

FOREIGN RELATIONS AUTHORIZATION FOR FY 2006–2007: EMBASSY AND BORDER SECURITY

HEARING

BEFORE THE

SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN
RIGHTS AND INTERNATIONAL OPERATIONS

OF THE

COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

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FOREIGN RELATIONS AUTHORIZATION FOR FY 2006–2007: EMBASSY AND BORDER SECURITY

THURSDAY, MAY 12, 2005

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS
AND INTERNATIONAL OPERATIONS,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 11:04 a.m., in room 2200, Rayburn House Office Building, Hon. Christopher Smith (Chairman of the Subcommittee) presiding.

Mr. SMITH OF NEW JERSEY. The Subcommittee will come to order.

This is the second hearing this Subcommittee is conducting this year on legislation to authorize the foreign relations programs and activities of the United States for fiscal years 2006 and 2007.

Today the Subcommittee will consider the security of our missions, U.S. missions abroad, and the people who serve in those missions. We will also be examining the security of our borders as it relates to the work of our overseas missions to protect U.S. borders against the illegal entry of terrorist and others who would threaten homeland security.

In August 1998, the world was shaken by the terrorist bombings of U.S. Embassies in Kenya and Tanzania. Among the results of those despicable acts was the appointment of accountability review boards for each incident, chaired by Admiral William Crowe.

Admiral Crowe testified before this Subcommittee in 1999, which confirmed the findings of the Crowe report that over 85 percent of all U.S. diplomatic overseas facilities did not meet the security standards established as a result of the 1985 Admiral Bobby Inman report findings.

I would also just note, parenthetically, that Admiral Crowe said at the time, and he said it before our Committee, that throughout the proceedings, the boards were most disturbed regarding two interconnected issues: The first of these was the inadequacy of the resources to provide security against terrorist attacks, and the second was the relatively low priority accorded security concerns throughout the U.S. Government by the Department of State, other agencies in general, and on the part of many employees, both in Washington and in the field.

He went on to say that saving lives and adequately addressing our security vulnerabilities on a sustained basis must be given a higher priority by all those involved.

And then he went on to make a very, I think, compelling case as to why we needed to provide those resources.

As a direct result of that hearing and inadequate funding levels identified for capital improvements and worldwide security, Congress responded with a major new funding package.

I was the prime sponsor of H.R. 3427, the Admiral James W. Nance and Meg Donovan Foreign Relations Authorizations Act for fiscal years 2000 and 2001. We also called it the Embassy Security Act, which among other things authorized \$900 million per year for 5 years for Embassy security construction and maintenance.

Since that time, 15 major capital projects have been completed, including new Embassies in conflict compounds, as well as USAID annex buildings, and another 39 projects are under construction or design.

In addition, thanks to the cumulative total of \$816 million appropriated to the compound security upgrade program since the Embassy bombings, the overseas building office has undertaken 125 major security upgrades such as construction of perimeter walls, vehicle barriers and building-security upgrade projects; 1,011 post-managed minor upgrade projects have also been completed.

Out of a Department of State fiscal year 2006 overall budget request of \$9.28 billion, security initiatives include \$1.5 billion for security-related construction of U.S. Embassies, \$690 million to increase security for diplomatic personnel, and \$930 million for border security programs—increases of 1.5 percent, 5.4 percent and 7.6 percent, respectively.

These requests include funding for 55 additional Diplomatic Security personnel positions and 55 new consular positions.

Under the Capital Securities Construction program, eight new Embassy compounds and four USAID annexes would be funded.

However, the sobering news is that while we have made significant progress, there is still much to be done. If the department receives funding as requested and implements its long-range overseas building plan through the end of fiscal year 2006, approximately 56 percent of overseas facilities will still not meet security standards.

In a related area, GAO testimony on overseas security before the Government Reform Committee 2 days ago found that State had not developed a comprehensive strategy that clearly identifies safety and security requirements and resources needed to protect U.S. officials and their families abroad from terrorist threats outside the Embassy.

The department itself concluded that officials lacked the necessary hands-on training to help counterterrorist attacks against U.S. officials outside of the Embassies.

While \$29.8 million has been appropriated by Congress to address security vulnerabilities against soft targets, particularly overseas schools, limited guidance over the eligibility of non-State Department-sponsored schools has resulted in spotty implementation of phase three of the program.

Sadly, it took another attack, this time on our home soil, for us to begin to really rectify longstanding vulnerabilities in our border

protection systems. Approximately 60 families from my own congressional district lost loved ones in the attacks of September 11, 2001, and the post office from which the anthrax attack originated is located in my hometown, in my district of Hamilton Township.

I insisted on the establishment of the 9–11 Commission because I was determined, along with many others on both sides of the aisle, to ensure that the individuals who lost their lives in the World Trade Center and in the Pentagon did not die in vain.

