

**FOREIGN RELATIONS AUTHORIZATION FOR FY
1998-1999: U.S. INFORMATION AGENCY AND
NATIONAL ENDOWMENT FOR DEMOCRACY**

HEARING
BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS
AND HUMAN RIGHTS
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTH CONGRESS
FIRST SESSION

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MARCH 13, 1997
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FOREIGN RELATIONS AUTHORIZATION FOR FY 1998-1999: U.S. INFORMATION AGENCY AND NATIONAL ENDOWMENT FOR DEMOC- RACY

THURSDAY, MARCH 13, 1997

**HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON INTERNATIONAL RELATIONS AND
HUMAN RIGHTS,
COMMITTEE ON INTERNATIONAL RELATIONS,
*Washington, DC.***

The Subcommittee met, pursuant to notice, at 1:32 p.m. in room 2172, Rayburn House Office Building, Washington, DC, Hon. Christopher H. Smith (chairman of the Subcommittee) presiding.

Mr. SMITH. The Subcommittee will come to order. Good afternoon.

This is the fourth in a series of hearings on legislation to authorize the Foreign Relations Agencies of the United States for fiscal years 1998 and 1999.

Today the Subcommittee will consider the functions known collectively as public diplomacy, the international broadcasting services, exchange programs, and other information services of the United States Information Agency, and the worldwide pro-democracy activities of the National Endowment for Democracy.

The members of this subcommittee, both Democrats and Republicans, have been strong supporters of public diplomacy. I fully expect this support to continue. But our efforts will only be successful to the extent that we can show our colleagues and the American people that these programs continue to serve their original purpose: the transmission of freedom and democracy.

Our international broadcasting services will survive into the 21st century if, and only if, they succeed in sending the message of freedom to people whose governments hate this message. It is no accident that two of the broadcasting services with the strongest support in the Congress are Radio Free Asia and Radio/TV Marti.

The need for freedom broadcasting to the people of Cuba, China, Tibet, Vietnam, North Korea, and Burma is all too clear. We should not make the mistake, however, of thinking that the rest of the world has no need for freedom broadcasting. Despite the end of the official Communist domination of Eastern Europe, the habits of repression die hard.

Last year, for example, the Milosevic regime in Serbia attempted to squash its popular opposition by shutting down the nation's independent radio stations. Both Radio Free Europe and the Voice

of America stepped into the breach. These services not only provided the people of Serbia with minute-by-minute accounts of the popular resistance to Milosevic and his stealing of that election; they also provided the independent Serbian nations with air time to broadcast the programs the regime was attempting to keep the people from hearing.

As a matter of fact, I would say parenthetically, as chairman of the Commission on Security and Cooperation, we held a hearing on December 12 and heard from a number of the activists and the democracy folks from Serbia, including the editor-in-chief of B-92, who expressed their profound thanks for our international broadcasting, for our stepping in and providing that bridge for them.

And so the recent events in Serbia demonstrate that people whose nations are still emerging from communism still need both the Voice of America and the surrogate broadcasting services provided by Radio Free Europe and Radio Liberty.

For even greater reason it would be a tragic mistake to reduce broadcasting to the people of Cuba. In particular, USIA and the Broadcasting Board of Governors must reaffirm their commitment to overcome the technical obstacles that have enabled the Castro regime to prevent its people from receiving TV Marti. Letting Castro win this battle would send exactly the wrong message at exactly the wrong time. The Castro dictatorship is at an all-time low, in both domestic support and international prestige.

Like the two Clinton-Castro immigration agreements, the silencing of TV Marti would provide new hope for the Castro dictatorship, and a fresh dose of despair for the Cuban people.

It is particularly disturbing that the conversion of TV Marti broadcasts to UHF, which will allow broadcasting on more frequencies and with more accessible hours, and therefore make it more expensive and difficult for the Cuban Government to block access, has still not even been tried. We were promised in 1995 that this effort would soon be up and running. But now, 2 years later, we are told the USIA has still not been able to get the technology in place.

In the meantime, those in Congress and elsewhere who always opposed TV Marti are now saying it could never work. This looks an awful lot like the old "Washington Two-Step": when a program has powerful enemies inside the beltway who do not like it and do not have the votes to defeat on the merits, first they cripple it and then they use the fact that it is crippled as an excuse to kill it.

We are now informed that UHF broadcasting will begin in August or September of this year. I trust the USIA and the Board will work vigorously to ensure that there are no further delays, and that we do not simply concede this to Castro.

Turning to international exchanges, we confront many of the same issues that are presented by international broadcasting. Exchanges can and do promote American values, but only if they are structured and monitored to ensure that they reach out to people who need them, rather than simply providing free travel for people who could afford to travel anyway; or even worse, enhancing the prestige and power of foreign government officials who are incorrigible opponents of freedom and democracy.

The recent enactment of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 should strengthen the connection between our international exchanges and the promotion of human rights around the world. Section 102 of the Act provides that in carrying out programs of educational and cultural exchange in countries whose people do not fully enjoy freedom and democracy, including, but not limited to, China, Vietnam, Cambodia, Tibet, and Burma, the director of the USIA shall take appropriate steps to provide opportunities for participation in such programs to human rights and democracy leaders of such countries.

Section 103 of the Act provides scholarships for Tibetan and Burmese students who are in exile from their countries, as well as exchange programs between the people of the United States and the people of Tibet.

I look forward to hearing what steps USIA has taken and will take to implement these provisions.

It is important that we protect our public diplomacy activities, not only by funding them adequately, but also by providing structures that will protect both their integrity and their efficiency. For instance, I made it clear that in any reorganization of our foreign relations agencies, it would be unacceptable to subordinate our Freedom Broadcasting Services and other public diplomacy activities to the day-to-day policy objectives of the various country desks and regional bureaus of the State Department.

Similarly, the Board of Broadcasting Governors was created in an apparent attempt to insulate our broadcasting services from any real or perceived bureaucratic interference. Since then, some have suggested that the Board might instead be creating its own bureaucracy, with its own potential for interference with the content of our freedom broadcasts.

I look forward to hearing from our witnesses today about exactly what kind and what degree of control, if any, the USIA and the Board should exercise over the personnel and day-to-day operations of our Broadcasting Services, and over the content of their broadcasts.

Finally, I want to say a word about the National Endowment for Democracy. Of the billions of dollars we spend every year trying to protect and defend freedom around the world, the \$30 million we spend on NED is probably the most cost-effective item in the budget. Because NED is small, and because it is not a U.S. Government agency, it can directly intervene to empower the victims of oppression, even as our official foreign relations apparatus is doing its best, at times, to get along with the governments that are perpetrating this oppression.

One current example is the Burmese refugees along the Thai border, who are now in grave danger of being returned into the hands of a military dictatorship. These people are also desperately poor. And yet NED has been able to provide small grants for printing presses, short-wave radios, fax machines, and even internet access. By seeing to it that these refugees are no longer invisible, NED has made it more likely that they will no longer be entirely powerless.

I look forward to hearing from our very distinguished witnesses, but at this point I would like to yield to my very good friend, the

distinguished gentleman from California, Mr. Lantos, for any opening comments.

Mr. LANTOS. Thank you, Mr. Chairman. I want to commend you for holding this hearing.

I want to welcome our distinguished witnesses. As you know, I have been a steadfast supporter of both USIA and the National Endowment for Democracy throughout the years. Under Director Duffey, USIA has done a remarkable job in carrying our message and our interests to all parts of the globe. And I want publicly to pay tribute to Director Duffey for his outstanding public service.

I was delighted to hear your comments about the National Endowment for Democracy. It is, indeed, enormously cost-effective, and it is good to know that it has the bipartisan support that your support and my support symbolize.

These agencies have not been given nearly enough credit for the winning of the cold war, which, of course, is the key achievement of the last two generations, when, in point of fact, USIA and NED played an absolutely pivotal role in carrying the word of factual, honest, straightforward news, analysis, information, insight, perspective to countries across the globe.

I profoundly regret the budget cuts that these agencies have suffered in recent years. And I think it is extremely critical that we draw the line; that we appropriate every dime of the President's request. The agencies have shown an enormous degree of flexibility in cutting back, in streamlining, in making their operations more efficient, more cost-effective. And they deserve our full-fledged and enthusiastic support.

I want to extend my regret that, due to a conflicting set of commitments on the floor and in another committee, I will not be able to stay for the whole session. But I want to assure the witnesses of my full support.

Mr. SMITH. Thank you very much, Mr. Lantos. I would like to yield to Congresswoman Ileana Ros-Lehtinen, the chair of the International Economic Policy and Trade Subcommittee.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. I would also like to echo Mr. Lantos's words of praise for Dr. Duffey's leadership in this very important government agency. And like my colleague, Tom Lantos, I will stay with the Subcommittee today as long as I can, but unfortunately our South Florida Delegation has a series of presentations before the Appropriations Subcommittees today. Furthermore, I would like to submit my questions in writing, if I may, Mr. Chairman, before the hearing ends, in case I am not able to stay.

I would like to recognize, before I make some brief statements, two individuals who are with us in the audience: Joe Bruns, Dr. Duffey's assistant, and Alberto Mora, a former constituent of my congressional district, who is a member of the Broadcasting Board of Governors. It is good to see Mr. Mora here.

And I would like to thank you, Mr. Chairman, for calling this hearing on the foreign relations authorization for the United States Information Agency, as well as for the National Endowment for Democracy. I would like to concentrate my comments this afternoon, if I can, on what I consider two of the most important elements of our overseas broadcast operations, Radio and TV Marti. There is no

doubt that since the inception of the first Radio Marti, and later, then, TV Marti, the oppressed people of Cuba have been able to have a window to an objective news source contrary to the State propaganda that passes for news information under the failed Castro regime.

Both stations have been successful in breaking the information monopoly that the Castro regime uses as a weapon of repression against the Cuban people. And under the extremely capable and professional leadership of Joseph Duffey at USIA, the Martis have been provided with the resources necessary to conduct their job in a very efficient manner. And this, of course, has helped to maintain an important pressure on the Castro dictatorship.

However, we are increasingly concerned about the delays to further streamline and make the operation of the Martis more efficient. The Office of Cuba Broadcasting Reinvention Plan—a document that was approved 3 years ago by a former OCB director, Richard Lobo, by Mr. Duffey, and the Administration, and which has been given a green light by the U.S. Congress, so everyone has approved of it—has yet to be implemented. If this plan had already been in place, Mr. Chairman, the American taxpayers would have saved almost \$2 million just in the last 3 years.

Unfortunately, despite many promises of speedy action to put the plan into effect, it has not been done, so far. I am extremely interested in learning today about the plans to finally put this cost-saving plan into action.

I would also like to hear from our witness today, as you pointed out, Mr. Chairman, about the plans to change the TV Marti broadcast from VHF to UHF. This move would allow, as you pointed out, for the Cuban people to have even greater access to TV Marti, as it would be that much harder for the Castro regime to jam the signal.

I am baffled why, also, this Office of Cuba Broadcasting, I have been told, is one of the only segments of our international broadcast which is required to pay for its transmitters, and I would like to ask the officials if that is true.

Finally, it is disappointing and very frustrating for some within the leadership of the Broadcasting Board of Governors, whose mission is to promote U.S. international broadcasting, that they have taken it upon themselves to unfairly and irresponsibly try to damage Radio and TV Marti.

I am particularly referring to the statements made by one of our witnesses here today, Chairman David Burke, who has, on numerous instances, both behind the scenes and in public, sought out to undermine the mission and the job performed by the Martis. I have a series of questions to ask Mr. Burke afterward. But these actions have not only unjustly hurt the solid credibility of the Martis, but they have also been detrimental to the Cuban-American community as a whole.

Also I would like to mention just a few of the occasions, Mr. Chairman, if I may, where Mr. Burke has openly attacked, through words and action, Radio and TV Marti.

In an October interview with the CBS program "60 Minutes," Mr. Burke said that TV Marti should just go away, and stated that

Radio Marti was not a serious news organization because it suffered from undue influence.

On a Voice of America program, Mr. Burke cavalierly said that the Office of Cuba Broadcasting "does not have a management that I consider professional."

He has failed to act on the oversight responsibility of his Board by ignoring numerous requests for approval of routine procedures within OCB. As an example, in August 1995 he ignored repeated requests from OCB to appoint new members to its external review panel, even after the panel was recommended by the General Accounting Office.

Mr. Burke has also refused to allow any funds from the Radio Construction Account and the International Broadcasting Account to be used for the relocation of TV and Radio Marti to our area of Miami. As a result, the relocation of the Martis is exclusively financed by the Office of Cuba Broadcasting, and not surprisingly, Mr. Burke also opposed the relocation itself.

Just yesterday, before a House Appropriations Subcommittee, Mr. Burke voiced his opposition to changing TV Marti from VHF to UHF, despite the broad support that this has received from experts from Congress and from the Clinton administration.

I look forward to hearing Mr. Burke's comments. But I must say I consider this to be systematic harassment of the Martis. It is undermining the mission of Radio and TV Marti, and the responsibility of Mr. Burke also, given that he is chairman of the Broadcasting Board of Governors.

I think our broadcasts to Cuba have been proven to be a great success. We hear it, I hear it daily in my congressional office, from the recent arrivals from Cuba who constantly tell us that their main news source are the Marti broadcasts. I hope that the USIA will move expediently to assure that these broadcasts continue uninterrupted and more efficiently.

I urge this committee, as always, to fully financially support the broadcast of Radio and TV Marti. And thank you so much, Mr. Chairman.

Mr. SMITH. Thank you, Ms. Ros-Lehtinen. Mr. Hilliard.

I would like to introduce to the Subcommittee people who really do not need introduction, but I will do it anyway.

Dr. Joseph Duffey was officially sworn in as the director of the United States Information Agency in June 1993. Prior to his appointment, Dr. Duffey was the 12th President of American University. He also spent 9 years at the University of Massachusetts as chancellor of the Amherst Campus, and then chancellor and president of the University of Massachusetts System.

Under the Carter and the Reagan administrations, Dr. Duffey served as Assistant Secretary of State for Educational and Cultural Affairs, and as chairman of the National Endowment for the Humanities.

In 1980 he served as the U.S. Delegate to the General Conference of the U.N. Educational, Scientific, and Cultural Organization. And in 1991, Dr. Duffey was Joint Head of the U.S. Delegation observing national elections in Ethiopia.

In 1995, Mr. David Burke was appointed the first chairman of the Broadcasting Board of Governors. He began his professional ca-

reer in 1960, working with George P. Schultz, who later became Secretary of State under President Reagan.

Mr. Burke later served in the Kennedy administration. Since 1965 Mr. Burke has served as legislative assistant, and then administrative assistant, to Senator Edward M. Kennedy, as Secretary of, then Governor Cuomo of New York, and as vice president of ABC News, president of CBS News, and as vice president and chief administrative officer of the Dreyfus Corporation, for which he currently serves as trustee and Board member.

Mr. Carl Gershman assumed the position of president of the National Endowment for Democracy in April 1984. Prior to his post, Mr. Gershman was Senior Counsellor of the U.S. Representatives for the United Nations for over 3 years. While at the mission, he also served as the lead consultant to the National Bipartisan Commission on Central America.

Mr. Gershman was also a resident scholar at the Freedom House from 1980 to 1981.

Dr. Duffey, if you could begin your testimony. And without objection, all of your prepared statements will be made part of the record. But please proceed as you wish.

STATEMENT OF JOSEPH DUFFEY, DIRECTOR, U.S. INFORMATION AGENCY

Mr. DUFFEY. Thank you, Mr. Chairman. I appreciate the opportunity to come before the Subcommittee today to express my views on the mission and work of the United States Information Agency, and respond to your questions.

I will only touch just a few highlights of the testimony that I have prepared today.

I should begin by saying that it is not a secret that 4 years ago, I asked the men and women of the United States Information Agency to come with me and go forward with the process of change, of genuine reinvention. But we did not begin with boxes or organization charts, or even with a major preoccupation with the anxiety of reduced budgets. We began by examining how the world has changed, and by examining the national interests of the United States.

We have looked at the mission of USIA in the context of the end of the cold war, the coming to an end of a historic period that began with World War II, at the same time that global technologies and current goals and needs of this nation must be primary in our planning for diplomacy and strategies for the future.

Over several decades the USIA, with rising budgets, has had a long and honorable tradition of serving the interests of the citizens of the United States. If you look at history, you can see that from time to time the mission has been redefined by changing conditions and new technologies, and a sense of the priorities of the time.

In 1945, at the end of World War II, one of our predecessor organizations was called upon by President Truman to work—and I use his words—“to see that other peoples receive a full and fair picture of American life, and of the aims and policies of the U.S. Government.”

Only 5 years later the times had changed. And President Truman called for a campaign of truth, waging a struggle for the

hearts and minds of men to counter deceit, distortion, and lies used in a deliberate campaign by the adversaries of the United States. He said we must make our voices heard around the world in a great campaign of truth.

In a slightly milder tone, only 3 years later President Eisenhower called upon the USIA to make a more effective use of the public affairs strategies so that all agencies of the U.S. Government, working overseas, could present a full and fair exposition of U.S. policies and actions.

So, over time, what this agency has been called upon to do by the Congress and various Presidents has always related to a sense of the American interest.

Times have now changed, and the demands are different. And the resources are more restrained. And the mission, I think, is more subtle and more sophisticated, but nonetheless important, nonetheless critical, because of practical U.S. interests that are not being directly served by any other agency of the government, or any organization in the private sector.

The great threat to the United States today is not that we not be loved and admired in some far corner of the world, but that we be misunderstood, and that misjudgments might be made by other nations about our interests and our willingness to defend those interests when they are threatened. And about our vision of what it will take to sustain a peaceful and prosperous world for all our citizens.

This country is a puzzle to many in the world who seek to understand our system. The balance of powers presents a picture of contradiction sometimes, and ironies, as we go our way of defining our national aspirations. We cannot take for granted that even those who seek in sympathy to understand our behavior can do so, unless we are more forthcoming.

But there are two forces of historic significance that shape the world we live in: the information communications revolution, and the shift of power away from central government authority to individuals and publics, who often communicate with each other, whether they be non-governmental organizations committed to human rights or environmental issues, or organizations in business and commerce, often have immediate ties through international communication that are changing the whole role and nature of government representation.

These forces should press us to examine how we engage the world. And I believe that for American leadership to be successful, traditional diplomacy must now, more than ever, be complemented by an open and creative public diplomacy.

