

CRS Report for Congress

State Department and Related Agencies: FY2006 Appropriations and FY2007 Request

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Summary

State Department funding, formerly in the Commerce, Justice, State (CJS) appropriation, is now in the House's Science, State, Justice, Commerce (SSJC) Appropriation and in the Senate's State-Foreign Operations Appropriation. In addition, typically each Congress passes a foreign relations authorization bill that authorizes the Department of State to spend its appropriations. The first session of the 109th Congress did not pass the State Department authorization legislation, S. 600 and H.R. 2601.

The President sent his FY2007 budget to Congress on February 6, 2006. Included was the Department of State FY2007 budget request for a total of \$9,502.4 million (6.5% more than the FY2006 enacted level, including rescissions and supplementals) and the international broadcasting FY2007 budget request for \$671.9 million (a 4.3% increase from the FY2006 level, including rescissions).

The House Appropriations Committee reported its SSJC appropriation (H.R. 5672) on June 22, 2006. The House passed the bill on June 29, 2006, with numerous floor amendments. It included a total of \$9,704.0 million for the Department of State and international broadcasting.

The Senate Appropriations Committee reported its bill (H.R. 5522) on June 29, 2006. The Senate bill includes a total of \$9,643.2 million for the Department of State and international broadcasting.

On September 29, 2006, Congress included a continuing resolution (CR) in the Defense Department appropriation (H.R. 5631/P.L. 109-289), signed into law the same day. The continuing resolution, Division B of the act, provides funding for the Department of State and related agencies through November 17, 2006. The funding level is the lesser of either the FY2006 amount or the House-passed or Senate-passed FY2007 levels. A second CR (H.J.Res. 100/P.L. 109-369) was passed on November 15, extending funds through December 8. On December 8th, the House passed a third CR (H.J.Res. 102) extending funding through February 15, 2007. The Senate passed the CR on December 9th.

As in the previous year, the week after the budget arrived on Capitol Hill, President Bush sent to Congress an emergency supplemental request. On March 13, 2006, Congressman Jerry Lewis introduced the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (H.R. 4939). The President signed H.R. 4939 into law (P.L. 109-234) on June 15, 2006.

Prior to the budget submission, Secretary of State Rice presented her "Transformational Diplomacy" vision of the way the State Department will conduct foreign policy. Among other things, beginning in FY2006, according to Secretary Rice, 100 positions will be moved from Europe and Washington, DC to more challenging locations worldwide.

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State Department and Related Agencies: FY2006 Appropriations and FY2007 Request

Background

Budgets for the Department of State and the Broadcasting Board of Governors (BBG), as well as U.S. contributions to United Nations (U.N.) International Organizations, and U.N. Peacekeeping, are within the Science, State, Justice, Commerce (SSJC) Appropriations in the House and in the State, Foreign Operations Appropriations in the Senate.¹ Intertwined with the annual appropriations process is the biannual Foreign Relations Authorization that, by law, Congress must pass prior to the State Department's expenditure of its appropriations. Senator Lugar introduced a State Department authorization bill for FY2006 and FY2007 (S. 600) on March 10, 2005. In the House, Congressman Chris Smith introduced a State Department authorization bill (H.R. 2601) for FY2006 and FY2007 on May 24, 2005. To date, Congress has not passed either bill. (For details on the foreign relations authorization legislation, see CRS Report RL33000, *Foreign Relations Authorization, FY2006 and FY2007: An Overview*, coordinated by Susan B. Epstein.)

The Administration sent its FY2007 budget request to Congress on February 6, 2006. The requested funding level for the Department of State was \$9,502.4 million, representing a 6.5% increase over the previous year's level, after rescissions. For international broadcasting, the request of \$671.9 million represents a 4.3% increase over the FY2006 level, after rescissions.

The House Science, State, Justice, Commerce (SSJC) Appropriations Subcommittee marked up the House SSJC appropriations on June 14, 2006. The House Appropriations Full Committee reported the bill (H.R. 5672) on June 22. The House passed the measure on June 29 with a vote of 393 to 23. H.R. 5672 contains a total of \$9,050.1 million for the Department of State and \$653.9 million for international broadcasting.

The Senate Appropriations Committee marked up its State/Foreign Operations appropriation (H.R. 5522) on June 29. That bill currently includes \$8,982 million for the Department of State and \$661.2 million for international broadcasting.

