill augments coordination and oversight of the U.S. Government role in assisting parents seeking return of abducted children. These provisions are an outgrowth of the committee's oversight

hearing this past year on the growing problem of international parental abduction.

Last, the bill includes a United Nations reform package which includes payments of arrears in exchange for key reforms. Although the reform plan is similar to last year's bill, there are some changes designed to give the Secretary of State negotiating flexibility with and at the United Nations.

Now, one issue that is not in this bill is that of sanctions, which I know is of concern to many members of this committee. Senator Biden and I have discussed the sanctions reform bills that have been introduced and we agree that a bipartisan attempt to address sanctions is imperative and we have committed to do that in the coming months through hearings by and in this committee and legislation resulting.

I believe common ground can be found on it, but I would like to see it found through cooperation and not a bunch of dueling legislative activity and amendments to the bill, *et cetera, et cetera, et cetera*, as Yul Brenner said. In that cooperative spirit, I hope we can all agree that sanctions reform will not, will not, become part of this bill.

Now then, after hearing from Senator Biden, I am going to ask the Senator if he will agree with me that the Senator from Minnesota, Democrat—I forget his name—I will propose that he be recognized first to propose an amendment.

Senator BIDEN. Senator Wellstone.

The CHAIRMAN. Yes. He is coming back. You bet he is coming back.

But I will propose that we consider amendments in the order proposed and then vote on the full text of the bill as amended. He mentioned this to me because he has a very important meeting that he must attend, and I thought you would want to accord him this.

Senator BIDEN. Mr. Chairman, I appreciate your remarks. As you indicated, before the committee today is the State Department authorization bill for 2000 and 2001. This bill contains several titles, which the chairman has just summarized, but let me highlight just a few major provisions.

I want to make it clear that the Senator and I have worked with our staffs to come up with a core bill here. We have invited input from each of our sides and each of our colleagues as to whether or not they had additions or they did not like what is in it. There is going to be amendments here today, I expect, as there should be. This is not something chiseled in stone. It is not viewed as that, at least by me. But it is a place to start.

But there are some very controversial pieces of this legislation that should be referenced. First, the bill revives the agreement on paying our arrears to the United Nations, which fell by the wayside in the last Congress. The version in this bill, which has been negotiated between the administration and Senator Helms with me as a go-between here and large part, as of yesterday—the administration is here—they have essentially signed on to the elements of this package on the United Nations.

But there are some changes made to reflect the time that has passed since this agreement was reached in the last Congress, and

I believe the chairman has been very accommodating in making these changes and I especially want to thank him and the staff for their extraordinary patience through what has seemed like an endless negotiation.

This package meets the central objective that the administration has had in mind. It is to pay back most of the arrears. They would like to pay it all back. I would like to pay it all back. But it pays back most of the arrears to the United Nations. It provides \$926 million in arrears, nearly all of what we owe at the U.N.

It meets another important objective, that is encouraging significant reform, but in my view and apparently in the administration's view as well without significantly hampering their ability to get these reforms based on conditions that are in the bill.

Significant improvements have been made to the plan that we passed in the last Congress. For example, waivers are provided for the two toughest provisions of the package, a requirement to achieve a 20 percent regular budget assessment rate and a requirement to establish a contested arrears account for those arrears disputed by the United States and the United Nations.

Also, more money up front. The provision providing for \$170 million in debt relief to the U.N. has been moved from year three to year two. This will allow \$682 million to be paid to the U.N. as soon as year one and year two conditions have been met. That is enough to cover most of the \$712 million debt to the regular and peacekeeping budgets, which is the bulk of what we owe at the United Nations.

I should also emphasize that there's a good chunk of funding, some \$575 million, that has already been appropriated in the last two fiscal years. I expect that the third year of funding will be appropriated this year because the money is exempt from the limits imposed by the 1997 Balanced Budget Act. So once we pass this bill and the Secretary makes the necessary certifications, the money can begin to flow again.

I think we have a good deal here. I compliment the administration and the chairman for their successful negotiations. It is not everything they wanted or I wanted or the chairman wanted, and it is not everything that—it is not perfect. But that is the essence of compromise, and this I think is a solid compromise and I hope our colleagues will support it.

Let me briefly highlight a few other provisions of the bill and then stop. First, we provided the President's budget request for the State Department operations account, international exchanges, and international broadcasting. Although we have made minor reductions in the international organization account, I would note that the House committee has fully funded these accounts, so there is obviously going to be an issue in conference.

Second, we developed bipartisan legislation to improve the security of our embassies. The tragic bombings of our embassies in East Africa last August underscored the vulnerability of our diplomatic posts and Admiral Crowe emphasized in the committee hearing last month that the U.S. Government must devote substantial financial resources to this priority.

In that regard, the bill provides an authorization for \$3 billion in new construction over the next 5 years, which meets the Presi-

dent's requested funding level and accelerates it by a year. I believe, as the Secretary of State does, that this level is far below what is needed, so I hope that we can work with the Secretary over the coming days to see if we can provide additional funding between now and the time we get to the floor. But it is \$3 billion now.

The money is not going to do any good unless it is committed to places of greatest need. So we have devised a provision that ensures that funding will be devoted to our most vulnerable embassies. This provision also requires that new embassies constructed with this funding meet key security standards for setback from the streets and co-location of U.S. Government personnel in one site.

We can never make an embassy bomb-proof or risk-free, but we owe it to our dedicated employees in the Department who staff these embassies to take all the reasonable steps that we can feasibly foresee to minimize that threat.

Third, the bill provides for the establishment of a new assistant Secretary of State for Verification and Compliance, which will carry out the function that was handled at an equivalent level in the former Arms Control and Disarmament Agency. The State Department dislikes our mandating what may be their smallest bureau.

The verification function has long been headed by a Senate-confirmed official, however, and for good reason. Once a treaty is signed, we do not want its enforcement to be lost in the shuffle, and in the past it has been and, I might note, for very practical political reasons. Failure to do this will have a significant impact on setting back the possibility that we will have additional arms control agreements, based on the dynamics of how things work up here on the Hill.

So I think they are being a little short-sighted in not wanting this, but it is contained in the bill.

Fourth, the bill provides for the reauthorization of Radio Free Asia, which began broadcasting in 1996 pursuant to legislation that I introduced and, although it has been on the air less than 3 years, Radio Free Asia plays an important role in providing news and information to the people living under dictatorial rule in East Asia, particularly China, where the freedom of the press remains a distant dream. So I am pleased that we are giving our stamp of approval to the continuation of the Radio and at an increased funding level.

So Mr. Chairman, there is a lot more to say, a lot more contained in the bill, but I will stop at this point. I think we have a good product from which to start and earn the support, I hope, of this committee. I appreciate the courtesy you have shown me and your staff and my staff developed in this bill.

I want to extend again my appreciation to Admiral Nance and his staff for what we have been able to put together over the last couple of weeks, and I yield the floor.

The CHAIRMAN. Thank you, Senator.

Before I turn to Senator Wellstone—well, before we turn to the first amendment that we will consider, I want to take aim at a myth that has taken on a life of its own around this place, that the United States is to be condemned for withholding payment of dues to the United Nations. Now, this was not the idea of any right wing

monster sitting around. As a matter of fact, I was a little surprised when one of the most ardent advocates of the United Nations, then Senator Nancy Kassebaum, came to me and explained that the United Nations was operating something like a rogue elephant, wasting money and violating this and all the rest of it. So it was a group of us—I forget how many co-sponsors of it, but there were several. But Nancy was the lead agent on it.