It seems to me that we have quite practical objectives in the world, and they are all set in the context of the interests of this hearing this afternoon: the spread of fundamental freedoms and human rights.

Those who work for human rights and fundamental freedoms in countries around the world, it seems to me, consist of two groups: those courageous groups who raise the questions, who take the risks as voices, sometimes, of protest; and those men and women who work quietly at their professional concerns in constructing a fair system of law, a fair system of justice, a fair enforcement of

the law, institutions of human welfare that care for the dignity and humanity of all citizens.

In this context, the United States today has a concern about greater deregulation of trade and investment, not just for our sake, but for the sake of a new world economic order that serves all well.

We have an interest in the protection of intellectual property rights. We have an interest in the enactment of laws and agreements that regard transnational investment; but all in this context of a vision of the good life and the humane life.

I believe that the United States Information Agency is now ready for a new century. We have worked to become practiced in the art of pursuing these national interests in an era of frugal diplomacy. And we have a new charter. President Clinton has affirmed it; I would like to read it. It is very brief, perhaps the briefest charter we have had in our history.

“To promote the national interest and national security of the United States of America through understanding, informing, and influencing foreign publics; and to broaden dialog between American citizens and institutions, and their counterparts abroad.”

That statement has been the first step in this agency's effort to refocus and reinvent itself. And we have presented a budget to you today which acknowledges the Congress's call for a clear sense of relating what we do to the national interest.

Just this morning, for example, USIA took the leadership in calling together men and women from agencies, public and private, across Washington, to look at a forthcoming issue that will confront all of us. And that is the public affairs strategy involved with the expansion of NATO, which is a primary objective of our current policy.

We feel that we must take seriously Secretary Albright's search for public affairs agencies that will take responsibility, be accountable, and clearly define what they are trying to do in the national interest.

We are now investing more of our resources than at any time in the past in relation to our total budget, in training and retraining our employees, and in the new technology which each year brings us closer to a world in which communication more and more dominates across national borders, without governmental control, the aspirations and interests and potentialities of its citizens.

Our work force is one-third less than it was 4 years ago, but I believe we work more creatively, more efficiently, and with more focus.

It is a new time. We are no longer an agency that sees itself as men and women with a group of programs and a bag of tools. Rather, we see ourselves as a team of experienced experts in communicating these policies of fact and opinion and nuances and corrections that most often fail to make the headlines, and too often even the body of a story on CNN or Reuters or other commercial news services.

But beyond that, we see ourselves as an agency facilitating the human contact between men and women searching for the same vision of the good society and the good life, whatever may be their culture, or their language, or their background, or their history. We

are unabashed advocates for the interests of the American nation, but also unabashed advocates for its values and its way of life.

Let me close, Mr. Chairman, by referring to an article that appeared 2 weeks ago yesterday in *The Wall Street Journal*, on the op-ed page, by two prominent Members of the congressional majority leadership.

Representative Gerald Solomon of the House Rules Committee and Representative Christopher Cox wrote jointly an article about a lot of issues that are going to be debated with vigor in this Congress and in this city, and across the country, having to do with how we shall present ourselves around the world. They discussed a number of established programs. Their paper will contribute to this debate.

But at one point they wrote the following. "American leadership derives from our powerful ideals and values, our global military presence, and the economic benefits of the free enterprise system."

Whatever differences may emerge in this session of the Congress or in the Democratic debate about our foreign affairs budgets and strategies, I believe those words do express a consensus. One third of those three elements cited by the two Congressmen—our powerful ideals and values—represents the central focus of every program that USIA is engaged in. Compared with the costs of the activities overseas, that one third of the agenda represents a rather modest investment, but perhaps the most powerful one, directly related to the future of U.S. leadership in the world.

Thank you, Mr. Chairman. I will be happy, at the proper time, to speak to questions.

[The prepared statement of Mr. Duffey appears in the appendix.]

Mr. SMITH. Thank you very much, Dr. Duffey, for your fine statement, and for the leadership that you do provide for USIA.

Mr. David Burke.

STATEMENT OF DAVID BURKE, CHAIRMAN, BROADCASTING BOARD OF GOVERNORS

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

With me today at the table is Mr. Tom Korologos, whom I refer to as the ranking minority member of the Broadcasting Board of Governors. He has been my mentor and my leader in a lot of things, and is a deep personal and professional friend.

Also with us today is Ms. Cheryl Halpern, another member of the Board of Governors. And I welcome her presence today, too.

And Mr. Alberto Mora is back there, another member of the Board of Governors.

The Democrats must know something; they are not with me today. After this indictment, Tom may not want to be seen with me in the future, either. But there are some people, however, who have no choice. So let me talk to you about them.

I think, as you know, the Broadcasting Board of Governors is about a year and a half old. And we have had the usual difficulties with startup and the creation. It is a brand new organization. And one of the most difficult things that you go through at your time of startup is getting the right people in the right places.

I believe we are now at the point—and I believe Tom agrees with this—as do Cheryl and Alberto, surely—we have the right people in the right places.

The person who is going to be the director of the International Broadcasting Bureau is Mr. Kevin Klose, who, for the next day or two, will remain the president of Radio Free Europe and Radio Liberty. And you know at RFE/RL, Kevin Klose is doing an extraordinary piece of work, moving that organization from Munich to Prague, maintaining not only a morale level, but an enthusiasm level that I believe makes those radios even better now than they were before. He is a good journalist. He is a good man and a good public servant. And he will be the director of the International Broadcasting Bureau.

There is a new director of the Voice of America: Evelyn Lieberman, who is sitting over there. Evelyn Lieberman is the former Deputy Chief of Staff, under Leon Panetta, to the President of the United States. Prior to that she was on the staff of the First Lady. Prior to that she was associated with the Children's Defense Fund, an organization we all think well of.

She also has spent some time on this Hill. Evelyn was on the staff of Senator Joseph Biden. We are very excited about her presence. She is an extraordinarily intelligent person. And she also is not only a clear thinker, but a clear speaker. And that is always to be welcomed.

Dick Richter is the president of Radio Free Asia, which is 1 year and 2 days old. Radio Free Asia, I believe, has been born and put on the air on record time for a government organization: 6 months after the private non-profit corporation called Radio Free Asia was brought into being, Dick went on the air with his Mandarin service.

He is currently broadcasting in Mandarin, in Tibetan, Burmese, Vietnamese, and Korean. And within the next couple of weeks he will be broadcasting to Laos and to Cambodia. I think it is just an extraordinary piece of work that he has done, and his organization is, again, a vibrant organization, which is what this Board of Governors is trying to create.

Finally, I am very pleased to have with me today, as well, a person who 2 days ago was sworn in as the new head of the Office of Cuban Broadcasting, Mr. Herminio San Roman, sitting with us. Herminio is a more-than-welcome addition. He and I have gotten to know each other very well. We have spent some time in this city, and spent some time elsewhere, as well. And I just think the world of him.

One thing that he has got going for himself is he is 39 or 40 years old. We need more of that. And I look around this organization—Tom and I are excluded, of course—but I look around this organization, and we want a lot of that. And I think he will bring energy and dedication. He knows the meaning of international broadcasting. He knows the importance of the Martis. He knows the importance of their being professional, and that they be highly viewed, both in this country and in Cuba, as an organization of enormous integrity and professionalism. I think he is dedicated to it, and he will do it.

So that is our team that is in place. Now, over the past year, as I say, I have already told you the work that we have done with Radio Free Asia, which is all the work of Dick Richter's.

And you made mention in your opening statement about the effect that the Voice of America and Radio Free Europe and Radio Liberty had in Belgrade and Serbia. That, to me, is the definition of the role of international broadcasting in this new world that you refer to.

No longer a bipolar world. No longer so clean in its ideological definitions and divisions. What do we do in a Belgrade situation? What do you do when you see happen what always happens first? Any authoritarian government, the first thing they do is pull the plug. Well, I think we are in business to put the plug back in. And that happened, that happened in Belgrade, and that government had to turn around. That is a very important thing.

It is also happening in Albania. Albania is a chaotic anarchy situation. The difficulties that are going on there are now reaching to the capital of Tirana. The Voice of America, as we speak, is broadcasting to the American people in Albania, be it families and dependents of the employees in Albania, and is providing a service today, and will continue to provide the service, as the State Department announced this morning, to the dependents and to the American families in Tirana—mainly they are in Tirana—as to debarkation points and the like.

As we speak, at this moment, helicopters are arriving to take out children and women from Tirana. Helicopters are coming from Italy. So that is one of the major functions that is being played in that part of the world today.

Last summer we added two additional languages for the Lakes Region in Central Africa. Those languages were added for the express purpose not only of overcoming hate radio in the region, but also for giving information for relocation of families, and to get people to various transportation points. That was very successful. We do not know how successful these efforts are, Mr. Chairman, because they are always anecdotal. That was, we believe, very successful in the central part of Africa.

So we have the personnel in place. We also this year have been instrumental in the relocation of the Martis to Miami. The minute that bill was signed into law, we established a subcommittee of the Board of Governors. Mr. Mora has served on that, along with Mr. Kaufman and Cheryl Halpern. They made sure that there was no hesitation, and that the Martis moved to Miami in as expedient a fashion as can possibly be. And I believe that by the end of this summer, that move will be complete.

So that is who we are, and that is what we have done. I will not take any more of your time, because I am anxious to get to some of these questions before the Congresswoman has to leave.

[The prepared statement of Mr. Burke appears in the appendix.]

Mr. SMITH. Mr. Burke, thank you for your testimony. I am glad you brought up Albania. Before we go to Mr. Gershman, one of my former staffers headed up a program for IRD in Albania. As a matter of fact, he ended up marrying an Albanian woman, he liked it so much.

But he has been briefing me and briefing many others as to what has been happening there, in addition to other sources. And it is a mess. So I am so pleased to hear, as I expected, that we are broadcasting and looking out for the Americans, especially, who are put at peril with what is going on there.

Mr. Gershman.

**STATEMENT OF CARL GERSHMAN, PRESIDENT, NATIONAL
ENDOWMENT FOR DEMOCRACY**

Mr. GERSHMAN. Thank you, Mr. Chairman. Mr. Chairman, I was reflecting during your opening remarks, and then listening to the remarks of Mr. Lantos and Ms. Ros-Lehtinen. And seeing Mr. Hilliard there, and Mr. Faleomavaega, and Don Payne, who is a cherished Board member of the Endowment, who has given a lot of his time to this.

I was thinking of really how fortunate we are that there are people with this kind of commitment in positions of leadership in the U.S. Congress, who can give some leadership to the kinds of issues we are discussing.

We are, indeed, a multi-ethnic country which is united by a belief in freedom, and a belief in the relevance of the values that we hold dear to peoples all over the world. Seeing people like yourselves up there taking this kind of leadership fills me with hope in the world that there is some backing for what we do and some understanding of what we do.

I can imagine what it means to people in Serbia, in Zaire, in China, in Burma, in Cuba, in so many other countries around the world, where people are struggling against tremendous odds. And they want to know that there are some people who hear their calls, and who try to look for ways to provide meaningful and concrete support to their struggles.

I also want to take this opportunity to thank Joe Duffey for all the help he has given to NED, and to Tom Korologos, who is an old and very, very dear friend, and has always been helpful and understanding to our work.

In the short time I have, I really just want to try to do two things. One is to explain how we have tried, with a limited budget, to make a maximum impact with our grants program—what we like to sometimes refer to as a cutting-edge grant strategy.

And then also maybe to say a word about the nature of the world in which we live, and why I think the kind of work that we do is relevant, and indeed, increasingly relevant to the world, even more so than it was in the days of the cold war.

Regarding our grants strategy, we determined, after the end of the cold war, that in order to remain a cutting-edge institution, we would try increasingly to focus on the most difficult places in the world—the places where the issues of freedom were most sharply at stake. And since 1992, when we adopted our strategy, we have gradually focused on areas where we have not been as active before.

The Islamic world is a major area where we have seen a historic challenge to the Endowment; East Asia, especially China, and Burma, and the Balkan area, which has been racked by conflict. I heard you in the beginning speaking about B-92. I think it is

worth noting that in 1991 we made the first-ever grant to B-92. And the people running that radio said that these early grants that we made to them were able to keep them alive during these early struggles.

We have also helped the Center for Anti-War Action, Vesna Pesic, who is one of the three leaders of the struggle in Serbia for democracy. At this very moment our National Democratic Institute is in Serbia, with, I might add, one of the leaders of the Chilean Coalition back in 1988, Anarro Ariagata, meeting with the opposition in Serbia to discuss what we understand about how to build and maintain effective coalitions. And this kind of sharing I think is very important to the future of those struggles.

But even as we focused on these areas, as Don Payne knows well, we have not abandoned our efforts to have a dynamic and vigorous program in Africa, focusing I think on the most critical and difficult countries: Nigeria; Zaire; Liberia, where we have helped rebuild the human rights organizations which were destroyed by the recent violence; and Sudan, which represents a major challenge today.

In addition, of course, we have maintained, since the very beginning of the endowment, a broad and active program in Cuba. Since supporting journalists, supporting human rights activities, enabling publications to enter the island which provide an alternative to the absence of a free media, we have become much more active in Mexico in this critical neighboring country, where the issue of free and fair elections and clean elections is critical to the survival of peace and stability in that country.

Our institutes in NED have been critically active in Russia, in the work that was done over 6 and 7 years in working with the Democratic groups in Russia was said by themselves to have been very critical in learning the various kinds of techniques and skills which enable them to avoid not only a return to communism, but to see a victory of extreme anti-western nationalists in the recent election. And also in Mongolia. And I could go on in listing the various countries where we have tried to make an impact with limited resources, but still, by engaging with the key people, trying to have a maximal impact.

In the new period, in addition to trying to support these groups, we are trying to find techniques and methods to make our work even more effective, even though the resources are shrinking. That is like trying to square the circle, or to play with smoke and mirrors. But I think we are doing things that are creative.

We are trying to move forward with what we call an integrative grants approach, where we work in different sectors. In the case of a country like China, supporting both a Republican institute, to work on local elections in China which offer an opportunity for a limited political space, to try to open that political space, while we support human rights in China, while we support the work of Harry Wu and the Laogai Research Center, while we have supported programs encouraging constitutional reform.

We have tried to strengthen cross-regional networking, especially in the Islamic world, where the Islamic issues spread not just in the Middle East, but carry into four other regions where the endowment works. In Europe, in the case of Bosnia; in Asia, in the

case of Indonesia and Africa, where you have Nigeria; and of course, in NIS, with Central Asia, Chechnya, and areas like that. To try to strengthen contacts, to try to work on common concerns, especially trying to develop a strong and vigorous alternative to fundamentalist extremism.

We have tried to strengthen our research, raising private funds to do this, but offering the central research institution now in the world on democracy (NED's International Forum for Democratic Studies), which has been able to bring academics all over the world into this alliance with practitioners. Also to try to develop a network of think tanks around the world.

We are now actively seeking to encourage other countries to adopt, to establish programs like NED, so that they could be not only partners in this work, but other sources of financial support for the activists in the field. I think to the extent that we can globalize, as it were, this kind of work, we will make it that much more effective. Because this is not just the work of the United States today; it needs to become the work of the world.

We have tried to encourage grantees to seek counterpart resources. And in our research we have discovered that \$18 of our \$26 million in grants, some \$18 million in addition is brought in in counterpart resources; some 70 cents on the dollar.

We have tried to strengthen the efficiency of our oversight mechanisms, and have adopted a risk-based audit strategy which saves an enormous amount of resources in audit, while not, I think, in any way jeopardizing oversight over taxpayer dollars.

I would be happy to answer further questions on this, but I think it is a comprehensive way to try to make ourselves more effective, and to remain a vibrant global institution during a period of shrinking resources. And I think we are trying to adjust in that way.

A final word, Mr. Chairman, about the relevance of this work and the nature of the world in which we live.

We are living in a different world. We are living in a world that, because of the revolution in technology, because of the revolution in trade, there is a rising consciousness throughout the world. States are no longer the only actors on the international scene. Increasingly, we are seeing non-governmental organizations as actors on the international scene.

There is a declining legitimacy of many regimes around the world, regimes that, if they are not elected with the consent of their people, are seeing, as they lose legitimacy, finally they are falling. And increasingly there have to be authentic forms of legitimacy. Elections are a very important part of that, but not the only part.

We are seeing a world in which conflict often derives from antagonisms within States, not just between States. And therefore, the nature of the regime becomes critically important to establishing peace in the world.

This is also true with respect to the relationship between the nature of the regime and foreign policy considerations. What we saw with the end of the cold war is that our efforts to negotiate arms control agreements could get nowhere as long as we were dealing with a totalitarian State. Once we were no longer dealing with a

totalitarian State, but with a country, with a State that had to be more responsive to its people, the entire international situation changed.

And I know I am carrying coals to Newcastle when I say this, but I think it is important to underline the fact that the Balkan situation today would be very, very different if there were a democratic government in Serbia. Our relationship with China would be very, very different if people who were more friendly to pluralism and democracy and tolerance were in power. Not to mention Cuba and other countries in the Islamic world.

Professor Samuel Huntington has talked about a clash of civilizations. It need not happen. In all the countries around the world where we work, we know that there are people in many countries who are hostile to the values we represent, but there are also people who are friendly to those values, who share these values.

And in conclusion, Mr. Chairman, I just want to say that the Endowment's work is based upon a very, very simple proposition. And that is, where there are people who share our values, where there are people who might be called the natural friends of America, that it is our obligation to help those people in some way.

You have done it in your leadership, speaking out on issues of human rights. Our obligation is to do it by providing financial and technical and moral support to these movements working for democracy. And I honestly believe that, over time—this is not a program which can achieve its results in a year or 2 years, but over time—we will see a world which is increasingly democratic, and my great hope is completely democratic.

Thank you.

[The prepared statement of Mr. Gershman appears in the appendix.]

Mr. SMITH. Mr. Gershman, thank you very much for your passionate and very enlightened statement. And I do think, looking at the members who are here, the members that make up our subcommittee, that there is strong support for continuing, and hopefully expanding, the National Endowment for Democracy.

I think there is a real surface appeal these days to the proposition that everything can be privatized. As a matter of fact, back in the 1994/95 Authorization Bill there was talk of privatizing by the year 1999 all of the broadcasting. I mean, I think that would not work; I think it would be totally counterproductive. Thankfully, it was only sense of the Congress language. As we go to the floor with the Authorization Bill and the Appropriations Bills on these matters, there will be an attempt, I am sure, to cut substantially the monies that you are requesting, and I am sure that we will be likewise hoping to provide.