On September 29, 2006, Congress included a continuing resolution (CR) in the Defense Department appropriation (H.R. 5631/P.L. 109-289), signed into law the

¹ Prior to the FY2006 budget request, the Department of State appropriations were within the Commerce, Justice, State and Related Agencies (CJS) Appropriations.

same day. The continuing resolution, Division B of the act, provides funding for the Department of State and related agencies through November 17, 2006. The funding level is to be apportioned based on the lesser of either the FY2006 amount or the House-passed or Senate-passed FY2007 levels. Since the Senate has yet to pass its State Department appropriation, the CR spending level will be calculated on the FY2006 levels, including the FY2006 supplementals for recurring need, or the FY2007 House-passed level, whichever is lower. A second CR (H.J.Res. 100/P.L. 109-369) was passed on November 15, extending funds through December 8. The House passed a third CR (H.J.Res. 102) on December 8th extending funding through February 15, 2007. The Senate passed the CR on December 9th.

On February 16, the Administration sent two FY2006 emergency supplemental budget requests to Congress.² The supplemental request for the Global War on Terror included more than \$1,702.7 million for Department of State and international broadcasting including \$1,552.6 million for State's Diplomatic and Consular Programs account, \$5 million for Educational and Cultural Exchanges, \$25.3 million for the Office of Inspector General, and \$69.8 million for U.S. Contributions to International Peacekeeping. It also contained \$50 million to support international broadcasting in Iran.

The House and Senate agreed that the Department of State FY2006 appropriation would be taken up within the House bill. The conference report for H.R. 2862 (H.Rept. 109-272) was filed on November 7, 2005, with a total funding level set at \$9,033.2 million for the Department of State and \$652.4 million for international broadcasting. The House passed it on November 9. The Senate passed it on November 16; and the President signed it into law (P.L. 109-108) on November 22, 2005. After the total 1.28% rescission for State (.28% within P.L. 109-108, Sec. 638 and a 1% across-the-board rescission and supplemental funding within the Emergency Supplemental Appropriations, P.L. 109-148), State Department funding for FY2006 is estimated to be \$8,920.5 million and for international broadcasting is estimated at \$644 million.

Table 1 provides regular and supplemental State Department and related agencies' appropriations for FY2005, FY2006, the FY2006 Emergency Supplemental, the FY2007 request, and the FY2007 House-passed and Senate-Committee-recommended levels.

Transformational Diplomacy

On January 18, 2006, Secretary of State Condoleezza Rice announced her vision for U.S. diplomacy in the 21st Century. She said that, to match President Bush's bold mission of "supporting democracy around the world with the ultimate goal of ending tyranny in our world," the United States needs "an equally bold diplomacy that not

² For more detail, see CRS Report RL33298, *FY2006 Supplemental Appropriations: Iraq and Other International Activities; Additional Katrina Hurricane Relief*, by Paul M. Irwin and Larry Nowels, coordinators.

only reports about the world as it is, but seeks to change the world itself.”³ The Secretary referred to this as “transformational diplomacy.” Specific aspects of Secretary Rice’s Transformational Diplomacy include:

- Global repositioning — Beginning in FY2006, 100 current positions are to be moved largely from Europe and Washington, DC to critical areas in Africa, South Asia, East Asia, the Middle East and elsewhere in FY2006 and hundreds more over the long term.
- Regional focus — The proposal would create regional public diplomacy centers in Europe and the Middle East, as well as regional centers for information technology to perform management support activities such as human resources or financial management.
- Localization — The proposed American Presence Posts (APP) would be operated by one diplomat working away from the embassy in key population centers of a country; Virtual Presence Posts (VPP) would provide an Internet site enabling millions of local citizens, particularly young people, to interact with embassy personnel. IT Centralization would provide the State Department workforce with real-time and cutting-edge information whether at their desks or traveling. Creative use of the Internet would enhance America’s presence through the Internet interactive online discussions such as Café USA/Seoul.
- New skills challenges which include enhanced training for technology and languages; multi-region expertise requiring diplomats to be experts in at least two regions and fluent in two languages; post assignments criteria that diplomats must serve in at least one of the more challenging posts; hands on practice for diplomats to be more involved in helping foreign citizens, promoting democracy, running programs, starting businesses, improving healthcare, and reforming education, and public diplomacy to be recognized as an important part of every diplomat’s job.
- Empowerment of diplomats to work with other federal agencies — especially with the military.