Now, when Kofi Anan was first designated to be the Secretary General I called him up and I asked him to come down and visit with me one day. I wanted to talk things over and see if we could not work out an agreement that would be satisfactory to both sides. He came.

It was a very pleasant day, a lot of photographers and all the rest of it. But we went over a list of benchmarks, which I will not identify at this time, but one of them of course was that the United States taxpayers were paying 25 percent of the total operating costs of the operations of the United Nations. And there were all sorts of things going on that were just not seemly.

I told Kofi Anan this and he agreed, and I do not recall that he disagreed with one of the items. Am I correct on this? Well, he went back to New York and he caught some flak about it and he sort of backtracked a little bit, and I understand that.

But nevertheless, the action was entirely proper as originated by Nancy Kassebaum and some of the rest of us to call the attention of the United Nations that we were aware of its operating difficulties, and I am putting that in the nicest possible way. So I do not think we ought to condemn our Government or condemn the Congress or condemn anybody who thinks that the United Nations ought to have several improvements before they could really expect a full payment of the arrearages.

Now then, the first—

Senator DODD. Mr. President, just before you—if I may just for 30 seconds. I just want to tell you, we have our disagreements from time to time here, but I just wanted to make note before the markup begins, and appreciated the hearing yesterday on Kosovo, where we all had a chance to raise some questions with the Secretary of State, which I thought was very, very worthwhile and helpful.

We have had a number of good hearings in the committee. We have had some good markups, Senator Brownback and I were able to, along with others, on some legislation to get out here.

I just want to thank you as a chairman. We have our disagreements, we will have some today on some of these amendments. It is a normal process and procedure. But I appreciate the way the committee is functioning and allowing for a full airing and debate, discussion and hearings, and I wanted in a public forum here to express my gratitude for that opportunity and for the ability we have had to examine, what I think in a very thorough way, in a timely way, the issues that are before this Congress.

The CHAIRMAN. The Senator knows, I am sure, how much I appreciate his comments.

Senator Ashcroft has asked to be recognized for 1 minute and then we want to proceed.

Senator ASHCROFT. Mr. Chairman, I appreciate your efforts on this State Department authorization bill. As you know, Senator



Brownback and I and others have been working on a bipartisan sanctions reform effort for agriculture. I believe Senator Boxer has also indicated her desire to be a co-sponsor.

We are wanting to move forward at every available opportunity, but we respect your request, Mr. Chairman, that sanctions bills not be offered today here in the committee. However, I do appreciate your agreement to let me hold a hearing on this important issue soon. I think this will afford a valuable opportunity to address multiple issues in the debate over sanctions as they pertain to agriculture.

This issue is very important to a lot of us on the committee because many of us represent farm States who have been disproportionately impacted as a result of sanctions. Missouri happens to be the Nation's second leading State in the number of farms.

I am sure we all agree that we want our farmers and ranchers to be able to export their farm products with as few impediments as possible. I am personally working to address foreign trade barriers to our farm goods and to take a look at any U.S. trade barriers to our exports. Both of these commitments, opening up foreign markets and reducing U.S. impediments, were made, commitments we made to the people in the farm bill debate and I want to keep those commitments to our farmers while being sensitive to the foreign policy interests of our country.

Mr. Chairman, I appreciate the cooperation of the Foreign Relations Committee in giving input into the many policies that can be affected in a sanctions reform bill and I look forward to working together with others as you have suggested.

The CHAIRMAN. I thank the Senator.

Now let me ask Patti if the Senators have a copy of the Feingold amendment.

Ms. MCNERNEY. These are the amendments that are agreed to, Senator, and I think Senators have their own amendments they are prepared to offer.

The CHAIRMAN. What is the procedure? Do I have a list of these?

Ms. MCNERNEY. No, sir. These have not been given to the committee, and I think certain Senators want to be recognized.

The CHAIRMAN. All right.

Senator BIDEN. I think anybody who has an amendment, you could just ask. I think there is probably six or so.

The CHAIRMAN. I am looking both ways.

Senator BIDEN. Does anyone have an amendment they would like to offer?

Senator BROWNBACK. Mr. Chairman, I have an amendment.

The CHAIRMAN. Senator Brownback.

Senator BROWNBACK. Mr. Chairman, I have an amendment I would like to call up regarding the PLO office and unilateral declaration of statehood by the Palestinians—

The CHAIRMAN. Very well.

Senator BROWNBACK [continuing]. —If this would be a timely time. I do not know if it has been distributed to everybody yet or not. If it has not, I would ask that it would be distributed.

Mr. Chairman, if I could describe this briefly, the Senate, oh, a month and a half ago voted 98 to 1 to send a message to Yasser Arafat not to unilaterally declare statehood for the Palestinians. It

was a very, obviously, overwhelming vote. I think we had 93 co-sponsors on that amendment that passed by the U.S. Senate.

People said, look, this would be a very detrimental thing to the peace process should the Palestinians declare statehood on a unilateral basis outside of the negotiations that are taking place, and there was a number of threats and comments made by Yasser Arafat and a number of other people saying that they were going to go ahead and do it.

We passed that, it passed the House, and there continued to be statements made by Yasser Arafat and others that they may well still consider doing this even though it was the clear will of the Congress, clearly stated, that we believe that this would be extraordinarily detrimental to the peace process.

The amendment that I am proposing here is a simple amendment. Currently the Palestinians have an office in Washington by virtue of a Presidential waiver that allows them to maintain an office here, and the President has yearly provided that waiver to the Palestinian Authority to have an office in Washington. All this amendment would do is say that if the Palestinians declare unilateral statehood the President no longer has that waiver authority to have an office of the Palestinians in Washington.

That I think is an important statement for us to make. It is a practical statement. It is a statement that, if you do something which we deem to be extraordinarily harmful to this peace process, there is a price that will be paid, and here is one of them. I think there will be far more consequences if they do that than simply the removal of the office in Washington. I think this would be a profound misstep on the part of the Palestinians. But I believe that this would be also an important statement to put out there before their actions move any further forward.

So for that reason I am proposing this amendment. I think it should deserve our broad-based support from this committee, given the previous votes that have already taken place in the Senate regarding the issue of unilateral statehood for the Palestinians.

With that, I would like to have a vote on this included in the bill. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Biden.

Senator BIDEN. Mr. Chairman, this is obviously a very controversial amendment. Let me put this in context, at least the context I think it is in. In this bill we have at least four or five provisions relating to the Middle East which we dictate to the administration, and I am worried this may be the straw to break the camel's back without good reason.

I understand the politics of this. I understand the politics of this. And I am not suggesting that is why the Senator is doing it, but I understand that anybody who objects to this, i.e. me, is going to find myself in a difficult position in a moment. But let me make the case anyway.

When Senator Helms and I sat down to try to put this together—and I think the chairman supports your position; I know he supports your position—there were a number of items: one regarding the \$100 million available for the construction of an embassy in Jerusalem; two, the no Jerusalem consulate unless it is under the supervision of the U.S. Ambassador.