But the appeal to privatization will be made over and over again. And perhaps all of you might want to just, in response to the first question, answer whether that, in your view, would or would not work; whether or not we need the government money as the seed money to leverage that 70 percent, I think—you called it counter-part resources, Mr. Gershman. That without it, this thing could fall flat on its face, without the government infusion of money.

Mr. Burke.

Mr. BURKE. I would like to address that, because the privatization thing I think has been a word that people hide behind. It sounds like it is a good thing to do.

I have a colleague in Brother Korologos here, who has a very pithy way of—maybe I should let him say it himself, but he may not say it with the force that I will say it. He thinks if international broadcasting, especially RFE/RL, especially on those countries on the border, especially in that nation that we know very little about at the moment—Russia—little about in terms of where it is going; if it is in the best interest of the U.S. Government, if it is in our national security's interest, then, damn it, we should pay for it. That is his point of view.

So, is that good enough?

Mr. LANTOS. Good enough.

Mr. BURKE. Thank you. I have a second point of view. It is a whimsy that we can get Poland, or in Hungary, maybe, maybe someone will want to advertise Nike shoes, or someone will want to advertise this, that, and the other thing. And those commercials can carry some of the burden. That is a trap.

The trap is, if you are doing the kinds of broadcasting that you should be doing to introduce democratic values to these people, and to help them in the building of the institutions necessary to sustain democracies, you are liable to find yourself with complaints from the sponsor, because the government does not like it.

Now, I have suffered that in the private sector, running a news division at CBS. Suddenly you hear from the management of CBS that the sponsors are getting upset because you are doing this, that, and the other thing. We do not want to see RFE/RL, or any broadcaster, have to respond to a situation where the government of X country says to Nike, "I won't let you ship your shoes in here any more unless you withdraw from that," I do not want that kind of pressure. That has got nothing to do with the national security issues of the United States of America.

So back to what Korologos said. If it is in our best interest, do it.

Mr. SMITH. "Damn it." Isn't that what you said? Dr. Duffey, would you like to respond? *

Mr. DUFFEY. I think the theory that the market takes care of everything, which is a sort of rampant theory, is now being challenged by some who suggest that a world that existed only with market concerns, even the market of philanthropy, is not a world that would attend to many issues that our government and the American people have.

I do think we need to be concerned about doing everything we can to push forward the time when we will no longer have client nations or client relationships with other parts of the world, and recognizing when we can pull back because the institutions have developed. We need to watch carefully, and not make those pull-backs precipitous.

Mr. SMITH. Let me ask you, the budget in 1995 was \$504 million; it was dropped to \$353, then \$350 in 1997. You are requesting \$366 million for broadcasting. Does that envision any new programs?

And I was wondering why there was a drop of some \$3 million for broadcasting to Cuba. Is that because there will be some savings that accrue because of the move to Florida?

Mr. BURKE. Yes, that is true. That is true.

Mr. SMITH. That is the reason?

Mr. BURKE. Yes. Are we considering any new programming?

Mr. SMITH. Yes.

Mr. BURKE. And programming ideas? Yes, we are. The budget that we submitted and requested, and testified to yesterday before the Appropriations Committee, is what I call flat.

Now, we know what flat means: It means current service levels; there are inflationary increases and the like. But within that flat budget are two very important things. One is a million and a half dollars for Asia Sat. Asia Sat is a satellite that will be on 24 hours a day. And the beauty of that satellite, Mr. Chairman, is that its footprint covers 62 percent of the Earth's population. That is an extraordinary situation to be in.

That should tell you where this Board of Governors wants to take international broadcasting. We want to take it, not ever so slowly, but carefully and prudently into more and more television. Television provides a signal by satellite that is hard to jam.

Also, the kind of television we are talking about is, from an American point of view, crude television. From the rest of the world's point of view ours is rather exotic fare. The simple reading, or watching someone read the news, in many parts of this world, that is exotic stuff. And when you recognize that the kinds of people that we broadcast to, over 60 percent have never even used a telephone in their life.

That is who we are broadcasting to; that is who we are trying to reach. They do not live in hotel lobbies with Ted Turner on the air talking English. In their language, we want to broadcast more and more by television, in the belief that those dishes are getting ever more prevalent around the world. And this trend will continue as dishes get smaller and smaller, because they can hide them. That is the direction we are going in.

In the area of programming, I have talked to Evelyn Lieberman about this, and she is way ahead of me, in fact. We believe that we can construct the kind of programming, call-in kind of programming, interactive programming, especially using the satellite and other satellites that we have access to. We can do more kinds of programming that, instead of preaching, will demonstrate how democratic institutions work by using even Members of the Congress, leadership of the Congress, both parties debating issues relative to that part of the world. And taking calls from that part of the world. That would be an extraordinary use.

We also believe we should do more women's programming to those parts of the world that are significantly culturally different than we are. And we should do that in a very sophisticated fashion. And that should be televised, as well, to the extent that we can.

Now, I am not saying that we are going to be televising all over the place, and suddenly this is going to be ABC or CBS. It is not going to be that. It does not have to be that. We can do this very cheaply; we can do all of these things within the budget. Because we will just have to take from Peter someplace to pay Paul some-

place. These budget struggles are very difficult, and I expect they are going to go on into the future.

I think we are in a finite world, for the foreseeable future. But I think we can live in that world. And I think it, in fact, might make us more ingenious. Kevin Klose has taught us, when RFE/RL went from Munich to Prague, that with less than half of what he had before—even less than that—you can be more vibrant. And I have found that myself in the private sector.

Mr. SMITH. I yield to Ms. Ileana Ros-Lehtinen. And I thank Mr. Hilliard for letting her go ahead.

Ms. ROS-LEHTINEN. Thank you. And I thank the Chairman, and especially Earl. Thanks for the time that I have, because I have to get to the other appointment.

And thank you, Mr. Burke, for pointing out that Mr. San Roman was here. If I had known that, I would have pointed that out, as well. You can imagine how proud we are in our community to have such a professional individual heading that organization.

Mr. BURKE. I am delighted. We are delighted.

Ms. ROS-LEHTINEN. And Mr. Burke, I wanted to take the time and thank Mr. Hilliard for giving me his time, because I have to go.

About the animosity that we have been seeing, the problems about your negative posture about the Martis. We would welcome your strong support, as Dr. Duffey has given to the Martis, because, as you know, they are in a strong position to really help the oppressed people of Cuba.

And there has been some ill will. And for whatever has gone by, I wish that we could start anew, and build from there, and have a much better level of cooperation.

Mr. BURKE. Let me, if I can say, just to encapsulate all the other concerns that you have, because I know you have to leave.

I view the presence of Herminio San Roman today as a new day. This is a new day. And that is why I refer to the fact that he is younger. This is a new generation, too. And I like it.

Now, let me just put some things into context, if I can. I am a supporter of Radio Marti. And I do not think I have ever publicly said anything contrary to that.

What I said publicly was referring to the move to Miami, not that I was opposed to the move to Miami—I never said I was.

It was done without hearings. It was done because Senator Phil Gramm just put it in a budget bill. Everyone knows how it was done. And it was done without consultation with anybody in the government as to whether it was good for Martis or it was not good for Martis.

Now, the Board of Governors has supported me on that. Most of the Board of Governors, all but one, has supported me on that, because we take it very seriously. We think this is on the level. And if such a move is going to be undertaken, it should be discussed openly. There is no reason to have it hidden.

My comments about TV Marti, if I can put those into context for you, please. Since I have come here a year and a half ago—and you understand, this Board of Governors, we are not full-time people; we are private citizens, and we do the best we can—we have not

participated in the ongoing cutback that has occurred in international broadcasting because it preceded us.

Thirty percent of our people are gone. Thirty percent of our budget is gone. One thousand, five hundred people are on the street since 1994.

Now, I look at TV Marti. Since 1989, TV Marti has cost the taxpayers of this country \$115 million, and nobody sees it. And there is no hope that they are going to.

Let me address the UHF situation. I was in that business. Now, I understand there are certain things you are not supposed to say out loud. I am telling you out loud, it is not going to work. And we are going to spend another \$12 million a year. Now, can't that money be better used? Can't that money be better used for more power for the radios? There must be something that can be done.

So I sympathize with you, that \$2 million could have been saved if the reinvention, which I know really nothing about since that was all before our time, took place. I am talking about \$115 million since 1989, while we are laying people off all over the place, and we cannot touch it. We cannot touch it because the budget for the Martis is the only segregated budget.

So that is the context I wanted to give to you. And I do not want to be confrontational about it. I would appreciate, in fact, the opportunity for Herminio and myself to some day come to your office and sit down, and I would like to talk to you.

Ms. ROS-LEHTINEN. Mr. Burke, you are aware of the fact that year after year the U.S. Congress approves TV Marti.

Mr. BURKE. Yes.

Ms. ROS-LEHTINEN. Year after year the Clinton administration approves TV Marti.

Mr. BURKE. Yes.

Ms. ROS-LEHTINEN. Whether you like it, or whether you do not—

Mr. BURKE. I agree with you.

Ms. ROS-LEHTINEN [continuing]. This is a vote. It is discussed, it is debated. You give all of the information to the people on your side, and they try their best. And thank goodness we live in a democracy, and year in and year out we win, you lose.

Now, you have got to face the facts. Deal with it. Implement the changes, and make it work.

Mr. BURKE. I am not—

Ms. ROS-LEHTINEN. And we ask you year in and year out, whether you like it or whether you do not, you have got to implement it.

Mr. BURKE. I agree.

Ms. ROS-LEHTINEN. Do the transmission change. Make it an effective program. And you want to prove time and again that it does not work. And I do not know how you are doing a good service to the taxpayers.

Mr. BURKE. The fact is, Madam Congresswoman, I have nothing to do with the transmission program. That was a contract that was let before the Board was even here. And that is underway. I have in no way tried to stop it, slow it, regrade it—I have done nothing about it.

I understand every year a vote is taken. I have been born and raised in this Capitol, on this Hill. I understand that. But I also understand I still have the right to express my opinion. That is also the beauty of a democracy.

Ms. ROS-LEHTINEN. I agree, as personal and as hurtful as some of your opinions have been, and directed at certain individuals. But I understand that you have the right to express them. We would just like to have the changes that the U.S. Congress has passed time and time again be implemented, and have people be supportive of their own responsibilities.

And it seems to me that you have a personal agenda that is quite different from the agenda of the U.S. Congress and the Clinton administration.

Mr. SMITH. Will the gentlelady yield?

Ms. ROS-LEHTINEN. Yes.

Mr. SMITH. Just because I know Ileana will have to leave momentarily, and it would be good during this time period to get this on the record: How often have you met with the TV Marti people and the Radio Marti people? Have you had frequent contact with them?

Mr. BURKE. Well, we have invited them to our sessions, yes. We have talked to them.

Mr. SMITH. You have actually visited?

Mr. BURKE. We have a committee, our Board of Governors Committee, involving Cheryl and Alberto Mora, who visited with them in Miami, yes.

Mr. SMITH. Have you visited their operations?

Mr. BURKE. I have not been to Miami.

Mr. SMITH. Do you plan to—

Mr. BURKE. I plan to go. I certainly will.

Mr. SMITH. OK. I think that will be helpful. You know, if we are turning the page to a new era, I think that would be most advisable.

Mr. BURKE. It certainly will be. I look forward to it. And I am serious that I look forward to meeting with you. I would like that very much, Madam Congresswoman.

Mr. SMITH. If the gentlelady would continue yielding, is there anything structurally that Congress should be doing as we go through this authorization bill, that might aid in clearly delineating any problems? Is there anything in the law that has to be changed? Or is it a matter of just a difference of opinion?

Mr. BURKE. Well, no. I am not prepared to get into all that. I just know, Mr. Chairman, that the Board of Governors, under the law, has been given the ability to allocate resources that the Congress gives to international broadcasting, except for Marti.

Mr. SMITH. And just so it is clear how the UHF experiment, because I went back and read last year's hearing and we have been raising this issue repeatedly, that will move ahead aggressively?

Mr. BURKE. The UHF experiment, I believe Joe Duffey knows more about that than I.

Mr. SMITH. Dr. Duffey.

Mr. DUFFEY. A special contract was let for the transmitters necessary. I understand that work will be finished in early July, and

the test will take place moving into the fall. So we will share the results of those tests with the Congress.

I should say, also, that Mr. San Roman and I have discussed the problem of preparedness for a time when, in Cuba, there may well be a collapse or change, and the importance of television broadcasting at that time with respect to U.S. policies regarding the refugees, who may be coming in large numbers, and messages to the people of Cuba.

And one of the first things Mr. San Roman is going to do is to work with others in the government. We will call together, as we have in our other issues, Defense Department and others, and bring to the Congress a plan for that crisis period which may be ahead of us.

Mr. SMITH. Maybe FEMA could help on that, as well. Let me just, again, on the gentlelady's time, what about broadcasting to places other than Havana? Knowing that it is more difficult to jam the further away from that city you get. Is that something that is being contemplated?

Mr. BURKE. Radio or television?

Mr. SMITH. We are talking television now, because that is where the jamming is so effective.

Mr. BURKE. Yes. Well, I do not know. Joe, do you know of any studies?

Mr. DUFFEY. One of the reasons, Mr. Chairman, I think that this contract and this special transmitter has taken such time is that we want one that can be—as you know, we are dealing with a narrower beam of broadcasting, which will make it more difficult to jam. But we want a facility that enables us to move more readily across the spot, as well as, of course, we will have more channels available in the UHF.

Mr. Bonachea is here, and may want to give us a report on the status of that technology, and the testing, as well. Rolando, would you like to add to this?

Ms. ROS-LEHTINEN. Yes, if we could call him up here to give us the status. Thank you, Mr. Bonachea.

Mr. BONACHEA. Thank you, Mr. Chairman. As Dr. Duffey has pointed out, the UHF project has remained as a top priority for the Office of Cuba Broadcasting over the last 2 years. There were several delays. One of them had to do with the fact that the USIA Office of Contracts conducted an extensive search throughout the United States in order to determine which were the corporations that either had an interest or had a scientific capability for developing that project. And that search took somewhere between 5 to 7 months.

Subsequently, there was an additional delay, as we had to submit for an open bidding process for those corporations who wanted to compete for the bidding.

After that, the BBG was established. And there was a period of 2 to 3 months, in which the Board considered the UHF project, and then we were able to proceed.

Since then it has remained as a top priority of USIA. And our understanding is that by next July, 1997, the UHF project will be tested, and it will be operational by August, 1997.

[Note: Testing now delayed until Fall 1997.]

There are three areas that I would like to bring to your attention, that need immediate attention of the International Bureau of Broadcasting and the Board of Governors.

First, as I have pointed out to the new director of the Office of Cuba Broadcasting, we are at the present time operating with one aerostat for Television Marti. Over the last 2 years, the Office of Cuba Broadcasting has made requests of the International Bureau of Broadcasting, and in turn of the Board of Governors, that it is imperative that \$1 million be approved for the funding of a back-up aerostat for TV Marti.

As I have said on many occasions, if something is to happen to the aerostat that we presently use, the mission of Television Marti will be completely undermined. I want to indicate that it takes between 8 to 12 months to build a new aerostat. That in an area that is of immediate concern to the Office of Cuba Broadcasting.

Second, the UHF system is in need of a back-up system, at a cost of about half of a million dollars. I want to indicate that once the UHF system becomes operational, if something was to happen to that transmitter, the UHF system will be completely off the air. And I, again, will urge consideration of a backup system for the UHF system, which I understand costs approximately half a million dollars.

Third, when it comes to the relocation of Radio and Television Marti, as I have indicated to the director of OCB, it is important that the Office of Cuba Broadcasting receive some type of support in order to implement the relocation. We have utilized now, as far as I know, all of the funds available within the budget, and we are beginning to finance this project by deferring other important projects in Radio and Television Marti in our budget, into 1998 and beyond. We seem to not have the funds available to us.

And these three areas I would hope will be again brought to the attention of the IBB and the BBG. But I certainly wanted to bring it to the attention of this subcommittee, because it is an area of great concern to those who are responsible for the operation of the Office of Cuba Broadcasting.

Thank you.

Mr. SMITH. If I could ask the obvious question, Mr. Burke, how do you respond to that? And perhaps Dr. Duffey. Especially since there is a \$3-million decrease.

Mr. BURKE. The request for money for a new aerostat has not been made to the Broadcasting Board of Governors. I believe it is at the IBB level. I do not know. None of these matters have been officially brought to our attention.

However, there is no disconnect here. We have Governor Ted Kaufman, Governor Cheryl Halpern, and Governor Alberto Mora, who comprise a subcommittee on the move to Miami. And we have Board meetings once a month. So there is no disconnect.

Mr. DUFFEY. Mr. Chairman, first of all, the question of the savings achieved through the reorganization plan that you referred to, there is now no question that that plan can go forward in terms of any legal impediments. There were questions raised, as you know, for some time. The act of the director and the authority to move forward has now been verified by the courts.

We are waiting for a clarification, and that is the only thing which holds us up, a clarification from the arbitrator about certain aspects of that move.

With those savings and other adjustments that the Committee may want to make, the expenditures that are recommended here, I think, are sound.

I would say my concern about the extra aerostat really has to do with the whole question of future broadcasting in the Caribbean. We are dealing here with facilities that represent the only way we can do broadcasting in an emergency throughout the Caribbean, and indeed parts of Central America. So I believe we do need to move ahead with this.

Mr. HILLIARD. Thank you very much. Mr. Duffey, is it your agency that makes the determination, or that made the determination to bring on Radio Free Europe? I mean Radio Free Asia?

Mr. DUFFEY. Mr. Congressman, the Congress made that determination in the Act that had passed in 1994, the International Broadcasting Act of 1994. It mandated that there would be created a Radio Free Asia that would broadcast in those seven different languages that I mentioned earlier.

And the model was Radio Free Europe, Radio Liberty, which are surrogate stations.

Mr. HILLIARD. All right, thank you. Now, let me ask you this. Were any recommendations or any advice given to this committee or to Congress that such a project be undertaken?

Mr. BURKE. I was not present at that time.

Mr. DUFFEY. That goes back, Mr. Hilliard, to the Bush administration. Around the turn of the decade, a commission was asked to study the question of broadcasting in China. There was a very controversial report, but the report spoke very clearly to a recommendation that this service be established.

Now, the Clinton administration came to office in 1993 with that report, which the Congress and the previous administration had participated in, and considered it. And I believe it was mentioned in the early request which came from the Administration.