Within the Department of State’s FY2007 budget, the Administration is requesting \$102.8 million for Transformational Diplomacy. Included is \$23.4 million for redistribution of existing staff, and the hiring for 100 new positions (70 to expand diplomatic presence in transitional countries in the Middle East, South Asia, and Africa; 15 for language training positions; and 15 for the Office of the Coordinator for Reconstruction and stabilization), \$32 million for modernization of the Foreign Service pay system, \$43.4 million for Afghanistan (including

³ Transformational Diplomacy: Remarks at Georgetown School of Foreign Service, Department of State, January 18, 2006. [<http://www.state.gov/secretary/rm/2006/59306.htm>]

reconstruction, embassy operations, and security), and \$4 million for the Asia Pacific Partnership to address energy, climate, and pollution issues.

State Department FY2006 Emergency Supplemental Request

Currently, the U.S. Embassy in Iraq has over 1,000 American and locally engaged staff representing about 12 agencies. 156 U.S. direct hires and 155 locally engaged staff represent the Department of State (DOS) in the U.S. Mission. The Bush Administration requested an FY2006 Emergency Supplemental of \$1.497 billion within State's Diplomatic and Consular Programs budget account to cover Iraq operations and security.

Available FY2006 funds for the U.S. Mission in Iraq's regular operations consist of \$632.7 million in carryover funds from FY2005. While about \$65 million was requested for FY2006 regular operations for the U.S. Mission in Iraq, the Department of State says much of that was lost due to rescissions. Therefore, the Administration is seeking \$997.5 million to cover ongoing operation and security costs for the U.S. Mission in Iraq, \$100 million for overhead protection of personnel in facilities other than the Embassy, and \$400 million for security of the Provincial Reconstruction Teams (PRT). State intends for the carryover and supplemental total of \$1.630 billion to cover costs for the remainder of FY2006 and the first half of FY2007.

The Department of State estimates the FY2006 total program funding need for mission operations and security in Iraq to be \$1.1 billion. This includes \$192.7 million for logistic support which includes trailer camps, food service, maintenance of transportation facilities and equipment, and laundry; \$70.8 million for basic operations and logistics for the DOS American direct hires and local hires; \$81.8 million for operational costs for the four regional embassy offices in Mosul, Kirkuk, Hillah, and Basrah, Provincial Reconstruction Teams and state embedded teams, as well as contractor support for the Iraq Reconstruction Management Office, offshore support, public diplomacy, education, and outreach programs. According to DOS, FY2006 security budget needs total \$735.4 million and include \$55 million for guards at facilities in Iraq, \$617.9 million for high threat protection provided to personnel whenever they travel outside of the protected compound, and \$62.5 million for equipment such as armored vehicles, as well as physical and technical security measures. Additionally, \$19.9 million is needed for information technology operations for a country-wide emergency radio program for the embassy, the State Department estimates.

The House and Senate passed the emergency supplemental conference report (H.R. 4939, H.Rept. 109-494) on June 13 and 15, respectively. The final measure includes \$1,529.4 for D&CP in Iraq, \$25.3 million for State's Inspector General, \$5.0 million for exchanges in Iran, \$178 million for U.N. peacekeeping, and \$36.1 million for international broadcasting in Iran. The President signed the measure into law (P.L. 109-234) on June 15, 2006.

State Department FY2007 Regular Request

The State Department's mission is to advance and protect the worldwide interests of the United States and its citizens through the staffing of overseas missions, the conduct of U.S. foreign policy, the issuance of passports and visas, and other responsibilities. Currently, the State Department coordinates with the activities of 50 U.S. government agencies and organizations in operating more than 260 posts in over 180 countries around the world. The Department's staff size has increased, largely because of the integration in 1999 of the Arms Control and Disarmament Agency (ACDA) and the U.S. Information Agency (USIA) into State. Currently, the State Department employs approximately 30,000 people, about 60% of whom work overseas. Highlights follow.

Administration of Foreign Affairs

Diplomatic and Consular Programs (D&CP) — The D&CP account funds overseas operations (e.g., motor vehicles, local guards, telecommunications, medical), activities associated with conducting foreign policy, passport and visa applications, regional bureaus, under secretaries, and post assignment travel. Beginning in FY2000, the State Department's Diplomatic and Consular Program account included State's salaries and expenses, as well as the technology and information functions of the former USIA and the functions of the former ACDA.