All these are all changes to American policy, required changes we are going to impose. U.S. Government documents must list Jerusalem as the capital of Israel. At the request of U.S. citizens born in Jerusalem, birth certificates and passports shall list Israel as the place of birth. All of which are very controversial as it relates to the negotiations going on in the Middle East, and two administrations in a row have said, do not tell us what we have to do on those issues. We are telling the administration what they have to do on those issues.

Then there is a fifth one. The fifth one is this one: The PLO maintains the office—a provision that would allow the PLO to maintain an office in Washington only if the President certifies every 6 months that the Palestinians have not declared unilaterally a state.

Now, if the purpose of that amendment is to send a message to the Palestinians, then we should send that message, I respectfully suggest, in a joint resolution and not dictate to the President what he must do. We are talking about sanctions and imposition of requirements on administrations. If the purpose of the message is to be sent to the Palestinians, let us just say that in a resolution.

But if the purpose is to tell the administration what they must do in this negotiation process at what point, I think that is inappropriate micromanagement of an incredibly delicate negotiation that has been under way for years. I spent, like many of you, a fair amount of time in the Middle East recently with Arafat, with Netanyahu, with the opposition leaders, as well as with Mubarak. This is a complicated deal, a complicated deal.

Everybody knows that if Arafat declares a Palestinian state, school is out. Everybody knows that. No President, this or a future President, will allow that position to be sustained, will not take it on, will not engage in the appropriate counteraction to that decision.

I think it will cause the PLO to be totally isolated from the United States in ways far beyond whether or not they have an office here in Washington. I think anybody who knows the area, and the Senator knows that will be the response. It will not be this pinprick. It will be the equivalent of an atom bomb, will be the response.

But in an anticipatory way to enter another irritant into this negotiation by having the President have to either veto or not veto this bill because of the cumulative effect of decisions we have made that impact upon this delicate negotiation I think is imprudent. I think it is not good sound foreign policy or negotiations.

I know I was able to speak on behalf of the President, because I spoke to the President who asked me to deliver several messages to Mr. Arafat and to other leaders in the region, and Mr. Arafat has no illusions about the President's position if they declare an independent Palestinian state.

But to do this saying at the front end, requiring now Arafat to have to deal with this in terms of his own negotiations within his own constituency, I think is doing something without any positive impact and possibly negative impact.

So I conclude by saying, if this is what we wish to do and we wish to make the decision front end, then we should as a Congress

say what we would do and not instruct the President on the front end, who is still deeply involved in this negotiation, what he is limited to doing or not doing when we know already that neither this President nor any other President is going to continue normal relations with the PLO if they declare an independent Palestinian state.

I understand again—and it is not the sponsor's purpose; I am not suggesting it. But I understand the political, domestic political significance of this as well. I just hope we all have enough will to tell those with whom we are allied that we are going to do the tactic, not them, we will make the judgments how to do this, and the President should have that leeway, unless there is some reason anybody can come forward to me and tell me in any community that they believe they have any evidence that this President would in fact stand still if there is a declaration of a Palestinian state.

If you can do that for me, then I would be inclined to support you. There is zero evidence of that, and this is just an irritant in my humble opinion. That is not the reason you are introducing it.

Senator BROWNBACK. No, it is not.

Senator BIDEN. I understand that. But I believe that is the effect. One Senator's view: That is the effect.

So I would hope that we would not support this amendment.

Does the administration want to—if I may ask, Mr. President, does anybody in the administration want to say anything about this? Is that all right, Mr. President?

The CHAIRMAN. I will defer my remarks to the lady.

Senator BIDEN. Oh, I am sorry.

The CHAIRMAN. That is all right.

Go ahead and have a seat. Proceed. State your name for the record.

Ms. KING. I appreciate the opportunity to speak to this amendment. Mr. Chairman, my name is Kay King and I am the Deputy Assistant Secretary in the Bureau of Legislative Affairs at the State Department.

I would like to make two points about this particular amendment. Basically, the Department feels that the condition urging waiver authority from a national security interest to a national interest waiver is certainly a positive development. But unfortunately, the mandating of additional conditions to issue a certification really restricts the President's exclusive authority in conducting foreign policy, so we would oppose it on those grounds.

I would also add that, although the administration strongly opposes a Palestinian unilateral declaration, as we do all unilateral acts in the peace process, we are working hard to prevent this and therefore we do not want to see such a condition enshrined in legislation regarding the PLO office.

The CHAIRMAN. Thank you very much.

Senator TORRICELLI. Mr. Chairman, Senator Biden may be right that he has invited certain criticisms by the statement he has made here today, but that would be, obviously, fundamentally unfair. There is not a stronger spokesman for the security needs of Israel nor one who is more articulate through the years.

I nevertheless think that his case was so persuasive that indeed he made part of the argument for Mr. Brownback's amendment,

that indeed the declaration of a Palestinian state would do such irrevocable damage to the peace process, the entire Wye process would collapse of its own weight; that while indeed I think President Clinton's statement is fundamentally clear about the impact of such a declaration, it does no damage and indeed may do considerable good that this Congress on a bipartisan basis also make its own statement.

I think, because of Senator Biden's work and other members of the committee, Mr. Arafat does understand the implications. But I am not persuaded that by Senator Brownback's statement it is not all the more clear. So while I recognize Senator Biden's considerable leadership and authority on all issues of Israeli security, I did want to identify myself with Senator Brownback on the amendment.

Senator FEINGOLD. Mr. Chairman.

The CHAIRMAN. Yes, sir.

Senator FEINGOLD. Mr. Chairman, let me agree with Senator Torricelli, but in doing so let me just say a couple of things. First of all, I think on the face of Senator Brownback's amendment it is perfectly reasonable that the impact of such a declaration would be so destabilizing to the peace process that there ought to be a consequence, and the consequence of affecting the PLO office seems to me appropriate on its face, and I am going to vote for it.

But I do want to suggest that Senator Biden's remarks about the overall impact on this are appropriate. I am a little concerned that the chairman is moving in the right direction on this and that this could possibly cause him to feel that it is just a little too much.

I had the opportunity to meet with Chairman Arafat and say to him just a few weeks ago face to face: Please do not take this step. I obviously understand the aspirations of the Palestinian people and their desire to make such a declaration. But I asked him point blank, because of the peace process, if he would not do that. It was my sense that he was listening and he is listening to many people.

Senator Biden's point is perfectly valid, that there are a number of other provisions already in the bill that are firm with regard to these issues. So perhaps it would be helpful if there was some kind of language in the committee report, the conference report, that would at least give Mr. Arafat and the Palestinian Authority some credit for having taken some steps to facilitate the peace process, which in fact on some occasions they have done.

So I am going to support this, but I think it would be balanced if there was some language to indicate to the chairman that we do appreciate the things that have been done and that we do believe, of course, that a unilateral declaration of a Palestinian state would be a severe problem.

Senator BIDEN. Mr. Chairman, I learned from a man you and I served with, James O. Eastland—he used to be chairman of the Judiciary Committee—how to count. I am ready for a voice vote in favor of—

Senator SARBANES. Joe, wait a minute, wait a minute.

Mr. Chairman, I would like to put a question to the distinguished Senator from Kansas. I am trying to understand the purpose of paragraph (c) of your amendment, and I really am moving

down the path of suggesting that it be dropped from the amendment unless there is some purpose for it that I cannot fathom.