I supported and fought for border security provisions in the Intelligence Reform and Terrorism Prevention Act of 2004, including the requirements that non-immigrant visa forms be completely and accurately filled out, that anti-fraud specialists be placed at high-fraud posts and that consular officers themselves review and adjudicate visa applications.

I cannot state more strongly my conviction that we deploy biometric technologies to facilitate document authentication and detect potential terrorist indicators as soon as possible, including the Western Hemisphere Initiative to require individuals entering the United States, including American and Canadian citizens, to present proof of citizenship and identity.

We are fortunate to have with us today our witnesses to address these very important issues: General Charles E. Williams, Director of the Office of Overseas Buildings, and Mr. Gregory B. Starr, Deputy Assistant Secretary of State for Countermeasures in the Bureau of Diplomatic Security.

We also welcome Mr. Daniel Smith, Principal Deputy Assistant Secretary of State in the Bureau of Consular Affairs, to discuss the vital issue border security and the work of our overseas missions in preventing the illegal entry of terrorists and others who would threaten homeland security.

In conclusion, just let me commend the Bush Administration for its outstanding leadership on these critically important security issues. The magnitude and rapidity of the changes that we have seen in the past 4 years is indeed impressive, particularly in light of the complexity of the problems that we face.

There is no more important antidote to the terrorist threat we face around the world than to safely deploy American representatives to explain, listen, and interact with others face to face. Your programs, in my view, are a vital component in this equation.

So let us work together on the resources and the programs which are needed to accomplish these common goals.

I would like to yield to Mr. Payne, the Ranking Member, for any opening comment he might have.

[The prepared statement of Mr. Smith of New Jersey follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY AND CHAIRMAN, SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS AND INTERNATIONAL OPERATIONS

The Subcommittee will come to order. This is the second hearing this committee is conducting this year on legislation to authorize the foreign relations programs and activities of the United States for fiscal years 2006 and 2007. Today the Subcommittee will consider the security of our U.S. missions abroad and of the people who serve in these missions. We will also be examining the security of our borders, as it relates to the work of our overseas missions to protect U.S. borders against the illegal entry of terrorists and others who would threaten homeland security.

In August 1998 the world was shaken by the terrorist bombings of the U.S. Embassies in Kenya and Tanzania. Among the results of those despicable acts was the appointment of Accountability Review Boards for each incident, chaired by Admiral William Crowe. Admiral Crowe testified before this subcommittee in 1999, and confirmed the finding of the Crowe report that over 85 percent of all U.S. diplomatic overseas facilities did not meet the security standards established as a result of the 1985 Inman report findings.

As a result of that hearing and the inadequate levels of funding identified for capital improvements and worldwide security, Congress responded with a major new funding package. I was the prime sponsor of HR 3427, the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act for Fiscal Years 2000 and 2001 (The Embassy Security Act), which among other things, authorized \$900 million per year for five years for Embassy Security, Construction and Maintenance.

Since that time, 15 major capital projects have been completed, including new embassy and consulate compounds, as well as USAID annex buildings, and another 39 projects are under construction or design. In addition, thanks to a cumulative total of \$816 million appropriated to the Compound Security Upgrade program since the Embassy bombings, the Overseas Building Office (OBO) has undertaken 125 major security upgrades such as construction of perimeter walls, vehicle barriers, and building security upgrade projects. 1,011 post-managed minor upgrade projects have also been completed.

Out of a Department of State FY 06 overall budget request of \$9.28 billion, security initiatives include \$1.5 billion for security-related construction of U.S. Embassies, \$690 million to increase security for diplomatic personnel, and \$930 million for border security programs, increases of 1.5%, 5.4% and 7.6% respectively. These requests include funding for 55 additional diplomatic security personnel positions and 55 new consular positions. Under the Capital Security Construction program, eight new embassy compounds and four USAID annexes would be funded.

However, the sobering news is that while we have made progress, there is still much to be done. If the Department receives funding as requested and implements its Long-Range Overseas Buildings Plan through the end of FY 06, approximately 56 percent of overseas facilities will *still* not meet security standards.

In a related area, GAO testimony on overseas security before the Government Reform Committee two days ago found that State has not developed a comprehensive strategy that clearly identifies safety and security requirements and resources needed to protect U.S. officials and their families abroad from terrorist threats outside the embassy. The Department itself concluded that officials lacked the necessary hands-on training to help counter terrorist attacks against U.S. officials outside of embassies. While \$29.8 million has been appropriated by Congress to address security vulnerabilities against soft targets, particularly overseas schools, limited guidance over the eligibility of non-State Department sponsored schools has resulted in spotty implementation of phase III of the program.