For D&CP's FY2007 budget, the Administration is requesting \$4,651.9 million, a 7.7% increase over the FY2006 funding level of \$4,319.7 million, after rescissions and supplementals. Within the FY2007 request, \$351 million would be for public diplomacy and \$795 million for worldwide security upgrades. Also in this account is a request for \$65 million for the U.S. Mission in Iraq basic operations, thereby establishing a funding base for core embassy functions within the D&CP account for future years. The Administration requested the same level for the Mission in Iraq within this account for FY2006, but State Department officials say that most of it evaporated because of the rescission.

In H.R. 5672, the House passed \$4,460.1 million in H.R. 5672 for D&CP for FY2007 and would include \$351 million for public diplomacy and \$795 million for worldwide security upgrades. The Senate Appropriations Committee recommends \$4,495.1 million for D&CP, including \$795 million for worldwide security upgrades.

For the FY2006 budget, the Administration had requested \$4,472.6 million for D&CP, a 7.2% increase over the enacted FY2005 level, but 8.8% less when including the FY2005 supplemental funds. Included in the FY2006 request was \$333.9 million for public diplomacy expenses and \$689.5 million for worldwide security upgrades. The enacted D&CP funding, after rescissions, includes \$329.7 million for public diplomacy and \$680.7 million for worldwide security upgrades.

Embassy Security, Construction and Maintenance (ESCM) — This account supports the maintenance, rehabilitation, and replacement of overseas facilities to provide appropriate, safe, secure and functional facilities for U.S. diplomatic missions abroad. Early in 1998, Congress had enacted \$640 million for this account

for FY1999. However, following the embassy bombings in Africa in August 1998, Congress agreed to more than \$1 billion (within a supplemental funding bill) for the Security and Maintenance account by establishing a new subaccount referred to as Worldwide Security Upgrades.

The Administration request for FY2007 seeks \$640.1 million for regular ESCM and \$899.4 million for worldwide security upgrades, for a total account level of \$1,539.5 million, a 4.8% increase over the total FY2006 ESCM appropriations level of \$1,469.7 million, reflecting rescissions. The House bill provides \$605.6 million for regular ESCM funds and \$899.4 million for worldwide security upgrades for a total of \$1,505.0 million. This would represent \$35.3 million more than the estimated FY2006 funding level, but \$34.5 million below the President's request for FY2007. The Senate Appropriations Committee recommendation is for a total of \$1,388.8 million.

For FY2006, the President requested \$615.8 million for regular ESCM expenditures and \$910.2 million for worldwide security upgrades, for a total account level of \$1,526.0 million, a 1.5% increase over FY2005 enacted funding. The most significant portion of funding for this account — that needed for the U.S. embassies in Iraq and Afghanistan — was not included in the President's FY2006 State Department request, but were included in the Administration's FY2005 supplemental budget request that was sent to the Hill a week later. The supplemental (P.L. 109-13) provided \$592 million for embassy construction in Baghdad, \$663.5 million for embassy operations in Iraq and \$60 million for embassy operations in Afghanistan.

In addition to the FY2005 supplemental funding, the FY2006 appropriation act (P.L. 109-108) provided \$571.1 million for regular ESCM and \$898.6 million for worldwide security upgrades, after rescissions.

Educational and Cultural Exchanges — This account funds programs authorized by the Mutual Educational and Cultural Exchange Act of 1961, such as the Fulbright Academic Exchange Program, as well as leadership programs for foreign leaders and professionals. Government exchange programs came under close scrutiny in past years for being excessive in number and duplicative. By a July 1997 executive order, the Office of U.S. Government International Exchange and Training Coordination was created. In the FY2004 appropriation, the conferees noted that exchanges with Eastern European and former Soviet Union countries are to be built into the base of the Educational and Cultural Exchanges, but Congress did not provide the money necessary to fully fund those programs. The FY2005 appropriation for exchanges included \$160.5 million for the Fulbright Program which, according to the conferees, is to include a Foreign Student Program with Iraq and Afghanistan.

In FY2006 public diplomacy enacted funds included \$329.7 million in the D&CP account and \$426.3 million after rescissions for Educational and Cultural Exchanges, including \$185.1 million for the Fulbright Program.