Senator BROWNBACk. If I could answer a couple questions and answer that one, too, Senator Sarbanes. The waiver, Congress provides the waiver authority and this is—this is providing this condition. The 24 months, we just felt like it should have some limitation in the time period. We could extend it and make it longer.

Senator SARBANES. Well, why would you do that? You are adding an additional condition in order for the President to make the waiver. Now, that condition is obviously going to be supported from the sentiment around the table, and indeed I am prepared to support it myself. But I do not understand then why you would eliminate the waiver authority.

Having strengthened appropriate the waiver authority, why do you then eliminate it as you do in paragraph (c)? I mean, I would suggest to the Senator that we drop paragraph (c).

Senator BROWNBACk. Paragraph (c) is not a tough issue in here. We simply put a sunset in the amendment to sunset it after a period of 2 years, figuring that conditions may have changed and the committee may want to revisit it at that time.

If you want to pull section (c) out of it and make it non-sunsetted, this amendment, that is fine by me.

Senator SARBANES. Well, I think we should do that. That would preserve the waiver, the waiver authority, even though it is—with the additional condition which you have added. You have changed national security interest to national interest and you have added a condition on the unilateral declaration.

But I do not think then we ought to let the waiver authority expire. Otherwise we will be confronted with a whole large issue at that time.

Senator BROWNBACk. Senator Biden may have a defense feel for this. This is a sunset provision of this amendment that sunsets the provision in this amendment after 24 months.

Senator SARBANES. Well, it would sunset the waiver authority.

Senator BROWNBACk. “The authority of this section shall expire,” and it is directed at this amendment.

Senator SARBANES. Well, but you are—you mean the waiver authority would continue without your section? I thought you were stating the waiver authority in paragraph (a), (a)(1).

[Pause.]

Senator BROWNBACk. I have just been informed by staff that the waiver authority is normally put in appropriations bills on an annual basis.

Senator SARBANES. Well, that is because did not do an authorization bill. That is why that had to be done.

Senator BROWNBACk. I am fine with removing this provision, if you want to remove the sunset to it.

Senator SARBANES. I move to strike paragraph (c).

Senator BROWNBACk. I think one would actually want to think about that, whether you want to remove the sunset in this, because it then goes on perpetually. I am not sure that the committee wants to pull that authority away from itself to continue this without a sunset. This is a sunset provision after a period of 2 years.

Senator SARBANES. Well, it is a sunset of the where, as I read it, not of the additional condition, because you made the additional condition an essential part now of the waiver. The sunset that you talk about in paragraph (c) does not extend to subsection (b) of paragraph (a), but to all of paragraph (c).

So it would seem to me the wiser course, the more prudent course, to strike the last paragraph, subparagraph (c) of this amendment, and I commend that to the Senator.

Mr. Chairman, I make a motion to that effect.

The CHAIRMAN. All right. Is it seconded?

Senator BOXER. Second.

The CHAIRMAN. All in favor say aye.

[Chorus of ayes.]

The CHAIRMAN. Opposed, no.

[No response.]

The CHAIRMAN. Gosh, I believe the ayes have it by one. All right.

Senator DODD. Mr. Chairman, I just want to associate myself with the remarks of Senator Biden on this. I have great respect for my colleague from Kansas. We have worked together on other issues, and my colleagues over here. But I think Senator Biden has stated the case very well here.

This is a clear case in my view of us getting into a micromanagement relationship on a very important office. The presence of this office has symbolic value that is critically important. We may end up achieving exactly the result that we are trying to avoid. These are delicate matters, as the Senator from Delaware has pointed out. It is complicated. There are a lot of constituency pressures at operation in the Middle East on this question.

We have got the opportunity and, I think the Senator pointed out in fact by overwhelming margins, have voted to express our concerns on literally dozens of resolutions over the years on where we as Republicans and Democrats in the Congress stand. I think all would agree where the administration has been; it has been outspoken in its views.

If we are trying to avoid a situation here that could tilt in some way the ability for this process to go forward and be concluded, to avoid the kind of internal pressures that a Yasser Arafat faces on the issue of unilateral declaration, I think we have got to be somewhat sensitive on how we act and steps we take that create their own sets of pressures for people. All of us should understand that as people who face it ourselves in the different ways.

I would just hope my colleagues here might be mindful of that. No one is disagreeing with the underlying desires here, the goals, but I do really think, for those of us—and again, I have not heard anyone argue that this administration—in fact, we just heard the spokesman for the State Department indicate clearly where the administration is on any unilateral declarations by any parties in the Middle East.

So it is not as if we are in disagreement. Sometimes we are and then we have to speak because we want to make it clear. That is not the case here.

I would urge the author of the amendment to maybe withdraw the amendment—we have had a good discussion here; we know how we all feel about it—and not pursue a vote on this at this

point, in light of what I think the implications could be. We may be sitting around and it is just this kind of an action which can produce the very result we are trying to avoid. So I would urge the withdrawal of it.

The CHAIRMAN. The question is on the Brownback amendment. All in favor will say aye.

[Chorus of ayes.]

The CHAIRMAN. Opposed, no.

[Chorus of noes.]

The CHAIRMAN. The noes appear to have it.

Senator BROWNBACK. Then I would call for a rollcall vote, if the noes appear to have it.

The CHAIRMAN. The ayes have it. One of my ears was not functioning. I heard only one side.

Senator WELLSTONE. Mr. Chairman.

Senator SARBANES. That was as amended by the dropping of subsection (c), am I correct?

Senator BROWNBACK. That is correct.

Senator SARBANES. It was adopted as amended.

The CHAIRMAN. All right.

Senator BROWNBACK. The amendment was accepted, though, that is correct.

Senator WELLSTONE. The amendment was accepted.

The CHAIRMAN. Senators may have, as I do, statements on various amendments and they may submit them for the record.

Senator Wellstone.

Senator WELLSTONE. Mr. Chairman, I thank the chair for its graciousness. I say to colleagues I will take about a minute.

I have an amendment here that I am actually not going to introduce. This is based upon some legislation that I introduced, Mr. Chairman, last month, the International Trafficking of Women and Children Victim Protection Act of 1999. It is really important. It deals with one of the most horrendous human rights violations of our time, which is you have this trafficking of women and children, many of whom leave their countries hoping for a better life and then what happens is that people get forced into prostitution. The conditions are just horrible.

This piece of legislation will create better protections for victims of trafficking around the world and it will enhance prosecution and enforcement before the lives of these women and girls are shattered.

We had—just one story, Mr. Chairman. On Monday six men in Florida admitted in court that they forced 17 women and girls, girls as young as 14, into a prostitution slavery ring. It happened in Bethesda last year as well. These victims—in Bethesda they were from the Ukraine. These victims were smuggled into the United States from Mexico.

So I think it is real important that we be proactive about it. The administration is concerned about one provision in this legislation which would bar U.S. police assistance to countries whose law enforcement is engaged in the trafficking. What I want to say today, Mr. Chairman—and I thank you very much for letting me do this—is that I will work closely with the administration, I certainly will work closely with you as the chairman—I know you care about this



issue—and I will then introduce this as an amendment to our piece of legislation as reported out of the committee when it comes to the floor or another vehicle.

But I want to just make it clear I will move forward with this, but just not today. I hope to have good strong bipartisan support.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the Senator.