Mr. HILLIARD. All right. Now, did your agency have any input into this decision?

Mr. DUFFEY. Into the decision to begin the broadcasting?

Mr. HILLIARD. Yes. In other words, I—

Mr. DUFFEY. Well, it was already before the Congress.

Mr. HILLIARD. Let me tell you what I am trying to get out, so maybe you can help me out.

Mr. DUFFEY. Yes.

Mr. HILLIARD. Did your agency in any way, based on a report, ask this committee to fund the project? That you advised them to? Or was there any request made?

Mr. DUFFEY. During the 1992 campaign, President Clinton affirmed his commitment to the concept of Radio Free Asia in a speech in Milwaukee, on foreign affairs. And that was the endorsement of a notion that already was in, before the country and before the Congress in the Bush administration.

I believe that that was mentioned in an early budget. But, of course, it became a part of the International Broadcasting Act. It was in the legislation that was sent to the Congress by President

Clinton for the consolidation of radio broadcasting in 1993. I have the bill here with me if you would like to see it.

Mr. HILLIARD. No, I do not. That is not necessary. Let me ask you this. Is there still a need for Radio Free Europe?

Mr. DUFFEY. Mr. Burke? The previous administration had concluded that the institution in Munich—Radio Free Europe, Radio Liberty—should be phased down. They were facing looking at the problem of expenditures and budget deficits.

The Clinton administration came in and inherited that.

Mr. HILLIARD. But did they also consider other things, like the democratization of Europe, and what had happened with the destruction of communism as we had known it? Didn't they consider all those factors, also?

Mr. DUFFEY. To the extent, in 1992, those judgments could be made. As we have seen since then, it would have been premature to have suggested that democracy reigned and had taken firm root in those countries.

I think there was dissent in the Bush administration. It got very quickly onto the OMB list in the Clinton administration, and then was withdrawn, and could not include it in the consolidation bill.

Mr. HILLIARD. How much money are you requesting for Radio Free Europe?

Mr. BURKE. Seventy-five million or \$71 million. I think it is \$71 million. It is a private corporation. We make a grant to them.

If I can respond to your earlier question to—

Mr. HILLIARD. All right. Do you recall how much was requested last year for Radio Free Europe?

Mr. BURKE. If I can encapsulate that—what was your budget 3 years ago?

Kevin Klose.

It was \$220 million.

Mr. HILLIARD. Two hundred and twenty million. And now you are down to \$75 million?

Mr. BURKE. Sixty-eight million. Forgive me, \$68 million.

Mr. HILLIARD. All right. Do we have that much downsizing on Radio Free Europe?

Mr. DUFFEY. Radio Free Europe consisted of about 1600 employees in Munich, and now consists of about 400 employees in Prague, with modern technology.

Mr. HILLIARD. All right. Can we expect to see a further decrease in this area of funding the Radio Free Europe?

Mr. BURKE. Could I recommend that Kevin Klose, who has been the President of Radio Free Europe, address these questions to you, so you will have a full—

Mr. HILLIARD. That would be fine.

Mr. BURKE. That will be fine? Why don't you sit right here, Kevin?

Mr. KLOSE. Thank you, Congressman Hilliard. I am Kevin Klose, the President of Radio Free Europe and Radio Liberty.

The radios in Europe have gone through a substantial downsizing. The operations of the radios in Munich, Germany, where they had been located for many, many years, in the last year that they were functioning in Germany, cost about \$220 million

total to do about 700 hours of broadcasting in the languages of Central Europe and the former Soviet Union.

Direct costs in Munich for producing the programming were about \$170 million of that \$220. Today in Prague, because of technological changes and downsizing, the radios are producing 700 hours of programming in those languages for about \$68 million a year.

The purpose of the broadcasting is directed, unlike the Voice of America and the other broadcast entities supported by funds from the U.S. Congress. The broadcasting of Radio Free Europe and Radio Liberty into Central Europe and the former Soviet Union is directed at a local and regional level to allow people there to have accurate, objective news about their own countries and their own region, in their own languages, in the context of their own languages.

Mr. HILLIARD. Let me ask you, take into consideration the strictures in the budget of the country—cutting down the deficit, and perhaps what has happened in Europe the last 7 years—would it be prudent to think that funds for Radio Free Europe could better be used elsewhere? In Asia or wherever? Rather than in Europe?

Mr. KLOSE. Congressman, that part of the world, in this century, has sown the seeds for two world wars, in which American lives and treasure have been lost to bring peace to that part of Central Europe and the rest of Europe.

It is my belief, as President of Radio Free Europe, that the amount of money we spend now to try to ensure that democracy in fact will take hold in that region is money very well spent, and very cheap and effective.

There are some 20 million regular listeners to the services in that part of the world. Although communism has been defeated, democracy by no means has been assured there.

Mr. HILLIARD. All right, but let me ask you this. Since the advent of the last world war, isn't it a fact that we have technology and companies in place that we never had before? Like CNN and like other worldwide news organizations that actually get news to the countries that Radio Free Europe has been programming in?

Mr. BURKE. That is true, sir. I have been part of that.

Mr. HILLIARD. OK. Well, let me ask you this.

Mr. BURKE. If I could just—

Mr. HILLIARD. Since that is happening, would it be better to assume that maybe this is the case for privatization? And this is the place?

Mr. BURKE. Mr. Congressman, the end of my sentence was going to be, Ted Turner only broadcasts in English.

Mr. HILLIARD. Well, I do not know whether that is a true statement. I have been in China, and I have heard CNN in Chinese. I have been in Indonesia. I am serious, I have heard it.

Now, he may broadcast only in English in America. But in other countries where I have been, Japan included, it has been in Japanese. So I do not know what Ted Turner does, but I am talking about CNN.

Mr. BURKE. If I can also add, he only broadcasts in those countries, even the ones that you visited, to hotels that he has contracts with.

Mr. HILLIARD. OK.

Mr. BURKE. Not to homes. Not to people.

Mr. HILLIARD. Fortunately, the Chairman is back, and I am going to vote.

[Laughter.]

Mr. BURKE. Mr. Hilliard, may I say just a word about that matter, though? I think that, as Mr. Klose and I have discussed, whether the name "Radio Free Europe" will continue to be the name of this service, I do believe that Mr. Klose's vision of a service that is not simply stressing to be a voice, but more than that, to be training and helping the emergence of private media, will continue to be needed for some years.

Mr. SMITH. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Our distinguished panel is probably wondering why I have not gone to the floor to vote. The obvious fact is that I do not vote. This is what makes our democracy so beautiful here in America.

[Laughter.]

And I do thank the leadership for granting me the privilege to vote in committee. And I do want to thank the members of the panel for their testimonies this afternoon. And I certainly want to commend Mr. Duffey for his testimony and efforts supporting the little exchange program that we have developed over a couple of years now, the South Pacific Exchange Program.

At the height of the cold war I do not think there was any question about the problems of basic ideological differences then existing between our Nation and the Soviet Union and the members of the Warsaw Pact. And there was every reason to justify having the Voice of America—also Radio Free Europe, Radio Liberty—because there was a very real threat, not only to our own national security, but to democracy around the world.

The price of over \$5 trillion, our nation has purchased over the 40-year period of the cold war the results we are now seeing in eastern Europe, as well as the former Soviet Union. Things have completely changed. The reunification of East and West Germany, I think, is an excellent example.

Which now brings us to the situation in which we find ourselves. Whether or not the Congress, because of changes in the world and our deficit problems, can justify spending \$367 million to conduct our international broadcasting programs. There are serious questions now being raised by Members of Congress.

Should we continue to have this kind of program, given the fact that the cold war has ended and the Soviet Union is no longer a threat?

I just wanted to follow up with a couple of questions that were raised earlier by my good friend from Alabama. I am quite certain I know what the response will be from our friends. Yes, we still need to have these radio programs to be conducted.

I know that our good friend from Florida is very sensitive about Radio Marti because, again, a very serious problem with Fidel Castro and Cuba, 90 miles away, constitutes a threat to our national security.

So I raise the question again, as raised earlier by Mr. Hilliard. With Mr. Murdoch buying satellites and communications corporations, is the world communications better and a lot more?

Is the basis of our radio program to promote democracy? To promote America? Is it in our economic interest that we continue doing this program, at a price of \$367 million, Mr. Burke?

Mr. BURKE. Can I take a try?

Mr. FALEOMAVAEGA. Oh, absolutely, I want you to respond to that, yes.

Mr. BURKE. I had the opportunity, in testimony yesterday, to address something of the same question.

It happens to be a fact—according to the experts at Freedom Forum, who I think are rather looked upon as expert in these matters—the percentage of people on this earth who live under democratic forms of government is falling.

Quite the contrary to what we thought when the Berlin Wall went down. We thought immediately the game was over; capitalism had won. And that equaled freedom and democracy for people. We thought that to be the case.

It is not the case. Poland, after sampling some capitalism, turned around and re-elected a Communist Government. Czechoslovakia split in two, and Slovakia regressed back into the old forms of government. Belarus nation, same thing.

Twenty percent—one out of every five people who are alive today—only one out of five live in governments that are defined as free and democratic forms of government.

So I think what we have to avoid—and let me, if I can just parenthetically say, I am a private citizen. I am not trying to keep my job. As a matter of fact, there are days if I could get out of this one, that would be OK, too.

Mr. FALEOMAVAEGA. Loyal citizen. Thank you.

Mr. BURKE. But I am a strong believer that we have a moral obligation as a nation to pass on, to the extent that we can, hopefully successfully, any information, any objectivity, any truth we can to the four out of five people who do not live in the wonderful condition that you and I live in. And we can teach them by example, and by actually teaching them—which is your question of how we advocates are always just news carriers—can we teach them how to build the institutions that are necessary to sustain the kind of life that you and I have.

I mean, simple things on Radio Free Asia, like what is a contract. What is the rule of law? Do you understand?

Mr. FALEOMAVAEGA. I have got your point, Mr. Burke, and I know my time is running. And I know it is a very difficult situation in trying to measure exactly what impact Radio Free Europe and Voice of America had in bringing the walls down, if you will. Some say that perhaps it was simply the economic structure of the Soviet Union that brought about its own fall.

I have another thought on this. And if you are serious about really helping countries of Eastern Europe, convert perhaps \$300 million of these funds into a scholarship fund, to get the brightest and the best of the students from Eastern Europe to come and get educated here in America.

I, for one, am a very strong advocate of education. Perhaps this may be another option that we could pursue, to get as many students that are highly motivated, not necessarily academically inclined, to get a good, solid education from our country, and go back and become successful citizens and form the kind of nucleus that will be helpful in creating democratic institutions. I suppose our broadcasting program is part of that process. Am I correct, Mr. Duffey?

Mr. DUFFEY. Yes, you are. But I would like to say just a word about the other programs you are mentioning.

Really, at the direction of the Congress, I must say, not as an initiative from USIA, a few years ago we were directed to implement a high school exchange program with States of the former Soviet Union. That has been enormously successful.

First of all, it is a very inexpensive program; people stay in homes here. But we now have 1200 alumni of that program around the former Soviet Union, and I hope the Congress will help us continue it.

I said the other day in a hearing that the job we are doing now is not so heroic as the cold war. It is more subtle. And I would like to tell you a story, in which you are involved, in fact.

A few months ago a meeting was called in connection with the APEC meetings in Manila on a Sunday morning. And I arrived a little early, and went over to talk with President Ramos. He introduced me to his immediate party, but then he pointed to the front row, to someone he had invited to that gathering, and asked if I would go speak to him.

I may butcher the man's name. I think it is Morora, Mazora. He's the head of the Muslim dissident group in a part of the Philippines which has really been in a kind of civil war. He was invited by President Ramos to be present that day, when international visitors were there. And as he took out his card, he said that "Congressman Faleomavaega has invited me to come to the United States and see the institutions there. He's asked if I would come and look at Congress, and see how the opposition functions." USIA has been following up, and we hope to have him here.

That kind of activity, which supports both Mr. Ramos's efforts to build a system in which the minority is respected and this gentleman's attempt to understand how a society like that can work, I think is one of the things that the Exchange Visitors Program can serve very well. And I do not believe radio or internet or anything will ever replace that.

We need all these elements working together.

Mr. FALEOMAVEGA. Thank you, Mr. Duffey. And I certainly want to commend Mr. Gershman for the fantastic job he is doing with the National Endowment for Democracy.

I do want to express a concern, Mr. Duffey. As you know, I have always been such a strong advocate of the East-West Center in Honolulu. I want to know, is the center becoming an extinct species, or something to the effect, as far as the Administration is concerned? The East-West Center should be expanded, not cut, with all the attention now focusing on Asia-Pacific trade and security concerns.

When I first came here to this committee, Mr. Chairman, 9 years ago, being on the Asia-Pacific Subcommittee was of low priority. Nobody wanted to be on the Asia-Pacific Subcommittee; I am not kidding you. So Steve Solarz and I had a great time. Everyone wanted to be on Europe and the Middle East Subcommittee; that is all they talked about. But now everybody wants to jump on board and be on the Asia-Pacific Subcommittee. This is a reflection of the increased importance of the Asia-Pacific region.

Mr. Duffey, I really would like to see the Administration focus on the region, and see the value and the tremendous contributions that the East-West Center has made in bridging the gap between the Asia-Pacific region and our country. The Center certainly has been a tremendous help to many of the Pacific Island nations, and many of the Island leaders were trained and educated through East-West Center programs.

I would strongly admonish the Administration, as well as the Congress, that we be a little more supportive of the East-West Center and its tremendous programs, now that the United States will be clearly increasing ties with the Asia-Pacific region in the next century.

Mr. Chairman, I know I have taken too much time. But thank you. Thank you very much.

Mr. BURKE. Could I just make one comment? I cannot let the moment pass before you leave, sir.

You mentioned earlier on about Rupert Murdoch doing this and that, and earlier we talked about Ted Turner doing this and that. And earlier in the day there was a question about privatizing RFE/RL and putting commercials on. Murdoch springs to mind.

Murdoch, as you know, is doing grand things. He is going to have satellites everywhere, and he has had sky satellites over Asia for some time. And he broadcasts Fox News to Asia, to China, including inserts from the British Broadcasting Corporation, even.

Mr. FALEOMAVAEGA. Well, let me tell you, Mr. Murdoch—

Mr. BURKE. Let me finish, sir, if I may.

Mr. FALEOMAVAEGA. Sure.

Mr. BURKE. China objected, and he took it off.

Mr. FALEOMAVAEGA. Well, based upon the last time I talked to Mr. Murdoch, we have to give credit to our Aussie friends down yonder, because they are very competitive.

Mr. Murdoch had the idea to put a television in every Chinese home. You know, you are only talking about 1.2 billion people.

Mr. BURKE. But he will only broadcast what they will allow him to.

Mr. FALEOMAVAEGA. Well, so far.

Mr. BURKE. Because he is very competitive.

Mr. FALEOMAVAEGA. I think as part of the transition that we see that, yes, China is a Communist country. When you go visit the city of Shanghai, they are about as non-Communist as you could ever see.

Mr. Chairman, again, I am sorry. I did not mean to go long.

Mr. SMITH. Thank you. If you could stay a little longer, I will have to go over and vote, and I will ask you to take the duties.

[Laughter.]

Mr. FALEOMAVAEGA. Sure. No problem.

Mr. SMITH. Thank you very much. Just let me ask a few very brief questions.

Dr. Duffey, when you appeared before the Senate last week you expressed some frustration with the relationship between the BBG and USIA. As a matter of fact, the way you described it was "extraordinarily complicated."

You deferred speaking in greater detail on that, in deference to Mr. Burke's not being there, which I thought was extraordinary restraint.

Could you perhaps discuss with the Subcommittee what that relationship is, where some of the pitfalls are, and how they might be ironed out for a smoother 1997?

Mr. DUFFEY. Mr. Chairman, this is not a matter that I have brought to the Congress. I understand what responsibilities I have under the law with respect to the Administration and the Congress, and we will fulfill them.

It was a question asked by Members of the Congress, and I am glad Mr. Burke is here so we can both comment upon it.

I think that the Congress did create in this instance—and I am sure Mr. Burke has occasionally the same puzzlement that I do about it—an instrument unlike anything that has been done before, in the sense that the members of the Board, the Broadcasting Board of Governors, of whom I am one, are also the directors of private corporations to which they award funds. And they are also the administrators of an institution, part of which is a government agency. That creates a difficult problem for them, because there are other responsibilities that fall to USIA, and other expectations.

I pointed out that this is something that has been struggled with. I do not think there is an easy answer. There may not be a legislative answer that clarifies this, because there are certain needs that went into the creation of this particular entity.

I am interested to know what frustrations this has caused Members of Congress or their staff, so that we can try to respond to them. And I am sure that they occasionally cause frustrations to the people who are hired with the normal role of administering an agency.

But the fact is we have only had one director of Broadcasting, and that director served also as the director of the Voice of America, so he had a sort of complex set of responsibilities to begin with.

I do not know. I do have the original Act as it was submitted and signed by the former chairman of the Board of International Broadcasting, and delivered here in 1993. And perhaps Mr. Burke and I and you, can discuss this from various perspectives. I have not complained about it. Evidently it is causing some confusion. I think that is true in the Administration from time to time, as well as it is in the Congress.

I think it is true of any institutional startup situation. The Congress gave extraordinary powers to the Broadcasting Board of Governors. The executive branch and the leaders in the Senate and the House of the other party chose members of the Broadcasting Board of Governors, who are rather extraordinary people. All of them are terribly successful in their other lives, as well. All of them are quite committed to international broadcasting. All of them are very impatient with bureaucratic hangovers and unhappinesses and

squabbings and the like. All of them want to move forward. All of them believe, as I like to say, that this is on the level. That means they are going to take it seriously, and they are going to spend a lot of time.

Now, there is nothing more difficult for a bureaucratic organization than a group of people like that. We happen to be about a year and a half old.

As I started to say in my earlier statement here, we have a team in place now that I am vitally proud of. And I thank the White House for its support in putting those kinds of people in place.

I do not find any great confusion. I do not find any difficulty. I have no complaints.

I do know from time to time, as I said yesterday in the Appropriations Committee hearing, it is like having bubble gum on the sole of your shoe. People who are constantly complaining about, gee, you know what they did today, you know what they did yesterday—well, that is exactly what every voter in this country does not care about.