For FY2007, the President is requesting \$474.3 million for the Educational and Cultural Exchange Program, including \$200.3 million for the Fulbright program, and \$351 million within the D&CP account for public diplomacy expenses. Within the

supplemental, the Administration requested and received in P.L. 109-234 an additional \$5 million to expand exchange programs with Iran.

The House passed its FY2007 SSJC appropriations bill with \$436.3 million for exchanges. The Senate full committee recommends \$445.5 million.

The Capital Investment Fund (CIF) — CIF was established by the Foreign Relations Authorization Act of FY1994/95 (P.L. 103-236) to provide for purchasing information technology and capital equipment which would ensure the efficient management, coordination, operation, and utilization of State's resources.

The FY2005 request for CIF was \$155.1 million (95.8% above the FY2004 enacted level), with an additional \$114.0 million in estimated Expedited Passport Fees to be combined with CIF funds to provide a total \$269.1 million for information technology and communication systems at the Department of State. However, Congress enacted \$51.5 million for CIF in FY2005 and also created the Centralized Information Technology Modernization Program, with an appropriation of \$76.8 million. Combined the two accounts totaled \$128.3 million, 17.3% less than requested for overall IT funding.

For FY2006, Congress provided (after rescissions) \$58.1 million for CIF and \$68.5 million for the Centralized Information Technology Modernization Program. In addition, the conference report (H. Rept 109-272) states that the conferees expect \$116 million from expedited passport fee collections will be used for Technology Investments in FY2006.

For FY2007, the President is requesting \$68.3 million for CIF and no funds for the Centralized Information Technology Modernization Program. Also, the Administration is requesting the appropriation of \$207.6 million in expedited passport fee collections for use in State Department technology investments in FY2007.

The House agreed to \$58.1 million for the Capital Investment Fund and estimates that \$207.6 million will be available from expedited passport fees for information technology in FY2007. The Senate Appropriations Committee recommends the same level of funding — \$58.1 million.

International Organizations and Conferences

In recent years, U.S. contributions to the United Nations and its affiliated agencies and peacekeeping operations have been affected by a number of issues. These have included the withholding of funds related to international family planning policies; issues related to implementation of the Iraq Oil for Food Program and the findings and recommendations of the Volcker Committee Inquiry into that program; alleged and actual findings of sexual exploitation and abuse by personnel in U.N. peacekeeping operations in the field and other misconduct by U.N. officials at U.N. headquarters in New York and at other U.N. headquarters venues; and efforts to develop, agree to, and bring about meaningful and comprehensive reform of the United Nations organization, in most of its aspects.

Since 2004, congressional attention has often been directed to ways to ensure comprehensive U.N. reform, through legislative proposals fashioned after extensive hearings. Current legislative issues remaining include followup and oversight of reforms initiated by the United Nations membership in September 2005 and throughout its fall General Assembly session and the possibility of increasing the 25% legislative cap on U.S. contributions to U.N. peacekeeping assessments to 27.1%. (For more detail, see CRS Report RL33611, *United Nations System Funding: Congressional Issues*, by Marjorie Ann Browne.)

Contributions to International Organizations (CIO) — CIO provides funds for U.S. membership in numerous international organizations and for multilateral foreign policy activities that transcend bilateral issues, such as human rights. Maintaining a membership in international organizations, the Administration argues, benefits the United States by advancing U.S. interests and principles while sharing the costs with other countries. Payments to the U.N. and its affiliated agencies, the Inter-American Organizations, as well as other regional and international organizations are included in this account.

The President's FY2007 request seeks a 10.2% increase totaling \$1,268.5 million for this account. The FY2006 enacted appropriation (with rescissions) for CIO is estimated at \$1,151.3 million. The House Appropriations Committee recommended \$1,151.3 million. After numerous floor amendments taking money from this account to offset increases in Department of Justice salaries and expenses, Community Oriented Policing Services (COPS), and a southwest border initiative, funding for CIO dropped by \$29 million, to \$1,122.3 million. The Senate Appropriations Committee recommends the same level as the House Appropriations Committee did — \$1,151.3 million for FY2007.

Contributions to International Peacekeeping Activities (CIPA) — The United States supports multilateral peacekeeping efforts around the world through payment of its share of the U.N. assessed peacekeeping budget. The President's FY2007 request totals \$1,135.3 million. This represents 11.1% increase over the FY2006 enacted level of \$1,022.3 million. The House-passed bill provides the same amount as the President requested for FY2007.