Sadly, it took another terrorist attack, this time on our own home soil, for us to begin to rectify longstanding vulnerabilities in our border protection systems. Approximately 60 families from my Congressional district lost loved ones in the attacks on September 11th, 2001, and the post office from which the anthrax attack originated is also located in my district. I insisted on the establishment of the 9-11 Commission because I was determined to ensure that the individuals who lost their lives in the World Trade Center and in the Pentagon did not die in vain. I supported and fought for border security provisions in the Intelligence Reform and Terrorism Prevention Act of 2004, including the requirements that non-immigrant visa forms be completely and accurately filled out, that anti-fraud specialists be placed at high-fraud posts, and that consular officers themselves review and adjudicate visa applications.

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We are fortunate to have today as our witnesses to address these important issues General Charles E. Williams, Director of the Office of Overseas Buildings, and Mr. Gregory B. Starr, Deputy Assistant Secretary of State for Countermeasures in the Bureau of Diplomatic Security.

We also welcome Mr. Daniel Smith, Principal Deputy Assistant Secretary of State in the Bureau of Consular Affairs, to discuss the vital issue of border security and the work of our overseas missions in preventing the illegal entry of terrorists and others who would threaten homeland security.

In conclusion, let me commend this Administration for its leadership on these critically important security issues. The magnitude and rapidity of the changes we have seen in the past four years is impressive, particularly in light of the complexity of the problems we face. There is no more important antidote to the terrorist threat we face around the world than to safely deploy American representatives to explain, listen, and interact with others face to face. Your programs are a vital component in this equation. Let us think together about the resources and programs which are needed to accomplish our common goal.

Mr. PAYNE. Thank you very much.

I thank you, Mr. Chairman, and the witnesses. I look forward to hearing your testimony on this very important issue of Embassy security, building security, and diplomatic security and border security.

Mr. Chairman, thank you for calling this important meeting on funding for State Department programs on Embassy building, diplomacy and border security.

More than any previous attack, the African Embassy bombings in Nairobi, Kenya and Dar es Salaam and Tanzania of August 1998 had a traumatic effect on thousands of American diplomats around the globe. I had spent time several weeks before the bombing in Nairobi and knew a number of the employees there. And it was a very tragic situation, not only for the U.S. Embassy but for the citizens of Kenya and Tanzania.

As a matter of fact, in the questioning, I would probably want to ask what is the current situation with the Kenyan victims, which in a lot of instances were not treated very diplomatically early on, and I just wonder what responsibility we have taken to those innocent victims as we have with U.S. citizens.

Those attacks and the additional uncertainty of the post-September 11th world have taught us, all of us, that American diplomats are potential targets, not only at work but also in residential compounds, schools and social gatherings.

I have been traveling for close to 50 years overseas, and the difference today, as it was in the 1960s and 1970s and 1980s, as you know, it is different as night and day. And it is unfortunate that we live in a climate of that nature.

The State Department has made important progress in improving our security posture overseas. However, the vast majority of our existing diplomatic missions still lack adequate setbacks from streets and other physical security measures that continue to make them attractive targets for groups bent on attacking symbols of the United States of America.

The long-term problem requires a creative mix of security solutions.

Since September 11, 2001, the State Department has been struggling to balance the need for heightened security at its overseas missions and the importance of public diplomacy efforts. And I know that is a totally difficult balancing act to try to come up with, what best practices.

However, a visit to a U.S. Embassy or consulate anywhere in the world today reveals what both Americans and foreigners describe as fortresses. Fences, electric locks, surveillance equipment, high walls and remote locations have come to define the U.S. Embassies as zones of fear and suggest a strong sense of aloofness, detachment.

Many foreign service officers have said the new practice of building missions on the outskirts of cities, rather than in the centers, not only make them less accessible to local populations but keep Americans away from the local community, from other officials, from other foreign diplomats.

Struggling, as I mentioned, to have the balance, we have the bunker mentality, for example, that many foreign service officers say that the hassle of traveling for as long as an hour to attend a meeting forces them to spend most of their time in the office, losing touch with their constituents, because the time to get from place to place of course kills much of the hours because of new locations.

It is time to take a much closer look at this issue of balancing security and public diplomacy. I certainly do not have the answers, because I think that the answers are very difficult and need to be really thought out clearly.

So I really look forward to hearing from our witnesses in terms of visas. It is important that we continue to strengthen the integrity of the visa process so that we can continue to welcome to our shores the visitors, business people, students, researchers and immigrants who enrich our society by their presence and who contribute to our economic well-being.

Some efforts supposedly concerning border security are more anti-immigration sentiment than security. The growing backlash against immigrants does not distinguish between jihadists and would-be janitors.

The REAL ID Act recently passed, as already mentioned, by the House and attached to the supplemental that effectively bans driver's license for illegal workers seemed to be aimed not at protecting the borders but preventing immigration. I think we need to have a better approach of protecting our borders.