What they do care about is, is international broadcasting doing what it is supposed to do: both to sell the message of this country overseas, both to help people who do not live in the brightness that we live in. To build those institutions I was referring to earlier. And do we help people, as we are doing this very day in Albania? And do we do it with flexibility, creativity, and ingenuity?

You cannot do it with those kinds of assets—with flexibility and creativity and ingenuity—if you are going to spend all day worrying about bureaucratic problems. And we do not. We have a very small, hard, tough staff that are excellent. All of them are employees, career employees, of the U.S. Government. We have not cost the taxpayer one penny. Because if they did not work for us, they would have to work someplace else.

So this back-and-forth is childish, and it is nonsense. And if you could help us in this committee get the gum off the bottom of my shoe, I would be very appreciative.

Mr. SMITH. Let me ask Mr. Gershman a couple of questions, then I will ask Mr. Faleomavaega to take the Chair. And also, without objection, Mr. Rees, Joseph Rees, Chief of Staff, will be instructed and empowered to ask some questions, pursuant to Committee rules. Because we do have a vote on the floor, regrettably.

Mr. Gershman, could you tell us what NED grantees are doing for the refugees along the Thai-Burma border, and what needs to be done? And also, there are a number of NED grantees in Hong Kong, and what do you anticipate will happen after July 1, when Beijing assumes control of Hong Kong, to those grantees?

Mr. GERSHMAN. Thank you, Mr. Chairman. We are providing support, spelled out in our annual report, to virtually all of the organizations that are active there.

The National League for Democracy in the Liberated Areas is called NLDLA. The student groups, the labor groups, publications, are *Dawn* and *New Era*. We also support broadcasting, I might say—not competitive here, but we do make a grant to the Democratic Voice of Burma, which broadcasts out of Norway a couple of programs a day into Burma.

We support the efforts of the exiled government of Sein Win and of course Aung San Suu Kyi, to be able to make their case to the world.

So it is a fairly comprehensive program supporting all aspects of the Burma democratic movement.

Regarding Hong Kong, the endowment has made a couple of grants in Hong Kong. It has not been a major area of our grant-making until now. One of them is to a human rights monitoring organization, which wanted to get started before the change-over so that they could begin to establish a track record while the British were still there, and then continue once the British left.

I am hopeful that our labor group is going to be working with the International Confederation of Free Trade Unions to establish an office in Hong Kong which will continue after the British leave.

Also, we have supported some programs in Hong Kong which have been focused in China; in particular, the work of Han Dongfang, the Chinese Lech Walesa, who is still in Hong Kong and is not planning to leave. He tried to go back to China; they would not let him, and so he is working out of Hong Kong.

I might also point out regarding Hong Kong that on April 9 we will be giving our Democracy Award here in the Congress to Martin Lee. He is making a visit to the United States. I think he is a central figure in the struggle that will take place there. That does lead into the question that Mr. Smith asked, as to what do we think about the future.

There will be a struggle. People like Martin Lee and Han Dongfang and many, many others are not going to simply lay down and stop speaking out. They are not going to give up the rights which are theirs as human beings, and which they have earned. And which, I might add, are guaranteed under the agreement with China, which allows a different system to exist in Hong Kong. And I strongly hope the Chinese do not violate that agreement and abolish the legislative council, which is a democratically elected body.

They are, I am sure, hoping that they can control political dissent and maintain what they think of as an orderly situation. And also, at the same time, remain economically dynamic. I personally do not think that is possible. I think a lot of international investors will be concerned if there is, if they do try to clamp down on democracy in Hong Kong, inevitably there is going to be resistance to that. People will speak out. And if they start arresting people, I think this is going to be a very difficult situation for China.

So I hope that there will be continuing international support for those people in Hong Kong, not just simply people in political parties, but also workers and non-governmental organizations and human rights organizations, to maintain their freedoms.

And I might say, in the long run, you know, I guess I would not be doing what I am doing if I were a pessimist. I do think that Hong Kong may, in the long run, influence China, just as China seeks to influence the kind of a system that is in Hong Kong. And the voices of freedom that exist in Hong Kong certainly will be challenged, and they may very well be suppressed.

But I think eventually they bear the seeds of freedom which ultimately are beginning to take root in China. And ultimately, I think the Chinese leadership will understand that the only way you can

maintain an economically vibrant system in today's world is if you have the rule of law; if you respect political pluralism, if you give people the opportunity to participate. Without that, people are not going to invest, people are not going to feel their property rights are secure; you are not going to be able to maintain a modern economy.

You cannot do what the Chinese I think are doing, you know, looking at the Gorbachev experience, and they are saying, "Well, we want to have economic growth and political repression." I just do not think it is going to work.

Mr. FALCOMAVAEGA. Thank you, Mr. Gershman. You know, from a Eurocentric perspective, we can all understand and appreciate the concerns that we have.

But we also have to realize the fact that this place, Hong Kong, was literally a colony and was part and parcel of the British Empire. I think we have to give some breathing space to the Chinese Government, as well. This is the first time in over 150 years that they will proclaim, finally, true Chinese sovereignty over this piece of property. Seen from that perspective, we can better understand where the Chinese are coming from.

Mr. Duffey, we have got to go back to my favorite subject again. And I really need your assistance on this, because, as you know, since 1963 Congress enacted legislation to provide for the establishment of the East-West Center. This is how old this institution is, probably one of the oldest institutions publicly funded by the Congress other than our military academies.

I need your perspective so that we, here at the drawing board, can determine if legislatively the objectives of this institution are in jeopardy. Are there problems with the organization? Are there problems with the policies affecting the effectiveness of this institution? And why has the Administration proposed cutting funding from \$20 million now to \$7 million?

So it seems to me that priorities have changed since this institution was established. I would like some guidance from you, as well as from the Administration. Should we altogether just scrap this institution, and transfer it to the University of Hawaii?

If this institution does have merit for its existence, I certainly would like some guidance from the Administration for continuing the services and the programs that the Center does provide.

Mr. DUFFEY. Thank you, Mr. Chairman. I served on the Board of the East-West Center 20 years ago, at a different time and era. And I know something of the earlier period to which you refer.

Let me say what I said on the Senate side when we had a hearing just last week. There is a trend to try to move institutions on to some shared private-public support. And that may well be possible. The University and the Center have worked very hard in the recent years supplying some of that support.

I think that is possible because there is more interest now. There is more awareness, there are more exchanges, there is more recognition of the work that the Center does.

I said in the Senate, and I would repeat now, though, that there is critical work being done at the Center related to U.S. understanding and policy that is not being repeated anyplace else. The

Center is in an absolutely unique place located where it is, with the kind of reputation it has.

I very much agree with Mr. Oksenberg, who is a recent president of the Center, that there are questions of vital interest to every part of our government. I would not put them in the category of intelligence as we usually talk about it; I would put them in the category of wisdom and understanding of cultures that are emerging. They are becoming economic powers; they are a very important part of the world.

I really regard the Pacific Rim and the changes that are taking place not as something that is only an Asian phenomenon. But it also is a U.S. phenomenon, because we are a part, very much a part, of that. We are no longer a European nation; we are a nation that has in its population and its values and its traditions, much to learn from Asia.

I will argue that the Center can never be fully privatized; that there is a legitimate interest in funding work there that we cannot duplicate anyplace else. And I think within the halls of Congress and within the Administration, we need to come to acknowledge and separate out what is in the larger interests of the business and economic community; what might we do to leverage and draw the support of the Foundation and philanthropic community. But finally, what is that nub that we must support, because if we do not, no one else will?

So I think that at the end of the day, many members of the Administration would say, "Well, yes, that's there. We should do it by contract." And while I recognize that, I think you have to have some support for the resources to be able to contract for some of this work. So it cannot be a completely market contract operation.

So I will continue—I do not know what that base line is, and I do understand that, with conversations I have had with members of the Governor's staff and the Board, there is a serious effort to find that. We must come to agreement on keeping the resources together that are very much in our national interest. And I do not think we have found that balance yet. But we must.

Mr. FALEOMAVAEGA. Thank you. You know, our chairman proposed in the last Congress to extend exchange programs to countries such as China, Vietnam, Cambodia, Tibet, and Burma. I think this also included East Timor.

Now, what caught my attention about East Timor is that the world seems to have gravitated toward East Timor, mainly because of the tremendous influence that Portugal had in dealing with the European countries and the United Nations in publishing the situation there. East Timor was formerly a Portuguese colony, and then when the Portuguese left, it was left to the Indonesians. Now we have a very serious human rights problem in East Timor.

But there is also another part of Indonesia that the world has never seemed concerned about. The violations of human rights and the problems affecting East Timor are also found in West Papua New Guinea, commonly referred to now by the fancy name of Irian Jaya.

I wanted to ask Mr. Duffey, with a lot of our exchange programs, does there seem to be a substantial shift in seeking out exchange programs with those countries that do not have democratic institu-

tions in place? More so than in pursuing exchange programs with countries that are democratic? Do you see my question? Should we be giving more emphasis to exchange programs with these developing countries, like my friend, Mr. Burke, is saying, that we need to reach out and build a nucleus in, to plant the seeds, and see if democracy can flourish?

Has there been any shift in Administration policy along this line with exchange programs?

Mr. DUFFEY. Congressman, part of what has been happening now is that the Administration is reeling from, No. 1, the awareness that the support for the programs is not going to grow as dramatically as it has in the past; it really cannot.

And No. 2, we have already had to absorb some cuts. And we have had areas pressed upon us of immediate interest, a crash effort, when the Soviet Union ended, at the States of the former Soviet Union.

We are trying to accomplish a number of things by our exchanges. We are trying to support human rights groups and advocates. In fact, I have asked now that the Congress' indication last spring that human rights advocates should be included in exchange programs, be a part of the request for proposals that we now publish; we will put it in a cable to go to other parts of the world.

But there are other purposes we are trying to accomplish, as well.

We had a great human rights struggle in America, which I lived through—spent a little time in jail through part of—the struggle for human rights for Black Americans. That was a time when here in Washington, on our official laws we had the denial of human rights.

I often think of people I knew then: George Wallace, who changed his mind on that issue. Other men and women here administering the government who changed their sense of that issue. I think the same thing happened in a different kind of area in the Vietnam protest, when protesters were regarded as so many of them, so inconvenient, that they were, many of them, denied the rights of dissent, as well.

But we had an institution that prevailed in terms of law. And we want to bring, in some cases, people who can see that, who have some opportunity to understand that people in authority and power can change their minds and perceptions. We also must include advocates of the voices I mentioned earlier for human rights.

In East Timor we are now. I think one of the people who has helped us is Mr. Rees, who has traveled a good bit there and may want to say something about the situation there. We do now have requests for proposals soliciting grant proposals that will help provide information and educational opportunities to future leaders in East Timor.

May I finally say that I spoke earlier of the high school exchange programs. That is not something we have done much of lately. We have just started in the Soviet Union. I think we need to find ways to encourage that in certain parts of the world, remembering that the experiences that bind us with our allies in some places—the Second World War, and even the cold war—are rapidly disappearing.

And if Americans think that they are regarded benignly by the young people of Asia at the moment, I think they are greatly mistaken. They do not have the opportunities to see and understand this country, either as a liberator or a defender of freedom. They have a kind of an image—and frankly, we do not do the best job, through television, commercial television, or, God knows, through commercial movies, of saying what we want to say about America.

I believe that this is a strong appeal for some concern about exchanges, and the losses. They are a very important instrument. We need to be sharper in focusing and trying to say what we are doing. But I think they remain a very important instrument of our work overseas.

Mr. FALCOMA. Well, certainly it will be my intention to consult closely with Judge Rees, my dear friend, to visit not only East Timor, but as well, West Papua New Guinea. Because Irian Jaya definitely has the same problems as East Timor in Indonesia.

Mr. DUFFEY. Well, as we also know, there are U.S. territories where we have human rights problems. In the Marianas, where we are building a major transmitter now, there are deep, serious human rights problems that our government needs to attend to.

Mr. FALCOMA. The salvation that our country can offer to the world is through education. The fact that we have over half a million foreign students attending our colleges and universities speaks well, not only for our educational institutions, but of the fact that America is where the seeds are planted in students that will return home and work for democratic societies throughout the world.

Gentlemen, I do not envy you sitting there in the hot seat and being questioned all afternoon by members of the Committee. But Mr. Chairman, I certainly would like to convey my personal thanks and appreciation for calling this hearing.

Mr. SMITH. Thank you.

Mr. Hilliard.

Mr. HILLIARD. Thank you very much. Mr. Duffey, I am new to this committee, so I do not know all the history. But in the past 2 years, other than carrying out the mandates of Congress as set out in your budget, and as you get from appearing before these hearings, in relationship to your mission, have your agency made any recommendations or given any advice on the effectiveness of what you have been asked to do by Congress as relate to your mission?

Mr. DUFFEY. We have tried to do that, Mr. Chairman, Mr. Congressman. No. 1, by the way, we have begun to restructure our agency.

Mr. HILLIARD. Have you done it in any direct way?

Mr. DUFFEY. Yes. Let me describe perhaps one in which we are working together with Mr. Gershman.

As we think about the meaning of democracy around the world, we have sometimes sent a message that our only concern is that there be elections and constitutions. Once they take place, you do not automatically have democracy. The institutions and the culture of tolerance and respect must be developed. And once these are developed, actually they do not sustain themselves unless people pay attention in every generation.

So the latest proposal—and I am happy to say that the Secretary of State has now responded quite positively to it—is for more outreach to the rest of the world in areas of civic education; areas that have to do with communities, community activities, both to teach and to sustain civil cultures locally.

That is essentially a new area which we concluded needed work, which Mr. Gershman has brought the experience of his institution to and is a new budget item. And we have recommendations in this budget for further development.

Mr. HILLIARD. I understand all that. Let me ask you something more directly. Do you share the views of Mr. Burke that TV Marti is not a good use of the taxpayer money, as opposed to some other things that you may do with that kind of money?

And I want to be sure I am not misquoting you, Mr. Burke.

Mr. BURKE. You are not, sir.

Mr. HILLIARD. All right. Thank you.

Mr. DUFFEY. TV Marti has been one long, continuous frustration for all of us, because we are trying to find a way to communicate to a large number of the Cuban people. We do that very effectively through radio.

In television there has been effective jamming by Mr. Castro. He uses a lot of resources to do that.

I appointed the Commission literally the first 6 months I was in office in 1993; it made the recommendation that we move to a further experiment with a more flexible form of UHF. We went to great lengths to find the technology. At least in terms of the way the transmitter works it is quite different. It has not been developed before. It is a broadcast from the aerostat, and we will see how that experiment works out.

We will need this not only in Cuba, but in other parts of the Caribbean, in times of emergency, and we must be prepared for that.

With respect to television, we have all been frustrated. But that does not necessarily mean that you stop.

Mr. SMITH. Thank you. Let me just ask a question, Dr. Duffey, to you, on implementation of the Human Rights, Refugee, and Other Foreign Relations Provisions Act, P.L. 104-319. As you know, Section 102 of that law directs you to take appropriate steps to provide opportunities for participation in education and cultural exchange programs to human rights and democracy leaders, of countries whose people do not enjoy freedom and democracy, such as China, Vietnam, Tibet, Burma, and Cambodia.

What steps are you doing to try to implement that particular law, and that provision? Have there been results? As you know, you and I have discussed in the past that my concern is some of the grant money goes out to organizations that always try to forge closer diplomatic ties, and pay scant attention to the human rights and democracy concerns that I know you and I both share. And I know you have tried to admonish them to include that as part of their package. But we have had some conversations, as you know, in the past on the fact that some of them are very close to the military—for example, in China.

So what is being done to reach out to these people?

Mr. DUFFEY. I have directed now that appropriate language be prepared referring to Section 102 of the Human Rights, Refugee,

and Other Foreign Relations Provisions; this language will be included now in every request for proposal that the Agency makes, every solicitation that is distributed. And it will serve as a criteria for the evaluation of the proposals.

I have also asked that a cable be sent to our overseas posts, which probably will go out within the next couple of weeks, emphasizing that efforts should be made to include appropriate participants in those programs for which posts are directly involved in the selection process.

The first test, I think, is to clearly instruct the men and women in our posts where they have this responsibility of the legislation and intent of the Congress. I think further than that, we probably should do some evaluation of our programs and their relation to human rights.

As I said earlier, I do think that there are a range of activities that have a relationship to human rights; many that have to do with law. Justice Kennedy has spent time in China recently with young law students. My sense is that that was an extraordinarily important visit in terms of human rights concerns, because there is a new generation of men and women who I believe are more aware that these issues are vital simply to the progress, social progress, and future of the Chinese.

But we will make this a part of both our RFPs and our evaluation.

Mr. SMITH. I wonder if you could comment on Section 103 of the bill, which directs you to establish educational and cultural exchanges for scholarships for Tibetans and Burmese living outside their countries.

And I would note that the budget that you have submitted cuts in half the number, from \$200,000 to \$100,000. And the same goes for the East Timor exchanges, which also have been cut from \$200,000 to \$100,000.

I know in the past it has been argued it is hard to find eligible and qualified recipients for that kind of exchange. But my hope is that with enough tenacity and prioritization, that they can, indeed, be found.

Mr. DUFFEY. Of course, we have had to cut a number of programs. We will report to the Congress on our recruitment efforts this year and what our experience is, and then try to sit down with you to evaluate the efforts we have made.

The programs are in place for Tibetan refugees. That is a \$500,000 item in the 1997 budget. And that budget is the same in our request for 1998.

But you are right, we need to work harder to find the sources for recruiting. And I think we should share with you a report on what efforts we have made, how we have gone about it, and confer with the Committee on the success we have.

Mr. SMITH. I would appreciate that. Without objection, Mr. Rees would like to ask a question.

Mr. REES. I am sorry. Dr. Duffey, I did want to ask a question about East Timor, because I was there, and I was in Jakarta and visited with the USIA representative there. And I think it illustrates why you sometimes need these special programs. Because people will be excluded without our trying to exclude them. It is

just the nature of who our people in the embassies will normally deal with, what the context is. It is a question of outreach, which, as you know, applies to programs in the United States, as well.

When I was in Jakarta, the person from the USIA quite sincerely told me that he had traveled to East Timor; and that not only in East Timor, but in all of Eastern Indonesia—and this goes to Congressman Faleomavaega's question about West Papua or Irian Jaya, as well—in all of Eastern Indonesia, which tends to be Christian and Melonesian, as opposed to Muslim and Malay, they have trouble because the people do not have the requisite level of education to qualify. They do not speak English. They do not have the requisite level of education to get into our ordinary programs.