In addition to the Administration's FY2007 request, an additional \$69.8 million is included for CIPA in the President's request for FY2006 Emergency Supplemental funds. In the supplemental, \$31.7 million is for supporting U.N. peacekeeping in the southern Sudan which began in March 2005 and will continue through FY2006; \$38.1 million is for supporting the transition to a U.N. mission in Darfur from the current African Union peacekeeping mission. Congress provided \$178.0 million for CIPA in the FY2006 Supplemental (P.L. 109-234).

International Commissions

The *International Commissions* account includes the U.S.-Mexico Boundary and Water Commission, the International Fisheries Commissions, the International Boundary Commission, the International Joint Commission, and the Border Environment Cooperation Commission. The FY2007 request of \$63.9 million represents a decline of 3.9% from the FY2006 level of \$66.5 million. The decline

in requested funds is largely in the Great Lakes Fishery Commission within the International Fisheries Commissions. The House passed \$67.9 million. The Senate Appropriations Committee recommends \$67.4 million.

Related State Department Appropriations

The Asia Foundation — The Asia Foundation is a private, nonprofit organization that supports efforts to strengthen democratic processes and institutions in Asia, open markets, and improve U.S.-Asian cooperation. The Foundation receives both government and private sector contributions. Government funds for the Asia Foundation are appropriated to, and pass through, the State Department. The Administration request for FY2007 is \$10 million, the same as requested a year earlier, but 27.5% below the enacted FY2006 level of \$13.8 million (with rescissions). The House passed \$13.8 million for the Asia Foundation again for FY2007. The Senate Appropriations Committee recommends \$14.0 million.

The International Center for Middle Eastern-Western Dialogue Trust Fund — The conferees added language in the FY2004 conference agreement for the Consolidated Appropriations Act, FY2004 to establish a permanent trust fund for the International Center for Middle Eastern-Western Dialogue. The act provided \$6.9 million for perpetual operations of the Center which is to be located in Istanbul, Turkey. Despite the fact that the Administration did not request any FY2005 funding for this Center, Congress provided \$7.3 million for it in FY2005. The Administration requested spending \$850,000 of interest and earnings from the Trust Fund for program funding in FY2006, but Congress set the appropriated level at \$5 million. For FY2007, the Administration is again seeking appropriation authority to spend \$750,000 of interest and earnings from the Trust Fund to be used for programming activities and conferences at the Center. The House agreed to \$375,000 of interest and earnings for FY2007. The Senate Appropriations Committee recommends \$750,000 of interest and earnings of the Trust Fund be used in FY2007.

National Endowment for Democracy (NED) — The National Endowment for Democracy, a private nonprofit organization established during the Reagan Administration, supports programs to strengthen democratic institutions in more than 90 countries around the world. NED proponents assert that many of its accomplishments are possible because it is not a government agency. NED's critics claim that it duplicates U.S. government democracy programs and either could be eliminated or could operate entirely with private funding.

The Administration's FY2007 budget request of \$80 million for NED is the same as its FY2005 and FY2006 requests. The FY2007 request represents an 8.0% increase over the enacted \$74.1 million (after rescissions) for FY2006.

The House bill provides \$50 million for NED in H.R. 5672. The Senate Appropriations Committee recommends \$8.8 million, but notes that additional funding is included in the Democracy Fund of H.R. 5522.

East-West and North-South Centers — The Center for Cultural and Technical Interchange between East and West (East-West Center), located in Honolulu, Hawaii,

was established in 1960 by Congress to promote understanding and cooperation among the governments and peoples of the Asia/Pacific region and the United States. The Center for Cultural and Technical interchange between North and South (North-South Center) is a national educational institution in Miami, FL, closely affiliated with the University of Miami. It promotes better relations, commerce, and understanding among the nations of North America, South America and the Caribbean. The North-South Center began receiving a direct subsidy from the federal government in 1991.

The Administration's FY2007 request is for \$12 million for the East-West Center, a decrease of 36.8% from the FY2006 funding level of \$19.0 million (including rescissions), and no funds for the North-South Center. The House passed \$3 million for the East-West Center, noting that the Center can solicit contributions and can compete for federal grants. The Senate Appropriations Committee recommends \$19 million for the East-West Center for FY2007.