In Arizona, dozens of untrained citizens are raising the level of risk in an already dangerous area by taking it upon themselves to patrol the borders recently in response to the Western Hemisphere Initiative, which would require all people, including American citizens, entering the United States from Canada, Mexico or Bermuda to show a passport or other accepted secure documents.

President Bush ordered the Department of State and immigration offices to find a better way to secure the nation's borders. He was right to do so. We must concentrate on real border security efforts and not embrace un-American anti-immigrant sentiment.

So as indicated, this is a very delicate balance that we are looking for, and I look forward to hearing the testimony of our witnesses.

Thank you.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Payne.

Ms. Lee?

Ms. LEE. Thank you very much, Mr. Chairman. I want to thank you and our Ranking Member and our witnesses for this hearing.

I look forward to hearing from you. And, again, I associate myself with Mr. Payne's remarks and would like to also focus in terms of looking at what has happened to the innocent victims of the bombings in Tanzania and Kenya in terms of compensation and in terms of what has happened in terms of redress of the local victims.

Also I think it is important to look at the decline in student immigrants now coming here on student visas, what is really going on in terms of not attracting the best and the brightest of minds in the world. It is an unfortunate phenomenon that is occurring.

I understand we have to, as Mr. Payne said, balance our security needs with what our democracy really calls for.

So I look forward to your testimony.

Thank you very much, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Thank you, Ms. Lee.

Dr. Boozman?

Mr. BOOZMAN. No, thank you.

Mr. SMITH OF NEW JERSEY. I would like to welcome our very distinguished witnesses to the Subcommittee, beginning first with General Charles E. Williams, who is a Major General in the U.S. Army Corps of Engineers, retired, and currently serving as Director and Chief Operating Officer in the Department of State's Bureau of Overseas Buildings Operations.

In this capacity, he is responsible for managing the day-to-day activities of construction management, real estate, operations and maintenance, design and engineering, planning and programming, and budget management of a \$12 billion property management portfolio around the world.

Prior to his work for the State Department, General Williams served as President and CEO of the New York City School Construction Authority, a \$4.3 billion public school building program that was the largest in the nation.

General Williams's military career began in 1960 as a helicopter pilot in Vietnam, ferrying engineers under enemy fire to repair roads or to install wells. As a Colonel stationed in Germany, he was responsible for managing the massive modernization of the tank ranges to accommodate the new family of fighting vehicles. As Brigadier General, he served as a division engineer, North Atlantic Division, with a design and construction budget of some \$2 billion.

His numerous awards include the Defense Service Medal with two Oak Leaf Clusters, the Distinguished Flying Cross, the Legion of Merit with Oak Leaf Cluster, the Bronze Star Medal with Oak Leaf Cluster, and the Meritorious Service Medal, again with Oak Leaf Cluster.

We will then hear from Deputy Assistant Secretary Gregory Starr, who is the Deputy Assistant Secretary of State for Countermeasures in the Bureau of Diplomatic Security, serving in that position since July 2004.

Secretary Starr holds the rank of Minister Counselor in the Senior Foreign Service. He formulates security policy and plans in the area of physical security, technical security and diplomatic career operations for the department's overseas and domestic facilities and operations.

He is transforming the countermeasures directorate into a global security operation that collects and analyzes information from department sites worldwide so decision-makers can utilize it in a timely fashion. Prior to his current position, Secretary Starr was the Director of the Office of Physical Security Programs from 2000 to 2004.

Other domestic tours include the division chief for worldwide local guard and residential security programs from 1995 to 1997 and assignments to the Secretary's protective detail, technical security operations and the New York field office.

His overseas assignments include Senior Regional Security Officer at the U.S. Embassy in Tel Aviv from 1997 to 2000 as well as Regional Security Officer positions in Tunisia, Senegal and Zaire.

Mr. Starr is the recipient of numerous Department of State awards including the Senior Foreign Service Performance awards and Superior and Meritorious Honor awards.

And then, thirdly, we will hear from Mr. Daniel B. Smith, who is the Principal Deputy Assistant Secretary for Consular Affairs, and he got that position on November 20, 2002.

He is a career member of the Senior Foreign Service, whose most recent assignment was as Deputy Executive Secretary of the department. Prior to that assignment he served as Executive Assistant to the Undersecretary for Global Affairs.

Mr. Smith's most recent overseas assignment was as Political Economic Consular in Bern, Switzerland. He also served in Istanbul, Ottawa and Stockholm.

His domestic assignments include Special Assistant in the Bureau of European and Canadian Affairs, Country Officer for Czechoslovakia and a detail as visiting assistant professor at the Air Force Academy in Colorado Springs.

Mr. Smith has received the State Department's Superior and Meritorious Honor awards.

