

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

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

AUGUST 1, 2007

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

The Changing Environment

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

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

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

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

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

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

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

Global Repositioning

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

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

Training for Transformational Diplomacy

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

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

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

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

Adapting our Recruitment, Intake and Assignments Policies

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

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

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

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

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

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

Foreign Service Compensation Reform

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

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

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

Personnel Needs

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

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

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

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

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

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

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