Senator Biden and I have agreed to address the sanctions issue in the coming weeks through hearings and to propose comprehensive legislation this summer, and I guarantee the Senator that is going to happen. But I do thank you for withholding on the amendment.

Is there another amendment?

Senator KERRY. Mr. Chairman.

The CHAIRMAN. Senator Kerry.

Senator KERRY. Mr. Chairman, the amendment that I am offering seeks to increase the funding for the Asia Foundation to \$15 million for each of the fiscal years 2000 and 2001. That is the administration requested level for the foundation. The bulk of the increase that I am suggesting will permit the foundation to carry out expanded rule of law programs throughout Asia, particularly in Indonesia, China, and Vietnam, which we know are going through periods of economic transition with critical political implications. I think these programs have been proven essential to building transparent and independent judicial systems and also the introduction of western legal concepts.

In addition to that, this will strengthen the foundation's support of democracy and human rights in Asia as a whole, particularly in Malaysia and Cambodia.

I think most members of the committee would agree that the foundation has a long, proven track record, and I think this will enhance our efforts to promote change in Asia, particularly in the wake of the financial crisis. I hope my colleagues will support this.

The CHAIRMAN. Any comment?

Senator SARBANES. Good amendment.

The CHAIRMAN. Well, not if you are going to try to have some caps on spending. We all recognize the problems in Asia, but it is difficult to justify a doubling of any line item in this bill. If we start down that path we ain't going to have a bill at all.

This is especially true for an organization that has multiple source of income, as does the Asia Foundation. In addition to its annual State Department line item, the Asia Foundation is a major grantee of AID, and in fiscal year 1996 the Asia Foundation had total revenues of 39 million bucks, including \$21 million in grants from other U.S. Government agencies. In fiscal year 1997 the foundation had revenues of \$44 million, including \$19 million in Government grants over and above its \$8 million State Department line item, and so forth.

I hope the Senator will not push the amendment at this point. If he wants to try to add it on the floor, that would be fine. But I am trying to get this bill out so we can get it acted upon. I hope you will withdraw it.

Senator KERRY. Well, Mr. Chairman, it is my understanding that since the numbers on the U.N. and I think another account are

lower, this in fact fits within the cap. There is no cap problem here because the numbers on the U.N. are lower.

The CHAIRMAN. Well, we have not gotten to the U.N. yet.

Senator KERRY. The U.N. peacekeeping and CIO numbers are less than the request. So this keeps us within the budget caps.

The CHAIRMAN. Well, this is not an organization that is starving. During the past 2 years the Asia Foundation has been called on to address issues related to the Asian financial crisis and has survived very well at this level of funding. With many Asian nations starting to turn the corner, level funding for the Asia Foundation at \$8.25 million, 8', \$8,250,000, I think is reasonable and I hope the Senator will withhold on this on this bill at this time.

Senator KERRY. Well, Mr. Chairman, this is one of those things where I guess we have a difference. I think the chair has been very fair and really has tried to allow the committee to engage in these kinds of debates.

I certainly would like to have an expression on this.

The CHAIRMAN. Very well.

Senator KERRY. Mr. Chairman, if I could just say to you, a few months ago I was in Indonesia. I was in Cambodia just a week or so ago. The needs for our continued input and efforts are enormous. We are not meeting the demand. This is a critical moment in Asian development when we want them to adopt market economies and continue to liberalize their political structures.

To suggest that we are adequately meeting that challenge in the wake of the change that has taken place is simply not facing the reality of what is happening over there. This is a huge opportunity for us. We invest enormous sums of money when we get to the point of a Kosovo or defending against the Soviet Union, but when it comes to investing in the peace and investing in the developmental process I think, given the overall budget of this country and measuring what our overall foreign affairs budget is, we are way behind the curve.

So it is not a matter of surviving OK. It is a matter of meeting the challenge, and I very much would like to see this committee step up to that challenge.

The CHAIRMAN. All in favor of the amendment will say aye.

[Chorus of ayes.]

The CHAIRMAN. Opposed, no.

[Chorus of noes.]

The CHAIRMAN. The ayes have it. The amendment is approved.

Senator KERRY. I thank the chair.

Senator TORRICELLI. Mr. Chairman.

The CHAIRMAN. Mr. Chairman, if I could I would like to thank Senator Dodd in that, in lieu of an amendment that he had prepared extending the terms of the board of the Cuba Broadcasting Authority, he has authored a letter to the President urging him to fill the vacancies. I do not think this was intended to be an historic meeting of the committee, but indeed having succeeded in having the names Helms, Torricelli, and Dodd on the same letter to the President regarding Cuba is genuinely unprecedented.

Senator WELLSTONE. Mr. Chairman, I am opposed.

[Laughter.]

Senator DODD. Just the start of things to come.

[Laughter.]

Senator TORRICELLI. But Senator Dodd's point is well taken. I do not believe the Cuba Broadcasting Authority at the moment is being sufficiently administered. The board appointments have not been found. They should be found. The Cuba Broadcasting Authority fills an important function. Radio Marti has been critical in getting a free and fair debate to the Cuban people. If at any moment there is an opportunity for political change in Cuba, the ability to have that dialog of free expression to Cuba people is going to be essential.

There is reason to believe that listenership in recent months has declined because of the failure of administration. I hope the President does fill these vacancies soon. I note that the letter indicates that he should designate a chairman from among current board members. I understand the President may be looking at current board members and others. I think he should have that discretion. But nevertheless I am very proud to be on the letter, and I want to thank Senator Dodd for taking this leadership and bringing us together on this issue.

Senator DODD. Could I just inquire, Mr. Chairman? It was my understanding that as a result of that in section 502, page A-60, we are striking lines 1 through 9; is that correct?

The CHAIRMAN. That is right.

Senator DODD. I thank you.

Mr. Chairman, I have an amendment. I do not know, there may be some on this side here.

The CHAIRMAN. Yes, sir, the Senator from Minnesota.

Senator GRAMS. Mr. Chairman, I along with Senators Thomas and Hagel have an amendment that strikes language in the bill that is under the jurisdiction of the Banking Committee. Chairman Phil Gramm, and International Finance Subcommittee Chairman Enzi have asked me to offer this amendment, which I support as a member of the Banking Committee as well.

Mr. Chairman, my amendment would strike section(d)(2) of section 637. Now, this section as drafted in the committee print I believe imposes pre-license and post-shipment verification requirements for exports to Hong Kong and Macao of items subject to control under the munitions list or the Commerce control list. If Hong Kong and Macao do not comply with these requirements, their export controls would revert to those of China.

Now, while I have concerns about this entire provision and would prefer to strike it in its entirety, I will only move to strike language relating to the Commerce control list. Therefore my amendment retains the requirements related to items on the munitions list where we do have jurisdiction.

The Hong Kong Office has sent me a lengthy list of its stringent export controls that it believes are successful, and also opposes this provision. The State and Commerce Department opposes this amendment. It is controversial. We have had no hearings on this issue, and I recall when many of us were nervous about the changeover we made a commitment to Hong Kong that we would retain current U.S. laws relating to Hong Kong after the change. Now, this provision, Mr. Chairman, can certainly move away from that commitment.

Mr. Chairman, right now the Banking Committee is in the middle of drafting a reauthorization of the Export Administration Act and the chairman wants it reported in May. Now, it is far more appropriate to discuss this issue within that relevant debate, particularly since it is controversial. Chairman Gramm and Subcommittee Chairman Enzi have offered to work with our committee on any concerns that they have in this area.