A very distinguished panel, indeed.

General, if you could begin.

STATEMENT OF MAJOR GENERAL CHARLES E. WILLIAMS USA, RET., DIRECTOR, BUREAU OF OVERSEAS BUILDINGS OPERATIONS, U.S. DEPARTMENT OF STATE

General WILLIAMS. Mr. Chairman, may I ask initially that my full text of my testimony be placed in the record so I may give you a brief, overall presentation and then answer some of your questions?

Mr. SMITH OF NEW JERSEY. That is fine. Without objection, your full statement and that of our other witnesses will be made a part of the record.

General WILLIAMS. Thank you, Mr. Chairman, Members of the Subcommittee. I appreciate the opportunity to testify today in support of the Embassy security construction and maintenance portion of the President's fiscal year 2006 budget request.

I thank you for your past support of the State Department's overseas buildings program.

In particular, Mr. Chairman, I thank you because of your work to have transformed Embassy security through your authorship of 1999 legislation.

I would like to give you an overview of the significant changes I have made to the way we do business in that function since taking over in 2001, in line with your and others' recommendations so that you have confidence in our ability to execute this program in 2006 and beyond.

Let me just say up front in broad strokes: Since 2001, we have begun construction and/or completed 54 new Embassy compounds, not just an Embassy but a compound, and I will explain the compound.

We have completed and commissioned 15. We have 59 currently in design/construction. And I am fortunate to say, as of this morning, Port-au-Prince is now under construction, so this gives us one more.

Full funding of the fiscal year 2006 request for the department's ESCM account will give us the resources we need to continue providing secure, safe and functional facilities for all U.S. Government employees and their families at posts abroad.

Today, our missions overseas serve as platforms for transformational diplomacy—a broad range of activities carried out by multiple agencies.

The State Department has made major progress in its overseas buildings program over the past 4 years. I will give you some samples of these accomplishments, which depend on congressional support, and discuss how the President's budget in fiscal year 2006 request moves us one step further down the path of upgrading, replacing and providing better management of virtually every property of civilian U.S. Government personnel who work overseas.

The Overseas Buildings Operations still has a tremendous workload ahead of us in the coming decade with the aging and dysfunctional facilities long neglected in the 1980s and 1990s and the new emerging security challenges. However, we are better positioned as a result of our reorganization 4 years ago and our growing success each year since then.

We have instituted a disciplined approach to management and industry best practices, and today we are using a long-range overseas buildings plan to guide the process.

I have left one with you as well.

The mission of Overseas Buildings Operations—let me turn to the first four slides in the small presentation that I have before you, and you can see from the data the magnitude of our challenge as you look at these slides.

In addition to our Embassy construction program, as you can see from these slides, the Overseas Buildings Operations (OBO) is responsible for renovation, managing government-owned and -leased offices, residences, security upgrade, maintenance and repairs, real estate—across the board.

The Overseas Buildings Operations has responsibility for over 15,000 owned and leased properties at 265 posts worldwide. This is valued at roughly \$12 billion.

Our overseas buildings program serves the Department of State and some other 30 or so U.S. Government agencies under the Chief of Mission's authority.

Now if you would turn, in the information before you, to page 6, you will see where we were and how far we have come along with this program since the legislation was enacted.

Following the 1998 bombings of the U.S. Embassies in East Africa, one of the department's most pressing needs is to provide secure facilities at reasonable cost.

In 1999, the Crowe report found that over 85 percent of all posts did not meet security standards.

In 1999, the overseas presence advisory panel report agreed, and so did stakeholders and tenants.

Back then the department was equipped to construct less than one Embassy per year.

The former foreign buildings operation, known as FBO, was realigned to become a stand-alone bureau in 2001. OBO has become, this organization has become a results-based organization, fully accountable at every level. And to that extent, we published an annual stewardship report—which I will be happy to provide to you, Mr. Chairman, or any Member.

In most cases, Embassy construction time has been reduced from more than 4 years—in fact, it was about 4.5 years—to now 2 years. As you can see, other milestones are also listed on page 6.

OMB gave the Overseas Buildings Operations capital security construction program a score of 97 percent, one of the highest-ranked in the Federal Government, for its effectiveness and management. GAO also gave our construction program very high marks.

The Overseas Buildings Operations currently has about \$4.7 billion under management compared to about \$700 million at the beginning of 2001. From 2001 to date, the Overseas Buildings Operations completed, as I mentioned, 15 capital construction projects, and currently has another 39 under construction, and Port-au-Prince will be 40.

In the past 4 years, nearly 8,800 U.S. Government employees have been and will be relocated to new, secure, safe and modern facilities. And I might add that these facilities are very presentable. They are not bunkers. They are very good facilities.