And when I suggested well, maybe that means we need special programs, because we need to reach out to these people more than anybody, he said that was a good idea. But of course, we do have one, in the case of East Timor.

And then when I and the Democratic staff member visited with Bishop Belo and visited with other people in East Timor very briefly before we were expelled from the island by the Indonesian Government, we were told, "We don't know what you're talking about. There are plenty of people here who speak English." I met dozens of people who spoke English in the 18 hours I was allowed to remain on the island. And there are lots of people who would love these scholarships. And the Australians always find people to fill their quotas, as do the New Zealanders.

So some of it is just how hard you look. And if it begins with a commitment that we are going to find these people, you may be able to find them. That is what Bishop Belo thinks, and he won the Nobel Peace Prize, so he must know something.

Mr. DUFFEY. First of all, I think that we all have to acknowledge that sometimes diplomatic posts, with their particular diplomatic culture and particular concerns, have vision or activities restricted in one way or inhibited by government-to-government relationships; a very strong argument for the National Endowment for Democracy and organizations like that that work outside of the diplomatic channels.

Second, however, we need to look more carefully at that statement, and to see, and to examine it.

I think that it might be appropriate to have a consultation with you about your observations, and to begin to see if we cannot find the sources that give us more potential candidates.

My first thought, also, is that perhaps it is worth some investment on the ground there in English teaching in those communities, as well. And we ought to be flexible enough to do that if it is needed.

Mr. SMITH. Thank you. The bad news is I have another 20 questions, but the good news is that I will submit them for the record, on Worldnet, on technology and a variety of other issues that this subcommittee needs information about. You have been most generous with your time.

I would like to yield to Mr. Hilliard. He has one additional question, I understand.

Mr. HILLIARD. About three or four. Let me ask you, is there such a thing as Radio Free Africa? Mr. Duffey.

Mr. DUFFEY. There is not, sir.

Mr. HILLIARD. Mr. Duffey, has there been any talk about Radio Free Africa?

Mr. DUFFEY. The idea has been discussed, I think probably more by Members of the Congress than by the Agency.

Mr. HILLIARD. Since you have been there, has your Agency made any recommendation or given any advice to Congress on whether to establish Radio Free Africa?

Mr. DUFFEY. Not on that issue. We have talked to the Congress about the kind of broadcasting I believe we need more of in Africa, which is advocacy broadcasting.

Mr. HILLIARD. Has your Agency requested any funds for those type programs from this Congress?

Mr. DUFFEY. We have not. But one of the reasons is that our radio facilities, Voice of America, does not engage in that kind of broadcasting. They have tried to supplement and help broadcasters, but they do not engage in advocacy broadcasting. There are parts of the world where we need that.

Mr. HILLIARD. Let me ask, what is the difference? You say advocacy broadcasting?

Mr. DUFFEY. What sometimes we call surrogate broadcasting; broadcasting that is much more directed to the voices within the country.

Mr. HILLIARD. All right. Well, let me ask you this. Is that the type of broadcasting that brought down, that you would attribute to bringing down the walls that separated East and West Germany?

Mr. DUFFEY. Well, Mr. Chairman, my own experience with Africa and my own view, which—

Mr. HILLIARD. No, I mean, is that—

Mr. DUFFEY. Let me just begin. Africa has paid a terrible price for the cold war. Africa paid a terrible price for the struggle—sometimes I think it was rather meaningless—between the Soviet Union and the United States in parts of Africa. Arms were left that created chaos in years past. We bear a terrible legacy for some of the chaos in Africa.

Today we need to strengthen and support. Africa is not divided between one party and another. I think the threats come from very narrow ethnic divisions, from the way the maps were originally drawn, from other kinds of strife.

We have added a number of languages in Central Africa. And we have, I believe to our great credit of Voice of America, worked hard to provide training and support for journalists in parts of Africa.

But it is not really a struggle of light against darkness in Africa; it is a struggle inside each nation for civility and democracy. I believe the group that has worked the most creatively on this is the Carnegie Foundation.

Mr. HILLIARD. You do not think your Agency has anything to contribute to democratizing Africa?

Mr. DUFFEY. Yes, I think we do. But that has to do with the role that broadcasting can play in giving people a voice as the country evolves, and supporting the electoral processes so that people can vote in an informed way when they have the opportunity.

Mr. HILLIARD. I understand. Thank you very much. Let me ask you this. On page two you stated that, in the third paragraph, "I began 4 years ago to lead this Agency in the process of change." Then in the fourth paragraph you said, "In its very inclinations over the past several decades, the USIA has a long and honorable tradition of serving the interests of the citizens of the United States."

And then you go over on page three, in what is really the second paragraph, you said, "Not only is this true today," you said, "the times have changed. The demands are different. Resources are more restrained, the mission far more sophisticated."

Now, let me ask a question. Like I said, I am new to this committee, and I do not quite understand your mission. But is your mission also not only to serve the interests of America, but to serve it in communicating its values and ideals to people around the world? And in doing so, giving out information about its democratic institutions? Would that be your mission?

Mr. DUFFEY. Yes, it would be.

Mr. HILLIARD. All right. You do not think that is needed in Africa?

Mr. DUFFEY. I am sorry?

Mr. HILLIARD. You do not think that that is needed to be done in Africa?

Mr. DUFFEY. I think that that is very much needed in Africa. In fact, Africa is one of—

Mr. HILLIARD. But you have not asked this committee, either through the budgetary process or any other hearings, or in any other way, nor advised this committee that we need to move in that arena?

Mr. DUFFEY. You will find in our submission the places where the Voice of America is on the air. I think they have increased, as I said, with a number of languages in the last few years. We have not done that always by coming back to the Congress, but by shifting our resources internally and moving more quickly to provide the language services where we thought they were important.

Mr. HILLIARD. So do you think in the near future or in the far future that there might be a shifting of your resources in the area of communicating in Africa?

Mr. DUFFEY. Mr. Chairman, it took me about 3 years to make it happen, but I shut down the Voice of America broadcast in Western Europe, which I do not think contributed very greatly, in order to have resources in a shrinking time for places like Africa.

It is a high priority. It, quite frankly, is one of the places in the world where short-wave broadcasting is still extraordinarily important. And we recognize that, and we have tried to put our resources there as a very high priority.

There are several areas of high priority. I would say the former Soviet Union, parts of Asia, the Middle East, and Africa would be among the highest priority.

We also have, during this period, opened a relay station, and added languages, which we have not really been doing in other parts of the world. If anything, we have been reducing languages and closing relay stations.

Mr. BURKE. Congressman Hilliard.

Mr. HILLIARD. Yes?

Mr. BURKE. Could I suggest that Evelyn Lieberman, the new director of the Voice of America, communicate with you, and send to you a history of the last couple of years in the kind of increased broadcasting that has been done to Central Africa? The addition of languages, and the help we have given people who have been in trouble?

Mr. HILLIARD. That would be very good, and I would appreciate that.

Also, would you go a step further, and let me know what are your plans for the next year, and the next 2 years? I would also appreciate that.

Mr. BURKE. We will do that, sir.

Mr. HILLIARD. Thank you.

Mr. SMITH. Without objection, I think that is something we can make a part of the record, as well.

You know, in followup to that, and very briefly, with the Zairean crisis, could you just briefly explain what was being done, in terms of broadcasting, to try to mitigate that crisis?

Mr. BURKE. In Zaire, and especially in the aftermath of Rwanda and the situations there, I believe two additional languages were added. Powers were added, too, were they not?

Mr. DUFFEY. Yes.

Mr. BURKE. And the difficulty is trying to overcome hate radio that exists. And as you know, there is a lot of radio in that part of the world that is dedicated to different ethnic hates. And to try to overcome that is a difficult task.

A great deal of attention, after the Rwanda situation, was paid to trying to, through short-wave, bring information to the refugees who were fleeing. Information about their families. Children were separated from parents and the like.

Also information about when corridors were opened, and when transportation was available. Great lengths the Voice of America went to do that, and will continue to do so. But that is part of the information that we will make available to you, Mr. Hilliard.

Mr. SMITH. I want to thank our very distinguished witnesses for their testimony today, and also for the very fine work you do on behalf of people who aspire to freedom; and for those of us who have it, to extend your hand and your expertise and your commitment to democracy and human rights.

Thank you very much for your testimony and your work.

Mr. BURKE. Thank you, Mr. Chairman.

Mr. SMITH. The hearing is adjourned.

[Whereupon, at 4:04 p.m., the Subcommittee was adjourned.]



APPENDIX

OPENING STATEMENT

THE HONORABLE JOSEPH DUFFEY

DIRECTOR, UNITED STATES INFORMATION AGENCY

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

AND HUMAN RIGHTS

COMMITTEE ON INTERNATIONAL RELATIONS

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 13, 1997 - 1:30 P.M.

Chairman Smith, Representative Lantos, Members of the Subcommittee:

I appreciate this opportunity to appear before the Subcommittee today to express my views on the mission and the work of the United States Information Agency and to respond to your questions.

It is no secret that I began four years ago to lead this Agency in a process of change. The path I chose involved a thoughtful examination of how the world has changed along with the national interest of the United States.

We have examined the mission of USIA in the context of the end of the Cold War, the new global technologies and the current goals and needs of our nation.

The USIA—in its various incarnations over the past several decades—has a long and honorable tradition of serving the interests of the citizens of the United States.

It is also clear from a reading of history that, from time to time, our mission has been redefined by changing conditions, new technologies, the demands of the time and the priorities of the day:

– In 1945, President Truman called upon one of our predecessor organizations to work to see that “other peoples receive a full and fair picture of American life and of the aims and policies of the United States government...supplementing the work of private organizations and individuals”

– Five years later, in 1950, the times had changed and President Truman called for a “campaign of truth,” waging a struggle for “the hearts and minds of men”—“to counter deceit, distortion and lies used in a deliberate campaign by our adversaries...We must make ourselves heard around the world,” he said, in “a great campaign of truth.”

– In a milder tone, three years later, President Eisenhower called upon the USIA to “make more effective all activities of the Government related to international information” and to seek to present overseas “a full exposition of U.S. actions and policies.”

And so, over time, the USIA and the U.S. Government’s International

broadcasting, the major part of which has been administered by USIA, became during several points in the history of the Agency:

- one of the largest official information organizations in the world;**
- the largest radio system in the scope of its languages and range of transmitter sites in the world;**
- the largest library system in the world in terms of branches and distribution of books and magazines;**
- the largest noncommercial news distribution system in the world in terms of languages and global reach;**
- the largest noncommercial film distributor in the world; and**
- a major source of programs for the movement and exchange of students and scholars around the world.**

None of this is true today. The times have changed; the demands are different; resources are more restrained; the mission far more subtle and sophisticated—but for that, no less important nor less critical in terms of very practical U.S. national interests that are not being directly served by any other agency of the government or any organization in the private sector.

Today, the great threat to U.S. interests is not that we not be loved and admired in some corner of the world—but that we be misunderstood—that misjudgments might be made by other nations about our interests and our willingness to defend those interests when they are threatened.

America is indeed a puzzling nation to many who seek to understand how our system works—and the contradictions and ironies that go into our way of making policies and defining our national aspirations. And we cannot take for granted that even those who seek in sympathy to understand our behavior can do so without our being more forthcoming.

Two forces of historic significance are shaping the world we live in—the information-communications revolution and the shift of power away from central government authority to individuals and publics. These forces require all of us to reexamine the way in which we engage the world. I believe that for American leadership to be successful, traditional

diplomacy must be complemented by an open and creative public diplomacy which focuses on the values and beliefs, attitudes and opinions of foreign publics. These new challenges also highlight the need to engage to a much greater extent the talents and resources of our own citizens. These are tasks to which USIA is well-suited.

We have, in addition, newer goals in the world—quite practical objectives:

- greater deregulation of trade and investment;**
- protection of intellectual property rights;**
- the enactment of laws and agreements regarding transnational investment; and**
- the spread of fundamental freedoms and human rights. An example of this is our civic education initiative, called “Education for Democracy,” which emphasizes the rights and roles of citizens as full participants in the political and economic life of their societies.**

Today the USIA is ready for the new century.

For the last four years we have worked to become practiced in the art of pursuing these new national interests in an era of frugal diplomacy.

We have a new and clear understanding of a more limited but crucial mission in our service to the American people and American interests abroad.

President Clinton has affirmed our updated definition of USIA’s mission:

It is this:

- to promote the national interest and national security of the United States of America through understanding, informing and influencing foreign publics, and broadening dialogue between American citizens and institutions and their counterparts abroad.**

This clear and brief statement of our mission is also the first step in the Agency’s implementation of the Government Performance and Results

Act. We have broken down this mission into three broad strategic goals and, under those objectives, we have established more specific target outcomes for our worldwide activities. Each of our objectives directly supports the foreign policy priorities of the Department of State and the White House. The process of arriving at these goals, moreover, is closely integrated with the Department of State's own planning process. This is more true today than at any time in the history of the USIA.

As a foreign affairs agency of the United States Government, our activities cannot always be measured by standard indicators, nor can our customer and stakeholder satisfaction be gauged in the usual way. Our mission supports the U.S. national interest and advances American national security. This means:

- we build international support for American policies, even when they are unpopular;**
- we base our public diplomacy on the principles of American democracy, even when our target audience is hostile to them;**
- we respond to crises that cannot be foreseen by any planning process; and**
- we operate programs that are long-term investments in stability, political security and open markets and may show few immediate results.**

Nonetheless, we are fully committed to implementation of the letter and the spirit of the Results Act throughout USIA. Let me give you some specific examples of how we judge "outcome" and not just "output":

- As part of our support for an open and democratic Europe and for the expansion of NATO, USIA organized a program for six key Hungarian parliamentarians. This program contributed to the decision of the Hungarian Parliament to authorize the transit and stationing in Hungary of IFOR forces involved in the implementation of the Dayton Accord. Hungary also became the first country with a specific budget line item for Partnership for Peace and the first PFP country to sign the NATO Status of Forces Agreement.**
- Many countries try to prevent their citizens from having access to accurate, independent news and information. The Voice of America**

and other broadcasters play an important role around the world in providing a free flow of information. When Serbian leader Slobodan Milosevic closed down the independent radio station B-92, VOA and RFE/RL responded with expanded hours of both medium and shortwave broadcasts in Serbian. VOA and RFE/RL also carried B-92 correspondent reports. After one such day of media exposure, Milosevic relented and B-92 was back on the air.

– An exchange visitor from Italy who came to the United States for a program on intellectual property rights later organized a major raid on local centers of software piracy.

– The USIA Information Resource Center in Budapest fostered contacts between the American and Hungarian business communities that resulted in business partnerships in the food industry and other business sectors.

– Members of the first Palestinian Legislative Council were brought to the United States by USIA to experience firsthand how the U.S. Congress and state legislatures function. This knowledge will assist them in establishing the basic governing institutions of the Palestinian Authority.

– A USIA grant to Southern Illinois University led to FCC collaboration with the newly created South Africa Independent Broadcasting Authority to establish the regulatory framework for South Africa's first electronic media.

We are not only adapting our programs to meet new challenges, we also are preparing our work force for the twenty-first century. It is already one third smaller than it was four years ago. But just resizing our work force is not the point. We are far more focused and more flexible than we were four years ago.

– Over the past four years, the new USIA has invested more of its resources, relative to the total annual budget, in training and retraining its employees and into new technology each year than in any other period in its history. We are retooling for future service in a changed and changing world.

– Our work force is reduced by one third, but what we do, we do more creatively and efficiently.

- We seek to present ourselves today not as an organization with a bag of tools and a list of programs, but rather as a team of experienced experts in communicating those important policies, facts, opinions, nuances and corrections that most often fail to make the headlines and, too often even the body of the story on CNN or Reuters or any other commercial news source.

This is indeed a new time.

To continue our support for American leadership in the world and to build on the work that has already been done, we are requesting \$1.078 billion for FY 1998. This will cover most of the costs of the Agency's current service requirements and enable the Agency to stabilize core programs and operations.

With this budget, however, further program and staff reductions will be necessary in FY 1998. While USIA is making reductions deliberately and strategically as part of its extensive reinvention efforts, the Agency has been forced over the past several years to make faster and deeper cuts than I believe are wise in view of the challenges which confront America around the world.

With FY 1998 program reductions of \$13.9 million, USIA's appropriations under this request will be 33% below the 1993 level in constant dollars. Staff reductions of 128 in FY 1998 will bring total workforce reductions to 29% in the same time frame.

Although we project further reductions, we propose \$3.4 million to allow innovative expansion of technology for Agency programs, strengthen broadcasting audience research and establish a new office to increase cooperation and eliminate duplication among agencies conducting international exchanges and training.

This Agency also continues to streamline its operations and to work with other agencies to integrate administrative functions.

We have also proposed draft authorizing legislation together with several changes to existing statutes for the Committee's consideration as the budget is prepared for 1998.

What I have tried to say to you today is that USIA understands the changes and the nature of this new time. We have changed and will

continue to change with the times and the demands of the time.

We remain, however, unabashed advocates for the interests of the American nation—a team of strategists and tacticians with an understanding of the publics we need to reach and inform and convince if our national policies are to be successful.

Mr. Chairman, Members of the Subcommittee, I believe that the public diplomacy programs of USIA remain an important strategic investment that America must support to protect and sustain its vital interests in the future.

The Wall Street Journal recently carried on its editorial page an article by two prominent members of the Congressional majority leadership. Representative Gerald Solomon, Chairman of the House Rules Committee, and Representative Christopher Cox, Chairman of the House Republican Policy Committee, wrote about the elements necessary for U.S. global leadership. Their discussion of a number of established programs will contribute to the debate we are having about how to pursue our national interests as we look to a new century.

At one point the two Congressmen wrote the following: *“American leadership derives...from our powerful ideals and values, our global military presence and the economic benefits of our free enterprise system.”*

Whatever differences may emerge in this session of the Congress about our foreign affairs budget and strategies, I believe that these words do express a consensus. Now one third of the three elements the Congressmen cite, “our powerful ideals and values” represent the central focus of every program that USIA is engaged in. Compared to the costs of other activities overseas this one third of the agenda represents a modest investment, but a powerful one, an investment directly related to the future of US leadership in the world.

Thank you, Mr. Chairman. I would be happy to address any questions you or your colleagues may have.