I have been told by committee staff that this matter is squarely within the jurisdiction of the Foreign Relations Committee. References were given from the rules of the Senate detailing committee jurisdiction. Well, the first reference was number 12 on the list: "measures to foster commercial intercourse with foreign nations and to safeguard American between interests abroad." I doubt you would find anyone in the business community who would call export control measures that facilitate business.

The next reference is number 16: "relations of the U.S. with foreign nations generally." This relates more to general foreign policy matters such as a general provision and would not grant jurisdiction of any issue specifically listed within another committee's jurisdiction. Now, if you take the committee staff's interpretation we would pretty much have jurisdiction over everything, including trade jurisdiction, which is under the Finance Committee's jurisdiction.

Mr. Chairman, the last reference says: "Such committee shall also study and review on a comprehensive basis matters relating to the national security policy, foreign policy, and international economic policy as it relates to foreign policy." I believe this amendment goes well beyond studying and reviewing.

I was also told that this committee has jurisdiction particularly when national security or foreign policy issues are involved. National security and foreign policy controls are the two key elements embodied in the Export Administration Act, under the Banking Committee's jurisdiction, where the reauthorization is currently, again, being heard and drafted.

So Mr. Chairman, I have attached to my amendment a copy of the list of issues under the Banking Committee's jurisdiction. Number 6 is export controls. It seems pretty clear to me that—the list of Foreign Relations Committee's jurisdiction, by the way, is also attached, Mr. Chairman.

So if we want jurisdiction over this issue I believe that we should seek a rules change to the standing rules of the Senate. Also, Mr. Chairman, I understand that at least one Senator was denied language in the committee print that was subject to another committee's jurisdiction as well. So my amendment is entirely consistent with the policy.

So I request a vote on that amendment, Mr. Chairman, and thank you very much.

The CHAIRMAN. Let us talk a little bit about this jurisdiction. Those who claim that the Senate Foreign Relations Committee has no jurisdiction over export control matters, I have got to point out that under Rule 1.A.12 of the Senate—and if anybody doubts what I am saying, check with Bob Dove, the Parliamentarian—the Foreign Relations Committee does have jurisdiction over "measures to foster commercial intercourse with foreign nations."

Now then, I note that export controls are an integral part of U.S. commercial relations with every nation around the globe.

An even broader authority, as a matter of fact, over these matters is provided the committee under A.16 of the Standing Rules of the Senate. If anybody doubts what I am saying they can check with the Parliamentarian. This gives the committee jurisdiction over "relations of the United States with foreign nations generally." This it seems to me would certainly cover all aspects of our relationship with Hong Kong and Macao.

Moreover, under Senate Rule 25.1.J the committee is mandated to "study and review on a comprehensive basis matters relating to the national security policy, foreign policy, and international economic policy as it relates to the foreign policy of the United States."

Finally, the committee has responsibility under Senate Rule 24.8 to "review and study on a continuing basis the application, the administration, and the execution of those laws and parts of laws the subject matter of which is within the jurisdiction of the committee."

Thus the fact that the Export Administration Act is authorized by a different committee is immaterial. This committee has and will retain as long as I am chairman of it a responsibility for the foreign policy and the national security implications of key parts of this act.

Now, one of the staff people is just about to have a fit making sure that I recognize Senator Ashcroft, which I do.

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

I have worked closely with the distinguished chairman to include section 637 in the authorization bill. I think we have to be very careful about our committee and its jurisdiction. There is a trend to commercialize all of the aspects of the U.S. Government and its relationships with other nations and the commercialization results and going to the bottom line and letting the almighty dollar rule all of the considerations.

My view is that we have got to be very careful that we do not go so deeply into the commercialization of these relationships that we do not understand our national security interest and the relationship interests that exist between the United States and other countries.

This provision on U.S. export controls for Hong Kong and Macao protects the United States from Chinese diversion of sensitive technology exported to these two areas. Hong Kong and Macao have greater access to U.S. high technology products than does China, and the United States should take appropriate steps to safeguard our national security.

I understand the main concerns with section 637 are jurisdictional. The Senate Parliamentarian has reviewed this provision at my report and informed me that the Foreign Relations Committee does have jurisdiction over this provision. The Senate and committee rules also make it clear that Foreign Relations has jurisdiction on this matter.

Now, section 637 simply does the following. Export licenses for sensitive items cannot be approved if U.S. officials are denied the ability to conduct pre-license checks on the end use and end user of the item. If U.S. officials are denied the ability to conduct post-shipment verification of the end use and end user of the item, then

Hong Kong and Macao would be treated the same way as China is for the purpose of any U.S. exports of munitions list items or items controlled for national security or foreign policy reasons by the Commerce Department.

Now, flexibility for U.S. foreign policy is preserved. The Secretary of State is given the authority to waive these requirements if in the national interest of the United Nations.

A May 1997 GAO report, which is before each one of the Senators at this time, on the export of controlled items to Hong Kong stated that effective monitoring is critical to prevent weapons and technology proliferation. The report identified pre-license checks and post-shipment verification as possible means to ensure the continued effectiveness of Hong Kong's export control system. That is exactly what this provision provides for.

With almost constant reports of Chinese efforts to acquire U.S. advanced technology, be it satellite launch technology to benefit China's ICBM's or nuclear warhead technology stolen from the U.S. nuclear labs. This committee should take these modest steps to safeguard Hong Kong and Macao from becoming conduits for the People's Liberation Army.

Make no mistake. In my mind China is engaged in an aggressive espionage and technology-gathering exercise directed at the United States and other developed countries. Now, a specialist on Chinese intelligence operations stated in testimony before the Joint Economic Committee on May 20, 1998, that: "The PRC's clandestine collection operations in the United States expanded to the point where approximately 50 percent of the 900 technology transfer cases in the West Coast involve the Chinese. That is a troubling reports.

Troubling reports of Chinese espionage activities at U.S. nuclear labs underscores the need for the U.S. Congress and the administration to take aggressive steps to safeguard sensitive technology. If that is what China will do on our own shores, how do you think Beijing will try to use Hong Kong and perhaps Macao? Chinese front companies in Hong Kong already have been identified with efforts to acquire controlled technologies for illicit export to countries of proliferation concern, according to U.S. and Hong Kong officials.

Prosecutions for illegal shipments of arms-related commodities in Hong Kong saw a fourfold increase in the mid-nineties from 65 cases in 1994 to 250 cases in 1996.

Hong Kong's export control system is still functioning well and as long as it continues to, this provision would have no effect whatever. Section 637 simply implements safeguards to protect military and dual use items as they are exported to Hong Kong and Macao in light of the possible satellite technology transfers to China and China's nuclear espionage efforts in the United States.

I think this is the least we can do to ensure Hong Kong and Macao do not become conduits for high tech flows to the People's Liberation Army in China. For us to walk away from our jurisdiction and responsibility to the United States and its national security here and to pretend that the commercial interests are the only interests that are to be regarded in this setting would be for us to abdicate a major responsibility of this committee in its jurisdiction.

The CHAIRMAN. We are not going to walk away, Senator, I can guarantee you.

What is the pleasure of the committee?