If the long-range overseas plan is funded as proposed through 2006, approximately 44 percent of our Embassies and consulates will meet or be under construction to meet security standards, leaving approximately 50 percent that will yet need to be worked.

We still have a tremendous amount of work ahead of us, and the fiscal year 2006 request gets us much closer.

On the next page you will see some of the industry best practices, if you would follow me to that particular slide, because we are proud of that.

You notice the long-range overseas buildings plan, which serves as a guide and a strategic roadmap to get us where we need to go. This was one of the major deficiencies that was cited in the Crowe report.

We have standard Embassy designs today, meaning that we do not have to reinvent the wheel. We site-adapt these generic designs to locations in the country.

An example, if we are building in Tashkent, Uzbekistan, versus building in Lome, in Africa, the building is site-adapted so that the surrounds of the local organization are captured through architecture and the landscape treatment.

We have an integrated design review process now where all interested tenants and parties are at the table. We have a rigorous reconciliation of projects, scope and budget to make certain that it is done right. We have an industry advisory panel, which we are

quite proud of, that meet with me quarterly. Its nine members from industry make certain that we are getting it right and that our standards and our benchmarking are measured against an industry standard.

We employ the firm, fixed-price concept, meaning that we agree upon a price and that price is guaranteed. This prevents, we think, overruns, and we use the design-build-delivery method. We have a very active internal review process which is self-policing as we move forward and a new disciplined approach to management which has just been launched.

If you notice the last two charts, we are very proud of some recognitions—the winner of the Golden Shears Award, which you know, is sponsored by the Congress.

We have saved \$188 million over the last 4 years. That is sufficient to build three new Embassies.

We have been the finalist in several programs by public interest organizations.

Our advisory panel has been cited as one of the best in government. And of course, to speak to the issue of bunkers and the aesthetics of our facilities, we have won all of the awards in the international community for government on design, acceptability and presentation of our facilities in 2004.

Mr. Chairman, that concludes my overview remarks. I will be delighted and happy to answer any of your questions concerning how we design, how we build and where we are going forward.

[The prepared statement of General Williams follows:]

PREPARED STATEMENT OF MAJOR GENERAL CHARLES E. WILLIAMS USA, RET., DIRECTOR, BUREAU OF OVERSEAS BUILDINGS OPERATIONS, U.S. DEPARTMENT OF STATE

INTRODUCTION

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to testify today in support of the Embassy Security, Construction, and Maintenance (ESCM) portion of the President's FY 2006 budget request for the Department of State. I wish to thank the members of the subcommittee for your past support of the State Department overseas buildings program.

Full funding of the FY 2006 request for the Department's ESCM account will give us the resources we need to continue providing secure, safe, and functional facilities for all United States Government (USG) employees and their families at posts abroad. Our embassies were once focused on traditional reporting and consular services to Americans living and traveling abroad. Today, our missions overseas serve as platforms for transformational diplomacy—a broad range of activities, carried out by multiple agencies, all aimed at helping to shape a more secure, free, and prosperous world.

The State Department has made much progress in its overseas buildings program over the past 4 years. I will give you a sampling of these accomplishments, which depended on Congressional funding and support. For each of our programs, I will provide an overview of our achievements, followed by a discussion of the President's FY 06 budget request and how it moves us one step further down the path of upgrading, replacing, or providing better management of virtually every property our civilian U.S. Government personnel work in and live in overseas.

Overseas Building Operations (OBO) still has a tremendous workload ahead of us in the coming decade, with aging and dysfunctional facilities—long-neglected in the 80s and 90s—and new, emerging security challenges. However, we are better positioned as a result of our reorganization 4 years ago and our growing successes each year since then. We have instituted a Disciplined Approach to Management and industry best practices, and today, we use long-range planning to drive the budget process, instead of the other way around.

MISSION OF OVERSEAS BUILDINGS OPERATIONS (OBO)

In addition to our embassy construction program, OBO is responsible for renovations; managing government-owned and leased offices and residences; security upgrades; maintenance and repair; real estate activities, including acquiring new embassy sites and disposal of former properties; and fire protection, life/safety, and other programs. OBO has responsibility for over 15,000 owned and leased properties at 265 posts worldwide, valued at over \$12 billion. Our overseas buildings program serves the Department of State and 30 other foreign affairs agencies under chief of mission authority.

Following the 1998 bombings of U.S. embassies in East Africa, and as highlighted by continuing terrorist acts around the world, one of the Department's most pressing needs is to provide secure facilities for U.S. Government employees overseas, efficiently, and at reasonable cost. The 1999 Crowe Report on the embassy bombings found that over 85 percent of all posts did not meet security standards. The 1999 Overseas Presence Advisory Panel Report stated that "shockingly shabby and antiquated building conditions" existed at some missions and confirmed the lack of security found by the Crowe Report. As Acting Under Secretary, Chris Burnham testified April 14, 2005 before this subcommittee, the Department has reduced this number. If the Department's Long-Range Overseas Buildings Plan is funded as proposed through FY 2006, approximately 44 percent of our embassies and consulates will meet or be under construction to meet security standards, leaving approximately 56 percent that will yet need to meet standards. We still have a tremendous amount of work ahead of us, and the FY 06 request gets us one step closer.