Testimony of

David Burke

Chairman

Broadcasting Board of Governors

**Subcommittee on International Operations
and Human Rights**

Committee on International Relations

House of Representatives

Thursday, March 13, 1997

Mr. Chairman, Mr. Lantos, members of the Subcommittee:
I am pleased to appear before you today as Chairman of the bipartisan Broadcasting Board of Governors (BBG) to discuss the mission and work of international broadcasting, and to respond to your questions.

Accompanying me today are my friend and BBG colleague, Mr. Tom Korologos; Mr. Kevin Klose, the newly-appointed Director of the International Broadcasting Bureau; the new Director of the Voice of America, Ms. Evelyn Lieberman; and Mr. Richard Richter, President of Radio Free Asia. I know that I speak for Director Duffey, Tom, and our colleagues on the Broadcasting Board of Governors when I say how delighted we are to have Kevin and Evelyn join us as we chart a course for the future of U.S. international broadcasting.

As it has done for more than five decades, U.S. government international broadcasting today serves to:

- let the world know where the U.S. stands by clearly communicating U.S. policy;
- promote freedom by ensuring the free flow of accurate and objective information;
- encourage democratic values by describing and reporting on the democratic process;
- help fledgling democracies build and maintain their own free press by serving daily as a model; and
- foster appreciation for America by fairly representing this country, including, where warranted, our shortcomings.

International broadcasting today remains what it has been for more than half a century -- an inexpensive, effective means of promoting and defending American interests, while encouraging the evolution of a more democratic, stable, and peaceful world.

It is true that in some important ways, the world to which we broadcast has changed. There is greater truthfulness and candor, for example, in the media of a number of formerly communist countries than there was eight years ago. But I will argue today that the role of our international broadcasting services: the Voice of America, Radio Free Europe/Radio Liberty, Radio Free Asia, Radio and Television Marti, and WORLDNET Television remains critical.

As evidence, we need only to look at several examples during the past year, some as recent as last week.

-- Last fall, coverage of pro-democracy demonstrations in Belgrade was forbidden and absent on state-controlled media. When, in early December, Serbian President Milosevic silenced the independent Belgrade station, Radio B-92, both RFE/RL and VOA responded to the need for accurate, fair reporting on the scope of the opposition forces and government reaction to their

activities. The immediate expansion of VOA and RFE/RL shortwave, medium wave, and television simulcasting to the region, as well as creative use of the Internet, provided Serbian audiences with in-depth coverage and analysis of events, including interviews with and reports by B-92 correspondents, as well as U.S. and world reaction to developments there. The independent Belgrade daily, Nasa Borba, on its own initiative, began printing VOA Serbian service radio and television/satellite frequencies.

Scarcely 20 hours after the expanded broadcasts began, the Milosevic government relented and permitted B-92 to resume its broadcasts. Veran Matic, senior editor at Radio B-92, has described the role that VOA and RFE/RL played in returning the station to the airwaves as "the ultimate act of media solidarity." The Christian Science Monitor described the events as "a first for international broadcasting ... Never before has a state-funded broadcaster like VOA provided the means for a private station suppressed by the autocratic regime of another country to return to the air".

Audience feedback was dramatic. VOA's Serbian service dial-in hotline received dozens of calls daily. One caller said, "Although living in Belgrade, I had no idea what was happening in my city till I heard your program. Thank you!" A caller from Nis stated, "Following both your TV and radio programs, we have the impression that we are not completely ignored by the world, and that there is still hope for democracy in our part of the world. Thank you for all your information."

A December survey conducted by the University of Belgrade's Institute of Social Research and sponsored by RFE/RL and VOA as part of their regular audience research program confirms these two services as the most popular international broadcasters in Serbia and Montenegro.

As you know, Milosevic, under intense domestic and international pressure, has subsequently ended his government's effort to nullify 14 opposition victories in last November's municipal elections. As The New York Times editorialized last month, however, "His action, while welcome, does not transform Serbia into a democracy or end the political crisis there. ... The promise of a society where information is no longer all but monopolized by the central government must be realized. One reason control of municipalities became such an important issue is that local governments in Serbia traditionally have run their own broadcasting outlets and news publications."

-- In early February of this year, Radio Free Asia's Burmese and Vietnamese services became operational, thus joining their Mandarin Chinese and Tibetan counterparts, which began broadcasting at the end of September and in early December of last year, respectively. The inaugural Burmese service broadcast

included the voice of opposition leader and Nobel laureate Aung San Suu Kyi: "For ourselves, we would like to welcome Radio Free Asia. . . . As you know, there are three newspapers in Burma and all of those newspapers are controlled by the government. . . . It is a powerful source of strength for us to know that a radio station like Radio Free Asia has been established to broadcast, with absolute freedom, the views of the world as well as those of the people of Burma."

As mandated by the U.S. International Broadcasting Act of 1994 (P.L. 103-236), Radio Free Asia (RFA) is a private, nonprofit, American corporation operating with public funding provided through operating grants from the Broadcasting Board of Governors, whose members also serve as RFA's corporate board of directors. RFA is charged with providing accurate and timely news, information, and commentary about events within those Asian nations whose people do not fully enjoy freedom of expression. When fully operational later this year, RFA will broadcast in the Chinese, Tibetan, Burmese, Cambodian, Lao, Vietnamese, and Korean languages.

In December, Dick Richter received a letter from your colleague, Congressman John Porter (R-IL), thanking Dick and his colleagues for their hard work and dedication to that point, particularly what he described as RFA's "noteworthy coverage of the trial and sentencing of noted dissident Wang Dan. . . . Radio Free Asia represents a critical part of the U.S. commitment to ending human rights abuses and establishing democracy in China."

-- Last summer, in response to the continuing crisis in Burundi, Rwanda, and eastern Zaire, VOA began half-hour daily broadcasts in Kinyarwanda and Kirundi, two languages widely spoken by Rwandan refugees in Zaire and elsewhere in central and eastern Africa. In November, the language unit began airing public service announcements containing information on the locations of temporary orphanages where refugee parents separated from their children during the mass migration from Zaire to Rwanda might find them. Hundreds of thousands of refugees have come to view these broadcasts as their daily lifeline concerning events which directly affect them.

-- Radio and Television Marti demonstrated their critical role in providing uncensored news and information to the people of Cuba following the shutdown of the "Brothers to the Rescue" aircraft last February. The subsequent enactment of the Helms-Burton "Libertad" act represented a major milestone in U.S.-Cuban relations, and generated significant controversy both in the United States and within the international community. Natural interest among Cubans, as well as fears created by an intense Cuban government misinformation campaign, were countered by extensive, substantive coverage of the specific provisions and implications of the legislation on Radio and TV Marti.

-- The Iranian government's response to VOA's one-hour, Farsi simulcast call-in show, "Roundtable With You", was an accelerated effort to confiscate private citizens' satellite dishes. We understand that dedicated viewers install their dishes at night, then remove and hide them in the morning, often videotaping the simulcast to share with those who do not have dishes.

-- From its new, highly efficient broadcast center in Prague (rent: twelve dollars annually for the entire former Federal Parliament Building on historic Wenceslas Square), Radio Free Europe/Radio Liberty has strengthened its surrogate home radio presence throughout Central Europe and the former Soviet Union. Interactive programming on the RFE/RL Russian, Slovak, South Slavic, Ukrainian, and other services includes listener call-in segments featuring experts on issues such as international relations, economic reform, family health, and ethnic diversity.

The thread which links all of our broadcast services is the commitment to fair and balanced reporting. For example, VOA's recent broadcast of President Clinton's State of the Union address included the entire Republican response, delivered by Congressman J.C. Watts of Oklahoma, in contrast to many commercial broadcasters, whose coverage of the O.J. Simpson civil trial pre-empted the Republican response. This approach is illustrative of our commitment to present a balanced and comprehensive projection of significant American thought and institutions.

This past year marks the first time that all U.S. government-funded, non-military, international broadcasting has been directed by a single entity, the Broadcasting Board of Governors, as specified in the International Broadcasting Act. As detailed in our request, the new organizational structure and reduction of directly competing program services prescribed by the Broadcasting Act have already produced dramatic savings and a leaner, more flexible organization. The Board is committed to identifying further economies, and is exploring a number of strategies to help sharpen broadcasting's focus, enhance its effectiveness, and further consolidate and streamline operations.

For example, rapidly evolving communications technology presents a special challenge for U.S. international broadcasters. The Board, working with the broadcasters, will identify, evaluate, and where appropriate, implement new technologies designed to improve signal delivery, enhance program quality, and reduce costs. The experience of both RFE/RL and Radio Free Asia to date demonstrate the considerable advantages afforded by digital editing and broadcast technology. Broadcasters now produce and record their own programs, greatly reducing the need for studio technicians. Moreover, digital broadcast technology

produces better quality sound, reduces use of expensive audio tapes, greatly facilitates editing, program storage, and retrieval. The Board will continue to encourage and attempt to facilitate VOA's planned transition to digital audio technology.

In many parts of the world, radio remains the predominant vehicle for conveying information, and shortwave is still the most cost-effective and reliable means of reaching large radio audiences. Yet, satellite technology and the rapid expansion of independent media outlets have enabled U.S. international broadcasters to reach audiences around the world via nearly 1,200 AM and FM affiliate stations. The Board, in close collaboration with the broadcasting services, will be seeking ways to both expand and sharpen the focus of this rebroadcasting effort.

Audience research confirms that television is rising in importance relative to radio in key markets for U.S. international broadcasters, including Russia and the Middle East. Milosevic used Serbian state television to whip up nationalist hatred, contributing to the Bosnian tragedy. Satellite delivery to local and national cable TV systems increases the reach. The Board applauds the development of VOA TV simulcasts, building on the success of such prototypes as "China Forum" in Mandarin, "Dialogue with the West", a VOA/Worldnet Television co-production in Arabic with the Middle East Broadcasting Centre, and most recently, "America Calling Serbia", which now has eleven independent affiliates in Serbia. Several of my BBG colleagues, notably Marc Nathanson and Carl Spielvogel, have extensive knowledge and experience in the fields of commercial and cable television which will serve us well as we explore the prudent use of this powerful but expensive medium in the context of our public diplomacy mission.

Mr. Chairman, a word about our 1998 appropriation request. The requested level of \$399.5 million (\$366.8 million for International Broadcasting Operations and \$32.7 million for Radio Construction) will support current program levels for all broadcasting services by providing for inflationary and other built-in cost increases. This request reflects the need, in the Board's view, for a period of funding stability following one of dramatic consolidation and downsizing. As you know, the request represents a reduction of 31% from the 1994 level, including the elimination of nearly 1500 positions, a 30 percent reduction.

The request includes an enhancement of \$1 million for expanded audience research, bringing the total funding for research to \$2 million. The Board places a high priority on timely, credible audience research as a basis for programming decisions and allocation of resources. As you know well, Mr. Chairman, few commercial broadcasters would succeed without adequate information concerning the size, demographics, and media preferences of their audiences.

Mr. Chairman,—international broadcasting is a real bargain. Our recent successes in Serbia, Africa, Iran, China, Russia, and elsewhere around the world were accomplished with a 1997 budget that represents approximately two percent of total Federal spending on international affairs.

I believe that enactment of our 1998 request will provide a solid platform from which to advance our mission into the twenty-first century.

I look forward to working with members of this subcommittee, and can assure you that I will work toward the most efficient utilization of funds entrusted to us by Congress. I would be happy to answer any questions you may have at this time.

STATEMENT

of

CARL GERSHMAN, PRESIDENT
NATIONAL ENDOWMENT FOR DEMOCRACY

BEFORE THE SUBCOMMITTEE ON
INTERNATIONAL OPERATIONS AND HUMAN RIGHTS

of the

COMMITTEE ON INTERNATIONAL RELATIONS
U.S. HOUSE OF REPRESENTATIVES

MARCH 13, 1997

Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to appear before you this afternoon to discuss our multifaceted program and to share with you our plans for the coming year. We are grateful for the interest that Members of Congress have shown over the years in our work, and as I'm sure you are aware, Mr. Chairman, our program has benefitted greatly from your ideas as well as those of Mr. Lantos and other members of this panel.

The Administration has requested a funding level of \$30 million for the Endowment--our current appropriation--in FY98. We are gratified by such a strong show of support during a time of fiscal austerity. At the same time, I know this committee appreciates the pressures that a level budget places on our grants program, particularly when the demands for democratic assistance are growing.

It was in anticipation of these pressures, as well as the strong desire to remain on the "cutting edge" of democratic advancement in the current period, that the Endowment's governing Board decided several months ago to review our strategic plan. The document resulting from that review, formally approved by the Board in January, is entitled "Promoting Democracy in a Time of Austerity," and reflects the pragmatic--yet fresh and, frankly, exciting-- approach we are taking toward how best to allocate scarce resources in the years ahead.

Before I share with you the major ideas from that document, let me place them in their proper context.

A Unique Contribution

The Endowment is currently funding programs in over 90 countries in every corner of the globe. Its four affiliated institutes, the International Republican Institute (IRI), the National Democratic Institute for International Affairs (NDI), the Center for International Private Enterprise (CIPE) and the Free Trade Union Institute (FTUI) receive their core funding from NED to operate a host of programs that strengthen political parties, promote open markets, advocate the rights of workers, and many related activities. The Endowment also has a substantial "discretionary" program that provides direct support to grassroots organizations working on democratic initiatives that promote aspects of a democratic society, including human rights, independent media, the rule of law, civic education, women's rights and others.

The Endowment's previous strategic plan was adopted over five years ago in the wake of the collapse of communist and other dictatorships. The challenge we then faced was to demonstrate why our contribution was unique in light of the new opportunities for government agencies such as AID to develop their own democracy programs.

The Board addressed this new situation by adopting a three-point strategy of comparative advantage, which entailed (1) maximizing support to democratic forces fighting authoritarian regimes, situations generally off-limits to government agencies; (2) strengthening coordination with NED's four institutes; and (3) expanding our efforts in the realm of ideas and information to strengthen our grants program.

That strategy proved highly successful:

1. Our programming rose steadily in the "not free" countries to the point where we are now spending nearly half of our funds in these difficult areas. This reflected a doubling of resources spent in Asia (primarily China, Burma, and Cambodia), and a tripling of resources for the Middle East. There were also dramatic increases in Central Asia and the former Yugoslavia.

2. Coordination of effort within the NED family has increased, as NED and the institutes now routinely share networks, information, and materials, most importantly when one of them commences activity in a country where one or more others have been active.

3. NED established a research center, the International Forum for Democratic Studies, that in three busy years has become the pre-eminent center in the world for analysis of the theory and practice of democratic development worldwide and a clearinghouse for information on that development. Of the many important benefits of the Forum to NED, it has developed relationships with counterpart institutions in democracies such as Taiwan, India, Japan and Portugal, relationships that will prove extremely valuable in helping us implement the new strategy outlined below. I should add that we are supporting roughly two-thirds of this effort with funding from the private sector.

Now we are faced with the reality that an appropriation of \$30 million will result in a decline in our budget in real terms due to inflation. But this has not diminished our determination to remain a dynamic center for the promotion of democracy around the world. We remain firmly convinced that because people everywhere aspire to freedom, the evolution of democracy should not be ruled out anywhere. And America's national interest, as well as its moral obligation, remains to help (small "d") democrats realize their aspirations.

So the objective for NED in the years ahead will be to devise methods to do more with less, which will entail utilizing our strengths to maximum effect. As I have pointed out, our four institute structure affords many opportunities in this direction that we have exploited and will continue to exploit.

Multiplying our Impact

Let me share with the committee three additional ways in which we are moving to multiply the impact of our funding:

1. Coordination of effort through intra regional and interregional programming

Through our grants program we are encouraging institutions in each region in which we fund programs (Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and the New Independent States) to develop their own networks of democratic activists. Examples include:

- A transnational group of Muslim women located in the Middle East, Central Asia and South Asia who have produced a manual in six languages about the rights of women in Islamic societies
- The African organization GERDDES, whose growth to 20 chapters in as many countries has enabled it to train election monitors throughout West Africa
- The Forum of Democratic Leaders in the Asia-Pacific, launched with an Endowment grant two years ago (now funded through individuals and foundations) that has committed itself in the coming year to promoting democratic and human rights in authoritarian Asian countries, particularly Burma
- NDI's joint program with NAMFREL in the Philippines to develop election-monitoring civic organizations in Asia
- An anti-corruption civic organization in Venezuela (Agrupacion Pro-Calidad de Vida/Association for Better Quality of Life) that provides training to counterpart organizations in Latin American countries to empower citizens to fight government corruption

- CIPE's program with the Manila-based Asian Institute of Management to support independent media and professional economic reporting in the region.

NED also funds a number of organizations based in Poland that operate across country borders, among them:

- The Polish-Czech-Slovak Solidarity Foundation, which provides training in desk-top publishing for activists from the New Independent States
- The Foundation for Education for Democracy, which provides civic education and leadership training for the same region
- The Centers for Pluralism, which promote joint projects among numerous pro-democracy centers throughout Central and Eastern Europe and the New Independent States

NED also has the ability to operate across regions. For example, NDI frequently brings activists from one region to another to share knowledge or to learn from more experienced groups. A sharing of practical information experiences has also taken place through programs that bring dissidents in Cuba into contact with experienced former dissidents from Eastern Europe and Russia. And cross regional cooperation is being strengthened among grantees working in predominantly Islamic settings in the Middle East, the Balkans, Central Asia and the Caucasus, northern Africa and South and Southeast Asia.

2. Maximizing the impact of diverse resources within a particular country or region

A good case in point is China. While the discretionary programs and those of our affiliated labor institute support the activities of various pro-democracy networks, among them Human Rights in China, the China Strategic Institute, the Laogai Research Foundation, and the Hong Kong-based activities of labor activist Han Dongfang, IRI and CIPE have targeted opportunities created by official reform policy in the areas of local elections and economic modernization. Additional grants support the democracy movements in Hong Kong and Tibet, and through the International Forum we have highlighted the role of Taiwan as an Asian model of successful democratization.

Another case is Burma, where discretionary and institute grants have been complemented by private U.S. funding as well as European, Asian and Canadian support. (In May NED will host an international meeting of all donors to the movement for democracy in Burma.) Similar approaches have been taken on a regional basis in the Middle East and Latin America. A good example of the latter is the joint institute/discretionary effort to help civic organizations in Mexico (the Civic Alliance, the Civic Center, and the National Civic Feminine Association) monitor and

conduct "get-out-the-vote" campaigns for the upcoming mid-term elections, which could prove to be a turning point in Mexico's democratization process.