Broadcasting Board of Governors

The United States International Broadcasting Act of 1994⁴ reorganized within USIA all U.S. government international broadcasting, including Voice of America (VOA), Broadcasting to Cuba, Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and the newly-approved Radio Free Iraq and Radio Free Iran. The 1994 Act established the Broadcasting Board of Governors (BBG) to oversee all U.S. government broadcasting; abolished the Board for International Broadcasting (BIB), the administering body of RFE/RL; and recommended that RFE/RL be privatized by December 31, 1999. This recommendation was repealed by P.L. 106-113.

During the reorganization debate in 1999, the 105th Congress agreed that credibility of U.S. international broadcasting was crucial to its effectiveness as a public diplomacy tool. Therefore, Congress agreed not to merge broadcasting functions into the State Department, but to maintain the Broadcasting Board of Governors (BBG) as an independent agency as of October 1, 1999.

For FY2007 international broadcasting activities the President is requesting \$671.9 million, a 4.3% increase over the FY2006 enacted level of \$644 million, including rescissions. The FY2007 broadcasting request includes \$653.6 million for broadcasting operations, \$36.3 million for Broadcasting to Cuba, and \$18.3 million for Capital Improvements. In addition, the President is seeking \$50 million in its FY2006 Emergency Supplemental request for expanded broadcasting in Iran. After floor amendments, the House-passed bill provides \$646.3 million for broadcasting operations, including \$36.1 million for Cuba Broadcasting. The bill provides an additional \$7.6 million for capital improvements. The Senate Appropriations Committee recommends \$653.6 million for Broadcasting operations (including \$36.3 million for Cuba broadcasting) and agrees with the House level of \$7.6 million for capital improvements.

⁴ Title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, P.L. 103-236.

While the FY2007 BBG budget request reflects an increase over the FY2006 funding level, of concern to some is the intended elimination of *VOA News Now* — a worldwide English language program that broadcasts primarily over shortwave radio. According to the BBG, eliminating this 14 hour-per-day English programming will save \$6.8 million (largely beginning in FY2008) at a time when shortwave listenership is down, radio frequencies are expensive, and budgets are tight⁵. At the same time BBG says it plans on expanding somewhat its Special English shortwave broadcasting program worldwide. Some critics of ending the *VOA News Now* worldwide program contend that in this war of ideas era in which we live, eliminating English broadcasting to save \$6.8 million is taking U.S. international broadcasting in the wrong direction. According to the House Appropriations Committee Report (H.Rept. 109-520), H.R. 5672 would restore this and other language services.

Visa Issuance and Homeland Security

The State Department traditionally has had sole authority to issue visas overseas. The Homeland Security Act of 2002 (H.R. 5005/P.L. 107-296, signed into law on November 25, 2002) now provides the Secretary of the Department of Homeland Security (DHS) with exclusive authority to: 1) issue regulations regarding administering and enforcing visa issuance, 2) impose upon any U.S. government employee, with consent of the head of his/her agency, any functions involved in visa issuance, 3) assign DHS employees to each overseas post where visas are issued, and 4) use the National Foreign Affairs Training Center to train DHS employees who will be involved in visa issuance. The act states that these authorities will be exercised through the Secretary of State. The Homeland Security Act of 2002 further provides the Secretary of State and consular officers with the authority to refuse visa applications. The act stipulates that within one year after the act is signed, the Secretary of DHS and the Secretary of State must report to Congress on implementation of visa issuance authorities and any proposals that are necessary to improve the activities surrounding visa issuance. Specifically regarding visa issuance in Saudi Arabia, the act stipulates that upon enactment of the act, the third party screening program in Saudi Arabia will terminate, but on-site personnel of the DHS shall review all visa applications prior to adjudication there.

The Homeland Security Act of 2002 did not alter the current authority for the Department of State to use machine readable visa fees in its expenditures. State's total allocation of machine readable visa fees in FY2001 was \$395.3 million; in FY2002 it was \$443 million; in FY2003 it was \$623.3 million; for FY2004 it was \$602.9 million; for FY2005 it was \$668.1 million, and the estimate for FY2006 is \$734.0 million. The FY2007 budget includes a request for \$683 million from MRV fee collections. The fees are typically used for State Department border security programs, technology, and personnel.

⁵ According to the BBG, one study concluded that *VOA English* adds just .16% listenership over *VOA vernacular* programming where both are available. Telephone conversation with the BBG's Office of Legislative Affairs, March 15, 2006.