Since that time, Congress has appropriated significant funding annually to replace our unsecure and aging facilities, and OBO responded to meet the challenge. We have embarked on an overseas construction program on a scale unprecedented in our 77-year history.

The former Foreign Buildings Office (FBO) was re-aligned to become a stand-alone bureau, OBO, reporting to the Under Secretary for Management in 2001, and it underwent a major restructuring that year. I organized OBO into lines of responsibilities for the four major life-cycle phases of a facility—planning, design, construction and commissioning, and ongoing operations and maintenance—OBO has become a results-based organization, fully accountable at every level. In most cases, embassy construction time has been reduced from more than 4 years down to 2.

Best practices OBO has introduced include—

- Standard Embassy Designs
- Integrated Design Reviews
- Rigorous reconciliation of project scope and budget
- Long-Range Overseas Buildings Plan
- Industry Advisory Panel
- Firm fixed-price, design-build contract delivery method for new embassy and consulate compound (NEC) projects
- OBO's Internal Review and Operations Research Unit
- New Disciplined Approach to Management

The Office of Management and Budget, through its Program Assessment Rating Tool (PART), recognized the Department's Capital Security Construction Program as one of the highest ranked in the Federal Government with a score of 97% and the Regular Capital Program with an 86%. The Government Accountability Office, in its recent reports on embassy construction, also gave our construction program high marks for OBO's reforms.

OBO currently has \$4.7 billion under management, compared with \$0.7 billion at the beginning of FY 2001. Previously in the 1990's, construction averaged less than one NEC per year. From 2001 to date, OBO has completed 15 capital construction projects—11 NECs and 4 USAID annexes—and currently has another 39 projects under design or construction. In the past 4 years, nearly 8,800 USG employees have been, or will soon be, relocated to new secure, safe, and modern facilities.

In FY 2005, the Department intends to award contracts for eight NECs, two office annexes, and four USAID facilities. In addition, there are 76 NEC projects—10 projects for FY 05, 10 for FY 06, and 56 others in outlying years—in the FY 2005–2010 Long-Range Overseas Buildings Plan. This Plan is our 6-year roadmap to replacing our most insecure facilities, as well as prioritizing other building and rehabilitation projects. OBO's multi-faceted real estate program has been engaged in selecting and acquiring sites to meet our long-range construction goals.

FY 06 BUDGET REQUEST

The FY 06 request for Embassy, Security, Construction, and Maintenance is \$1.526 billion, an increase of \$22 million over the FY 05 appropriation. This request can be broken down as follows:

- \$810.2 million for capital security construction projects
- \$85 million for compound security
- \$15 million for soft targets
- \$615.8 million for ongoing operations and maintenance

Of the \$810.2 million for capital security construction projects, \$393.6 million is for State's share of the Capital Security Cost Sharing (CSCS) Program (with the remaining \$416.6 million from regular appropriations). The FY 06 request will be used for the next round of urgent, security-driven projects. We are considering the following projects for FY06:

- *Beirut*, Lebanon
- *Brazzaville*, Republic of Congo
- *Djibouti*, Djibouti
- *Harare*, Zimbabwe
- *Karachi*, Pakistan
- *Kigali*, Rwanda
- *Kinshasa*, Democratic Republic of Congo
- *Lusaka*, Zambia
- *Oslo*, Norway
- *Sarajevo*, Bosnia-Herzegovina

The FY06 budget request included Asmara, Eritrea; Kiev, Ukraine; Maputo, Mozambique; and St. Petersburg, Russia as FY 06 projects; however, these projects will be delayed because site acquisition will not be completed in time for an FY 06 award. These projects were replaced with projects that can be executed in FY 06.

OBO also anticipates awarding contracts in FY 06 for NEC design in *Mexico City*, Mexico, and for construction of USAID facilities in *Abuja*, Nigeria; *Accra*, Ghana; *Managua*, Nicaragua, and *Tbilisi*, Georgia.

The request includes \$615.8 million for ongoing operations and maintenance. Major facilities upgrades and routine maintenance are also critical to extend building life, improve working conditions, and provide adequate housing for those carrying out our diplomatic mission.