Senator BIDEN. Mr. President, I happen to, in a nutshell, agree with Senator Ashcroft. The idea that we do not have jurisdiction over this is counterintuitive. It would not be wise to accept that claim that the Foreign Relations Committee has no role regarding the export of military equipment and dual use items.

Maybe the way to do this, Mr. Chairman—I would like very much to keep it in our legislation, but as we walk this to the floor maybe you can sit down with us and with the Banking Committee chairman and see whether we can work something out. But I would not recommend personally that we yield either on the principle of the jurisdiction or the substance of what we are doing here.

So I would oppose the effort by our friend from Minnesota to strike this.

Senator GRAMS. Mr. Chairman, could I just make one note?

The CHAIRMAN. Yes.

Senator GRAMS. I realize the concerns that have been raised, but the Parliamentarian does say that both committees have jurisdiction over export controls, that is true. But Foreign Relations has arms export control, which we do not monkey with in this amendment. We recognize that and we do not question some of the concerns that you have raised, Mr. Chairman, and Senator Ashcroft as well.

But Banking does have dual use, which we do try to amend out of this bill. So it is not we are trying to eliminate Foreign Relations Committee voice in this, but to try to make some distinctions and recognize exactly what the Senate rules are.

Senator BIDEN. Mr. Chairman, if the Senator will yield for a moment. I think we all acknowledge that there is some overlap in jurisdiction, and it seems to me the way to do it is not to make the judgment that there is no jurisdiction here and yield.

Put this in the bill here and let us go to the floor and on the way to the floor, literally not figuratively, sit down with the Banking Committee and see whether or not we can work something out here rather than taking the preemptive position of striking it from here. And it may up a fight on the floor. So be it, but let us not strike it out of here. Let us keep it in our bill and then let us see if we can work out something.

The CHAIRMAN. Is the Senator asking for a vote?

Senator BIDEN. I am not looking for a vote. I think the Senator is moving it. If he wishes to pursue it, I would urge we vote against it. If he would be inclined to drop it, reserving his right to move on the floor if we do not work this out with Banking, then I would prefer that. But obviously he is within his rights to move it here.

Senator GRAMS. Mr. Chairman, in the spirit which Senator Biden has talked about, I would assume—I would withhold a vote on this now, wishing to preserve our opportunity to bring it up on the floor. But I very much would like to work with the chairman and the ranking member with the Banking Committee to see if we cannot work out something.

Senator DODD. I thank the Senator. I appreciate his courtesy.

The CHAIRMAN. I appreciate the Senator's courtesy as well.

Is there further amendment?

[No response.]

Senator FEINGOLD. There being no further amendment, shall we have a vote?

Mr. TORRICELLI. Mr. Chairman.

The CHAIRMAN. Senator Sarbanes.

Senator SARBANES. We are going to final passage, I take it?

The CHAIRMAN. Yes, sir.

Senator DODD. I have an amendment, just a quick one, Mr. Chairman, that I would like to offer if I could. I think it is—members are getting it now—I think, it being handed out to them.

Mr. Chairman, this is an amendment I am offering with respect to the Office of Inspector General at the State Department. It is an attempt to improve the work of the office.

I also think it involves an issue of fundamental fairness. Let me just briefly describe why I am offering the amendment. Most of the cases that the IG deals with are administrative matters and practices that the individual under investigation is in a position to shed light on and, nine out of ten times, Mr. Chairman, provide a rationale for what is under investigation.

I think it is only fair, Mr. Chairman, that an individual—that it is fair to allow an individual to provide that information prior to some disciplinary action being taken, be recommended, be informed. Frankly, even though there is a grievance process, there is a tendency I think on our part and other groups to assume that the IG has accurately stated the case and that individuals; promotions can be adversely affected.

We work on that assumption, that there has been a determination of what the facts are in a case before decisions are made.

I am sensitive, I might add, Mr. Chairman, that certain investigations may involve intelligence-related matters and other serious questions under investigation. That is why this amendment includes, a section in which exceptions are allowed, where the IG in consultation with the attorney general would shield those investigations from disclosure.

Now, why do I raise this amendment? What is the provocation here? Why am I getting down to a sort of fly specking kind of approach on this.

Mr. Chairman, I offered the amendment because I know firsthand that, had the IG inspected or checked out some of the information, that the investigators included and it went into their reports a number of years ago relating to me very directly. The information would never have been part of that report. In fact, I will add for the record here the correspondence between the Director General and myself on this particular matter.

I was never asked about the issue included in the report, nor apparently was anyone else ever asked about it. It alleged that I had tried to somehow punish a couple of State Department officials for using a dissent channel. No one in my—I never heard of these individuals, no one in my staff had ever talked to them, and yet this report was written and I was never called, asked to corroborate or offer any information regarding what was included in the report.



Now, to the credit of the IG, afterwards she apologized profusely—and I will add that letter here—for what had happened. But nonetheless it happened and it exists in the report.

Now, I am a United States Senator. I can get a letter from the IG when something happens like this. But if you are a relatively low level official who may be charged with something, you are not likely to get that kind of response from the IG, and a career can be ruined when facts are included in a report that are not true.

So this amendment requires that the person, except in those matters where intelligence or serious matters under investigation, be given a chance prior to these reports are written to respond. I just think it is a fundamental issue of fairness.

Again, I am fine. The letters are there. They are in the record. The apology has been made. I never said anything about it before, but I am just trying to think of people coming along, all of a sudden someone has it out for them, includes something. The facts are alleged, the report gets written, and a career is ruined?.

The CHAIRMAN. Let me make a suggestion to the Senator. I do not think we ought to prolong this because there is a way that Senator Biden and Senator Sarbanes—I see he is interested in it and certainly I am. Let us work together to have an amendment to this that does not have the two or three defects that I think I see in it. Would you be willing to do that?

Senator DODD. I am happy to do that, Mr. Chairman.

The CHAIRMAN. Very well. That makes the question on—

Senator TORRICELLI. Mr. Chairman.

The CHAIRMAN. Oh, please.

Senator TORRICELLI. Mr. Chairman, I do not have an amendment, but I was actually recognized merely only to thank you for putting in the managers amendment something that was very important to people in New Jersey. It has been more than 10 years since the destruction of the Pan Am flight over Lockerbie. One hundred eighty-nine of those people were from the United States and disproportionately from Pennsylvania and New Jersey.

You have included an amendment that allows the frozen assets of Libya to be used in part to allow families of the victims to witness the trial at The Hague. This is a small consolation that at least these families can go, witness the trial, see justice, and face those who are accused of murdering their families.

For that small amendment and the use of these Libyan assets, I can think of no better person to fund the travel of these families than Qadafi and the amendment allows that, and I appreciate you putting it in the managers amendment.

The CHAIRMAN. Thank you, Senator.

Senator BOXER. Mr. Chairman.

The CHAIRMAN. I believe the Lady sought recognition first.

Senator BOXER. Thank you so much. I also want to thank you, you and Senator Biden, for working with us on two amendments that deal with child abduction cases—I know you have been involved in this—a foreign national kidnaps a child from an American parent. These cases, I know all of us hear about these cases in our various States. They are very difficult when a country is not part of The Hague Convention.

So what we do here in these amendments is we tell the State Department that they must include in their annual human rights report information on how various countries are cooperating on these child abduction cases.

We also require the State Department to inform the parent that is left behind, so desperate for information, to give them information every 6 months on the status of the case.