Table 1. State Department and Related Agencies Appropriations
(millions of dollars)

	FY2005 enacted*	FY2005 supp. P.L. 109-13	FY2006 estimate**	FY2007 request	FY2006 supp P.L.109-234	House H.R. 5672	Senate Cmte
State Department							
Diplomatic & Consular Program	4,172.2	734.0	4,319.7	4,651.9	1,529.4	4,460.1	4,495.1
Public Diplomacy	(320.0)		(329.7)	(351.0)		(351.0)	
Worldwide Security Upgrades	(649.9)		(680.7)	(795.2)		(795.1)	(795.1)
Ed & cultural exchange prog. (USIA)	355.9		426.3	474.3	5.0	436.3	445.5
Office of Inspector General	30.0		29.6	32.5	25.3	32.5	32.5
Representation allowances	8.5		8.2	8.2		8.2	8.2
Protec.-missions & officials	9.7		9.3	9.3		9.3	9.3
Embassy security/constr/maintenance	603.5	592.0	571.1	640.1		1,505.0	1,388.8
Worldwide security upgrades	900.1		898.6	899.4		(899.4)	(783.2)
Emergency-diplo. & consular services	1.0		24.9	4.9		4.9	4.9
Repatriation loans	1.2		1.3	1.3		1.3	1.3
Payment American Inst. Taiwan	19.2		19.5	15.8		15.8	15.8
Foreign Service Retirement Fund	132.6		131.7	125.0		125.0	125.0
Capital Investment Fund	51.5		58.1	68.3		58.1	58.1
Centralized Information Tech Modernization Program	76.8		68.5	0.0		0.0	
Total, Administration of Foreign Affairs	6,362.2	1,326.0	6,566.8	6,931.0	1,559.7	6,656.5	6,584.5

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	FY2005 enacted*	FY2005 supp. P.L. 109-13	FY2006 estimate**	FY2007 request	FY2006 supp P.L.109-234	House H.R. 5672	Senate Cmte
International Organ. & Conf.							
Contributions to international organizations	1,166.2		1,151.3	1,268.5		1,122.3	1,151.3
Contributions to international peacekeeping	483.5	680.0	1,022.3	1,135.3	178.0	1,135.3	1,135.3
Total International Organ. & Conf.	1,649.7	680.0	2,173.6	2,403.8	178.0	2,257.6	2,286.6
Total International Commissions	63.3	0.0	66.5	63.9		67.9	67.4
Related Appropriations							
Int'l Cntr for Middle East-West Dialogue-Trust	6.7		4.9	0.0		0.0	0.8
Int'l Cntr for Middle East-West Dialogue-progrm	0.6		0.9	0.7		0.4	
The Asia Foundation	12.8		13.8	10.0		13.8	14.0
National Endowment for Democracy	59.2		74.1	80.0		50.0	8.8*
East-West Center	19.2		19.0	12.0		3.0	19.0
Eisenhower Exchange	0.5		0.5	0.5		0.5	0.5
Israeli Arab Scholarship	0.4		0.4	0.4		0.4	0.4
Total Related Appropriations	99.4		113.6	103.7		68.1	43.5
Total State Department	8,174.7	2,006.0	8,920.5	9,502.4	1,737.7	9,050.1	8,982.0
International Broadcasting							
Capital Improvements	8.4	2.5	10.9	18.3		7.6	7.6
Broadcasting Operations	583.1	4.8	603.4	653.3	36.1	646.3	653.6
Broadcasting to Cuba	--		37.6	(36.3)		(36.1)	(36.3)

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	FY2005 enacted*	FY2005 supp. P.L. 109-13	FY2006 estimate**	FY2007 request	FY2006 supp P.L.109-234	House H.R. 5672	Senate Cmte
Total International Broadcasting	591.6	7.3	651.9	671.9	36.1	653.9	661.2
TOTAL State & Broadcasting	8,766.3	2,013.3	9,935.0	10,174.3	1,773.8	9,704.0	9,643.2

*FY2005 enacted figures reflect a 0.54% rescission within the CJS (Division B) portion of the omnibus law and the 0.80% across-the-board rescission applied to all accounts within the act.

**FY2006 estimates reflect a 0.28% rescission within Sec. 638, P.L. 109-108 and a 1.0% across-the-board rescission as well as supplemental funds within the Emergency Supplemental appropriation, P.L. 109-148.