3. Enhancing the worldwide promotion of democracy by encouraging other countries to enter the field

In President Reagan's 1982 speech to the British Parliament which helped to launch NED, he highlighted the contribution made by the German political foundations to the emergence of democracy in Spain and Portugal in the mid-1970's, a development that we now associate with the extraordinary growth of democracy during the next twenty years. Since the creation of NED in 1983, Canada and Great Britain have established their own publicly funded non-governmental foundations (modeled more on the U.S. than the German example), consulting with us in the process.

With the encouragement of Congress, NED convened in 1993 the first in a series of meetings of these democracy promoting foundations, leading to the development of an informal information sharing network. At the meeting of the group a year ago, a number of new party institutes were present: four from Sweden, two from the Netherlands, one from Austria, and one from France. NED has played a major consultative role in helping the French decide how best to enter the field, and the National Assembly of that country will decide later this year whether to provide core funding for political foundations.

Indeed, the Endowment is making use of its wide-ranging relationships with indigenous institutions in both new and established democracies to stimulate them to become active in democracy promotion. We have been highly encouraged by the preliminary response in countries as diverse as Portugal, India, Taiwan, the Philippines, and Australia. This October the International Forum will co-sponsor a third meeting with our Taiwan partner, the Institute for National Policy Research, whose primary objective will be to stimulate the growth of democracy-promotion institutions.

What are the advantages of helping other countries to enter this field? Quite simply, stimulating the creation of new partners among democracies is perhaps the most practical way in which we can leverage scarce resources. I cannot think of a more effective way in which to sustain the democratic gains that have been made during the past twenty years than to create a community of democrats. Globalizing the democracy movement represents a critical first step toward that end.

Private Funding

Mr. Chairman, the last time I appeared before this panel, your colleague Mr. Lantos recommended that the Endowment make a vigorous effort to supplement its appropriation with private sector funding. I am pleased to report that we have taken some preliminary steps in this direction.

As I mentioned previously, the International Forum for Democratic Studies now receives some two-thirds of its funding from foundation grants and other private sources. This funding helps to sustain a program that includes: international conferences that bring together scholars and activists to share ideas and experiences on subjects ranging from democracy in East Asia to the future of political parties in democratic societies; a democracy resource center that collects, organizes, and disseminates information and analysis produced by and about grass-roots democratic organizations; the quarterly *Journal of Democracy* and six anthologies of articles from it published by the Johns Hopkins University Press; and an impressive array of visiting fellows from abroad reflecting a broad geographical diversity.

As this committee is aware, any startup funding to mount a fundraising campaign must be raised privately, since the use of public funds for that purpose is strictly prohibited. But following a series of discussions with individuals excited about the work we are carrying out to advance our new strategy, we are cautiously optimistic that we will be in a position sometime this year to begin a small development effort.

We have been cautioned by experts in the field that campaigns of this nature cannot begin to achieve favorable results for several years. So we are well aware that this will be a long-term undertaking. And we know that even in a best-case scenario we will be supplementing the funding provided by Congress.

To regard private funding as merely supplemental reflects more than a realistic assessment of our prospects. It is our fundamental view that because the work we do serves a public purpose, it should-- indeed must--continue to be funded publicly. Indeed, all Americans can take pride in the fact that they support an organization that reflects the best of what our country stands for in the world. And our friends on the Hill and elsewhere should be absolutely assured that while we are testing the private market that will enable us, if successful, to keep pace with the demands we face, we will do it without compromising our commitment to freedom and democracy.

Counterpart Funds

While we are on the subject of private funding, I should point out that our grantees make use of the funding they receive from us to leverage substantial counterpart resources, i.e., cash and in-kind contributions with which they supplement their grants from NED. For the past four years we have required our grantees to indicate the sources and amounts of these resources. Although we have not completed our tabulation for Fiscal 1996, we estimate that the total amount of these resources will fall just short of \$18 million. To put that figure into the context of our grant-making, for each dollar we spend on programs, an additional \$.70 is raised by grantees to supplement it. I will be pleased to share the final report to our Board with the Subcommittee.

A Cost-Effective Approach to Grants Monitoring

As you know, Mr. Chairman, we have worked diligently over the years on the administrative side both to strengthen the financial management capability of our grantees and to insure their accountability. Several years ago we developed a risk-based strategy for evaluating prospective grantees that we have used to maximize the cost-effectiveness of our grants monitoring.

This innovative approach has become a model for government grantees. Last fall the Association of PVO Financial Managers invited our grants officer and manager of internal audit to present our monitoring system to over 100 financial managers from national private voluntary organizations with overseas grants.

Because we have set for ourselves a high standard of accountability, we will continue to use our monitoring strategy to keep a close watch on how our funds are spent.

The Case for Supporting Democracy

Mr. Chairman, we realize that in today's environment, it is not enough simply to be effective in carrying out our mission. We regard it as one of our important tasks to help make the case for the continuing relevance of our work in the post Cold-War period.

Americans are aware that the United States faces a new set of problems and challenges in this era of globalization. But there are few persuasive answers for how to deal with them, a circumstance that fosters passivity and resignation. Two relatively new developments have helped transform the character of international politics, namely, the entry of a vast array of nongovernmental players (whose purposes range from promoting to subverting democracy and human rights) and a dramatic awakening of peoples throughout the world that has forced a record number of countries to conduct elections as a way of establishing legitimate authority.

The turbulence and jockeying for power that characterize this new period have brought to the surface the reality that it is what is going on within countries as well as between countries that accounts for conflicts that have become all too familiar: ethnic hatred, nationalist and religious extremism, social breakdown. And the consequences of these problems extend well beyond the borders in which they originate, among them refugees, crime and drugs, terrorism, and weapons proliferation.

At the very time that these issues are overwhelming the traditional tools of diplomacy, our capacity to foster new solutions has declined as public interest in international matters per se has diminished.

Without suggesting that NED is the only answer to this dilemma, I would simply point out

that our low-cost, flexible approach is ideally suited to attacking these problems that, after all, threaten our own security. For what we are doing is simply providing people the tools that will help them build institutions that respond to their needs, respect human rights, and help them resolve their differences peacefully. This we do, I should add, with full respect for differences of culture and tradition. Freedom is an innate human aspiration, and America has both a moral obligation and a national interest in assisting its growth and development. The Endowment is grateful to this committee for allowing us to play this critical role.

Thank you very much.

USIA EXCHANGE PROGRAMS

QUESTION:

Section 103 of the Human Rights, Refugee and Other Foreign Relations Provision Act of 1996 directs the Director to establish educational and cultural exchanges and scholarships for Tibetans and Burmese living outside of their countries, highlighting the fact that Congress thinks it extremely important to provide those opportunities to members of those communities-in-exile. At our recent hearing, Dr. Duffey mentioned that the Tibet program is "a \$500,000 item . . . in our request for 1998," but the only mention of Tibet exchanges apparent in USIA's 1998 Congressional Estimate indicates that the 1998 request is half of the 1997 amount (down from \$200,000 to \$100,000). I did not see any request at all for Burmese scholarships.

The East Timor Exchanges -- which are aimed at another region of critical concern to us -- are also scheduled to be cut in half, from \$200,000 to \$100,000. In the past, the Agency has complained that funds have remained unused because it was unable to find qualified participants. But the main reason Congress created those programs -- as separate programs -- was precisely that the governments occupying those countries have denied educational opportunities to young people from the native populations.

- o Where is the \$500,000 for the Tibet program mentioned by Dr. Duffey reflected in USIA's FY1998 budget request?
- o Exactly what efforts have been made to locate eligible participants for the Tibet, Burma and East Timor programs in the last two years?
- o With what local organizations or institutions in East Timor has USIA been working? Has USIA sought the assistance of Bishop Belo, the leading spokesperson for democracy and human rights in East Timor, or of exiled East Timor democracy activists?
- o What is the relationship, if any, between the Indonesia Binational Fulbright Commission and the Indonesian government? Given that the people of East Timor are distinct from those of Indonesia in ethnicity, language, religion and culture, could our reliance on an Indonesian

organization, rather than an East Timor organization, help to explain why there has been no luck in finding "qualified" East Timorese participants?

ANSWER:

The Administration's request for FY 1998 includes:

- o \$500,000 in support of scholarships for Tibetans living outside Tibet (principally in India and Nepal), which is included in the request for Fulbright Area and Worldwide Academic Exchanges. This is the same level as planned for FY 1997.
- o \$100,000 for other programs in Tibet, included separately under "Other Academic Exchanges." In FY 1997, USIA plans to spend \$200,000 on these programs, consisting of \$100,000 in funding appropriated in FY 1997 and \$100,000 carried over from unobligated balances in FY 1996. Hence, the Agency's funding request for FY 1998 is unchanged from the amount appropriated in each of fiscal years 1996 and 1997.
- o \$300,000 for scholarships to Burmese refugees living in Thailand and India, included in the request for Fulbright Area and Worldwide Academic Exchanges. This is the same level as planned for FY 1997.
- o \$100,000 for East Timor exchanges, listed separately under "Other Academic Exchanges." As in the case of programs in Tibet, USIA plans to spend \$200,000 on these programs in FY 1997, consisting of \$100,000 in funding appropriated in FY 1997 and \$100,000 carried over from unobligated balances in FY 1996. Hence, the Agency's funding request for FY 1998 is unchanged from the amount appropriated in each of fiscal years 1996 and 1997.

USIA has made the following efforts to locate eligible participants for the Tibet, Burma and East Timor programs since their inception:

- o The Tibet Fulbright Program is administered by the Tibet Fund, which recruits eligible students from among the Tibetan refugee communities in India and Nepal. Of the 120 students who have come to the U.S. on this program since 1988, 85 have completed their studies and returned to India

and Nepal to work in the Tibetan refugee communities there.

- o The Burmese Refugee Fulbright Program awards scholarships to Burmese students who fled Burma after the 1988 military crackdown and are now resident outside of Burma in India and Thailand. The Open Society Institute (funded by the Soros Foundation) and Indiana University, working closely with the American Embassies in Bangkok and New Delhi, actively recruit students from the refugee communities for this program, which has been in operation since 1991.
- o The American Embassy and USIS post in Jakarta are in regular contact with the Salesian Brothers, Bishop Belo's Commission for Peace and Justice, and the ETADEP Foundation, the only indigenous NGO in East Timor. During numerous visits by Embassy, USAID and USIS officers to Timor -- and through regular contact with Timorese residing or traveling elsewhere -- the post has solicited participants for USIS exchange programs. Seven East Timorese have received USIA exchange program grants since 1994 (five in the past two years), including the chairman of ETADEP, an East Timorese member of the National Commission for Human Rights, the Vice-Rector and a lecturer from the University of East Timor, the editor-in-chief of the "Suara Timor Timur" newspaper and the Director of Planning at Timor Timur University. USIS Jakarta and the American-Indonesian Fulbright Commission (AMINEF) have raised US\$60,000 in private donations to support three additional grants for students from eastern Indonesia, including East Timor, in FY-98. The Fulbright Commission has included additional English-language training in their program to help make otherwise qualified students from disadvantaged regions more competitive for Fulbright grants, and USIS Jakarta recently collaborated with AMINEF and USAID to sponsor the first-ever English teaching workshop in Dili, with approximately 100 teachers of English from throughout East Timor attending.

Among the local institutions and organizations in East Timor with which USIA has been working on these issues are:

- o Faculty and students at the independent University of East Timor; editors and journalists at "Suara Timor Timur" (the independent provincial newspaper) and Radio Kmenak; officials at the Commission for Peace and Justice (founded by Bishop Belo); NGO leaders of Yayasan ETADEP - Ema Mata

Dalam Ba Progresu ("The Road to Progress," the only indigenous NGO in East Timor); teachers and members of the Salesian brothers, who run the Don Bosco Technical School; administrators and faculty of other public and private high schools and seminaries in East Timor; and teachers from other Indonesian Christian organizations working in East Timor.

The Indonesian Government does not exercise a major influence over the activities and decisions of the Binational Fulbright Commission in that country:

- o The Indonesian and U.S. governments signed an agreement in 1992 establishing the American-Indonesian Exchange Foundation (AMINEF), a binational commission which administers the Fulbright and Humphrey scholarship programs. The commission board has an equal number of American and Indonesian members, drawn from the senior members of the U.S. Embassy, American corporations based in Indonesia and U.S.-based non-governmental organizations, as well as from the Ministry of Education and Indonesian academic and business communities. The Ambassador and the Minister of Education are honorary co-chairmen of the foundation's board. The board is not dominated by any one faction -- Indonesian or American -- and has a policy of actively recruiting and encouraging applications from candidates from ethnic and religious minority groups for the Fulbright and Humphrey programs. The commission's board is particularly supportive of candidates from eastern Indonesia, recognizing that they have had fewer exchange opportunities than those from Java and parts of Sumatra. The board has also sought additional funding from local and international corporations for additional Fulbright grants, specifically targeted at students from eastern Indonesia, including East Timor. These grants include English language training to make the candidates more competitive in the selection process. Recruitment materials about these special grants have been distributed to a wide range of institutions throughout eastern Indonesia, including East Timor, to facilitate the recruitment of more qualified candidates.

TV MARTI UHF TEST

QUESTION:

I am looking forward to hearing the results of the TV Marti UHF test, which Dr. Duffey noted is scheduled for the fall of this year. When UHF broadcasting begins, will it give us access to new frequencies not already claimed by the Castro government so that we can broadcast during prime time and not just in the early morning hours? Will USIA also try to broadcast to areas of Cuba other than the Havana area, so as to make jamming more difficult and also to reach a wider audience?

ANSWER:

Currently Cuba does not use the UHF band for TV broadcasts; thus, when TV Marti begins UHF broadcasting we will acquire the capability to broadcast during prime time hours, not just in the early morning hours. With UHF broadcasting capability in hand, we will work to resolve the issues surrounding broadcasting during prime time hours as well as to make the necessary adjustments for our joint use of the Air Force's Cudjoe Key aerostat facility.

As with VHF operations, TV Marti will vary its targeted UHF broadcast area to points between Matanzas east of Havana to Mariel west of Havana. TV Marti broadcasts outside of these areas are not possible due to physical limitations and restraints imposed by the need to protect the signal of U.S. broadcasters.

EAST-WEST AND NORTH-SOUTH CENTERS AND ASIA FOUNDATION**QUESTION:**

At the same time that the East-West and North-South Centers were put on a "glide path to privatization," the Administration adopted the same policy with respect to the Asia Foundation. However, the budget request for the Asia Foundation has stabilized at \$8 million, while the others have continued to decline. Given the similar functions performed by these three entities, what is the justification for this disparate treatment?

ANSWER:

There is not disparate treatment of these three organizations. The FY 1998 budget assumes funding for the non-competitive grants for the East-West Center, North-South Center, and the Asia Foundation will all be phased out by FY 2002. Each grant is on a separate glidepath to eliminate earmarked federal funds. The Administration continues to urge these institutions, and other institutions that rely heavily on non-competitive federal grants to fund their core operations, to increase private fundraising efforts and to compete for project-specific grants.

TINIAN FACILITY**QUESTION:**

The budget for Radio Construction includes \$4.4 million for the transmitter facility on Tinian. What is the plan for spending these funds, and does the plan intend to obligate all of the \$4.4 million this year?

ANSWER:

In FY 1998, approximately \$2.9 million will be used to fund the design/construct contract awarded in FY 1996 based on continuing contract authority. The remaining \$1.5 million will be used by the IBB to install, commission and test the existing transmitters and related broadcast equipment coming from the former RFE/RL relay station in Maxoqueira, Portugal. The project is scheduled to be completed in the first quarter of FY 1999. There could be a small residual carry-over of funds to process final contract modifications and to close out contracts.

WORLDNET BUYOUTS**QUESTION:**

The budget justification for WORLDNET explains that, in part, the need for a cost increase is due to hiring five people. It then goes on to say that there was a savings based on the elimination of eight positions through a buyout. Can you explain how you can claim savings for all eight while hiring back five? Also, are any of the five new hires taking jobs that were or could have been filled by those offered by the buyout?

ANSWER:

The budget justification describes savings associated with the elimination of eight positions as a result of buyouts. An offsetting increase results from a separate action, in which five technician positions and their incumbents are transferred from the Office of Cuba Broadcasting to WORLDNET.

These five are not "new hires." In the course of the relocation of OCB to Miami, a number of OCB employees elected not to move to Miami. To the degree possible, these employees have been, or will be placed elsewhere in the Federal Government. Five will be transferred, with their positions, to WORLDNET to staff the Bureau's new joint TV/Radio studio. Overall, as the budget justification shows, there will be a reduction in total staffing resulting from the move of OCB to Miami.

Only one of the WORLDNET employees who received a buyout would have been a potential candidate for a technician job, and this would have involved retraining.

DTSP0 PROBLEMS**QUESTION:**

USIA's budget justification for the coming year indicated the Agency's dissatisfaction with the service provided by the Diplomatic Telecommunications Service Program Office (DTSP0). Please elaborate on USIA's problems with the DTSP0 operation. Is DTSP0 ignoring USIA's concerns? What alternatives is USIA pursuing to assure that its staff has adequate communication capabilities? Will those alternatives cost more, or are there carryover funds in the Technology Fund to cover such costs?

ANSWER:

USIA believes a reliable, high-speed telecommunications system is necessary to respond to the challenge of the information age and to compete effectively in the increasingly complicated telecommunications environment. As indicated, USIA has found it difficult to work with DTSP0 to meet the telecommunication needs of the Agency. A core problem USIA has with current DTSP0 infrastructure is that it cannot support wide-area networking worldwide, real-time interactive database access, or graphics intensive multi media applications. Additionally USIA has found DTSP0 to be slow to initiate new and upgraded service and has experienced outages in service and slow restoration once outages occur.

USIA believes DTSP0 has not been fully responsive to our concerns.

Alternatives- USIA has been looking into Very Small Aperture Terminal (VSAT) technology as an alternative to meeting USIA requirements. This technology has great potential for addressing many of issues discussed above, and we are in the process of finalizing a proposal to conduct a four post pilot to test it in an operational environment. We will share that plan with congressional staff as soon as it is cleared through OMB.

Will the Alternatives Cost More? The funds for the four post pilot would be covered by carryover and current year budget in the Technology Modernization Fund.

Providing this enhanced capability beyond the pilot phase to worldwide applicability, however, will require additional investment. Part of the purpose of the VSAT pilot is to

validate the cost model, as well as to test the technology. USIA will undoubtedly have to apply additional funds for enhanced telecommunications to meet our future needs no matter where we obtain the service whether through DTSP0 or other means.

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