So I wanted to thank you very, very much on behalf of these families that are so pained right now. Thank you.

Senator SARBANES. Mr. Chairman, I will be very brief, but I just wanted to first acknowledge the very hard work that has gone into this bill, the effort on the part of many of my colleagues to work out some of the difficult issues, including the U.N. arrears issue. I regret to say, I do not think it has been adequately worked out and therefore I will not support this legislation.

First, it fails to pay the full amount of U.S. arrears to the U.N. The administration itself, the U.S. position, is that we \$1.021 million. The U.N. asserts that we owe \$1.509 million. The bill provides \$819 million over 3 years plus an additional \$107 million in credits, so the bill itself falls short of the arrearages that the United States recognizes, let alone the arrearages which the U.N. asserts.

Second, there is a long list of onerous conditions on the U.N. before we pay them the money we owe them. Very frankly, I think we undertook a legal obligation to pay this money and I think we ought to do it. The U.N. has in fact made a long list of important reforms. I do not think we should be in the position of in a sense changing the goal lines on them.

I think the U.N. is important to the United States. I think it serves our interests. I think they have begun making the sort of changes that we thought were necessary, and the new Secretary General certainly reflects an American initiative at the U.N.

Third, this bill creates new arrears to the United Nations. Not only do we not discharge our past arrears, but we begin creating new arrears by authorizing less than the administration requested for fiscal year 2000. Both in the contributions to international organizations, our regular assessed U.N. dues, and the contributions for international peacekeeping activities, we fall \$43 million short. So we are not cleaning up the past arrears, we are beginning to run up new arrears.

There are other conditions I am concerned about, but this essentially is my concern. I think the U.N. is important to the United States—the United States was the moving force in establishing the United Nations. These are not reservations in terms of future payments. These are reservations in terms of past obligations, and I think that the United States ought to meet its obligations.

I think this legislation, despite efforts to address that, does not do so and therefore I will vote against it. And I thank the chair for the time.

The CHAIRMAN. Very well. Senator Brownback.

Senator BROWNBACK. Very quickly, congratulations, Mr. Chairman. I think this is an excellent piece of legislation. One of the pieces we passed out of committee was the Silk Road Strategy Act and five of the eight heads of state of those countries will be at a reception that I would like everybody to be invited to this Saturday

from 4 to 5 p.m. in the Mansfield Room. Also there would be Brzyzinski, Jim Baker, Sandy Berger.

This is a chance to meet and talk with some of these heads of state that are here at the NATO Progress for Peace meeting, and I would invite everybody and urge their attendance if they could come.

The CHAIRMAN. Thank you, sir.

Senator Dodd.

Senator DODD. Mr. Chairman, just two very quick points. First of all, I did not offer an amendment here to this bill. Maybe later on the floor, depending on what the events are. But as you know, I was over in Macedonia a week or so ago at those refugee camps, and my admiration for the Governments of Montenegro, Macedonia, Romania, Bulgaria is profound. These people are taking on a tremendous amount, particularly Montenegro, Albania, and Macedonia.

So I was going to include some language which commends those governments. And it has not been easy and it has not been perfect, and there have been some serious bumps along the road, particularly in Macedonia. But I did not want the moment to pass here. I do not know how my colleagues feel, but I think most of them sort of agree on this. Whatever else we may disagree about this, I think there is an appreciation of what these new democratic countries, and I appreciate that.

Second, Mr. Chairman, I would not disagree with a single word my colleague from Maryland has just stated about the U.N. package.

Senator BIDEN. Can you get an extra dollar?

Senator DODD. That is the point. I was going to make a quick other point. I think it is not what I would have written. I do not think it is probably what my colleague from Delaware would have written. It is probably not even what the chairman would have written himself, either. These always involve give and take in what happens here.

But I think it is about as good as we can do under the circumstances and I intend to support it. I think we want to get this issue behind us and move on.

I was displeased the other day, as I am sure my colleagues were, to read where for the first time in some years the position of UNDP went to a non-American, in part because of this issue. If we are going to assert a leadership role at the United Nations in the 21st century, I think you are going to have to catch up on this money issue pretty quickly. This I think does it.

There are waiver provisions in here which I think allow some flexibility on this issue, which will be important. I think Senator Biden did a remarkable job in, if I may say so with all due respect to the chairman, taking out provisions that I think would have made it virtually impossible to support this compromise. But the fact that we have got what I consider to be a relatively good package here, I intend to support it, urge the administration to do likewise, and see if we now cannot get this behind us and move on so that we reassert our position in this important organization.

With that, again I cannot disagree with a single word my colleague from Maryland has said, but I just figure we have got to resolve this as quickly as we can.

Senator BIDEN. Ten seconds, Mr. Chairman. The administration does support this. They would like it better. If it becomes better out of the House, they will be for what is better out of the House. If they can get something better out of committee, they will be for it. But they do support this.

This negotiation was not a Biden-Helms negotiation. It was a State Department-Helms negotiation, with Biden as an interlocutor basically on this one. So I want to make it clear that they do support it. If someone makes it better, they would be for it. But they support it if it ends up where it is now.

The CHAIRMAN. Without objection, we will accept the managers package of amendments.

[No response.]

The CHAIRMAN. Hearing no objection, I ask unanimous consent that the staff be allowed to make technical and conforming amendments and, second, to allow members not present to contact the Clerk to record their votes.

That being the end of it, the Clerk will call the roll.

Ms. ALLEM. Senator Lugar.

The CHAIRMAN. Mr. Lugar votes for by proxy.

Ms. ALLEM. Mr. Coverdell.

The CHAIRMAN. The same for Mr. Coverdell.

Ms. ALLEM. Mr. Hagel.

Senator HAGEL. Aye.

Ms. ALLEM. Mr. Smith.

Senator GRAMS. Aye by proxy.

Ms. ALLEM. Mr. Grams.

Senator GRAMS. Aye.

Ms. ALLEM. Mr. Brownback.

Senator BROWNBAC. Aye.

Ms. ALLEM. Mr. Thomas.

Senator GRAMS. Aye by proxy.

Ms. ALLEM. Mr. Ashcroft.

The CHAIRMAN. Aye by proxy.

Ms. ALLEM. Mr. Frist.

The CHAIRMAN. Aye by proxy.

Ms. ALLEM. Mr. Biden.

Senator BIDEN. Aye.

Ms. ALLEM. Mr. Sarbanes.

Senator SARBANES. No.

Ms. ALLEM. Mr. Dodd.

Senator DODD. Aye.

Ms. ALLEM. Mr. Kerry.

Senator BIDEN. Aye by proxy.

Ms. ALLEM. Mr. Feingold.

Senator FEINGOLD. Aye.

Ms. ALLEM. Mr. Wellstone.

Senator BIDEN. Aye by proxy.

Ms. ALLEM. Mrs. Boxer.

Senator BOXER. Aye.

Ms. ALLEM. Mr. Torricelli.

Senator TORRICELLI. Aye.

Ms. ALLEM. Mr. Chairman.

The CHAIRMAN. Aye.

Ms. ALLEM. Mr. Chairman, the vote is 17 yeas and 1 nay.

The CHAIRMAN. There being no further business to come before the committee, we stand in recess. Thank you, gentlemen and lady.

[Whereupon, at 12:02 p.m. the committee was adjourned.]

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