Proper stewardship of the Department's existing inventory of over 15,000 properties requires a continuing investment in maintenance and repair to retain their value, to retard deterioration, to avoid more expensive emergency repairs, and to ensure their serviceability as a platform from which to conduct transformational diplomacy. There are a wide variety of activities carried out under operations and maintenance—in determining priorities, OBO emphasizes security, fire and life-safety, and maintenance of the structural integrity of buildings. We—

- Rehabilitate, upgrade, or replace building systems; this can range from constructing an annex, to installation of sprinkler systems, to seismic upgrades and accessibility projects to meet Americans with Disability Act requirements.
- Provide technical assistance and support to overseas posts in maintaining major building systems; this program collects data on facility conditions overseas, provides in-house and contract preventative maintenance, and trains and funds our overseas Facility Managers for posts.
- Provide fire protection services to overseas posts; we conduct fire inspections, provide and install fire alarm systems, and train and educate post personnel on fire prevention.
- Provide technical expertise to overseas managers for safety, health, and environmental issues; this program provides pesticide training, carbon monoxide detectors, and has been very successful in preventing toddler drownings.

Also included in Operations and Maintenance is our program to loan and donate American artwork to Embassy facilities, which contributes to our nation's public diplomacy efforts overseas.

The request also includes \$85 million to upgrade compound security at high-risk posts and \$15 million to increase protection for soft targets such as overseas schools, which I will discuss in more detail.

COST SHARING

Congress included authority to implement the Capital Security Cost-Sharing (CSCS) Program in the FY 2005 Consolidated Appropriations Act. The Program will generate \$17.5 billion over 14 years (FY 05 through FY 18, phased in over 5 years beginning in FY 05). FY 05 was the first year that other agencies were required to contribute to the CSCS Program. FY 06 is the second year of the 5-year phase-in period. With \$810.2 million for capital security construction projects from State, and \$203.1 million in anticipated cost sharing contributions from other agencies, the Department will have \$1.013 billion to plan, design, and build NECs.

This program allocates the capital costs for new overseas diplomatic facilities to all U.S. government agencies based on the number of their authorized overseas positions. The CSCS Program has two primary objectives: (1) to encourage the Department and all other agencies to rightsize their overseas staff by requiring them to bear some of the costs for their office facilities; and (2) to generate the funds for the NEC construction program which will expedite the construction of new safe and secure work environments for all USG employees. CSCS charges are tied to total authorized position numbers, giving agencies a direct financial incentive to limit staffing. In doing so, it will further the President's Management Agenda initiative to rightsize the official American presence abroad.

The CSCS Program funds the *Security Capital Construction Program*, restricted by Congress to projects in a list of 80 of the most vulnerable posts. The *Regular Capital Construction Program* funds projects not driven by security (e.g., new capital city such as Berlin, Germany, or structural deficiencies such as Kolonia, Micronesia).

As enacted in FY 05, the cost-sharing program will provide funds to construct 150 new embassy and consulate compounds (NECs) from FY 05 to FY 18, cutting the time to 14 years, versus 26 years without cost-sharing. Since 10 NECs will be funded in FY 05, cost-sharing will fund the remaining 140 NECs over the next 13 years. In FY 06, the CSCS and ESCM appropriations request will fund nine NECs and four annexes, leaving approximately another 131 NECs to be funded.

In accordance with the conference report accompanying the FY 05 Consolidated Appropriations bill, the Department is implementing the Program in a manner that is "inclusive, cooperative, and transparent."

SECURITY MANAGEMENT AND COMPOUND SECURITY PROGRAMS

The FY 06 combined request for Security Management and Compound Security is \$120.8 million. These programs provide critical construction security and technical security to our overseas facilities and ongoing projects.

The *Security Management Program* ensures all non-residential construction projects result in secure facilities in a cost-effective manner, as mandated by the Omnibus Diplomatic Security and Anti-Terrorism Act of 1986 (P.L. 99-399) and Section 160 of P.L. 100-204. The Security Management Program develops contract language and certification documentation, and implements site security requirements to comply with public law and Overseas Security Policy Board (OSPB) standards.

The FY 06 request for the Security Management Program is \$20.8 million, a decrease of \$4.8 million. This decrease does not imply any retreat from emphasis or focus on the security programs mentioned; rather, the reduced requests represent the incorporation of security costs in project costs. OBO anticipates this will allow for more realistic budgeting, higher visibility of component costs, and better stewardship of these rapidly growing programs in future years.

Program funding incorporates appropriate security safeguards into all overseas diplomatic facility construction projects to protect against hostile terrorist acts and intelligence efforts. This budget request reflects five new positions and the transfer of all project related security costs, except salaries, starting in FY 2005, and beyond to the individual project budgets. The FY 06 request will support a workload that has grown from 43 capital projects in FY 2004 to 61 in FY 06 (a 42 % increase) and meet requirements of additional security services and significant capital project program increases.

The *Compound Security Program* provides security protection to our personnel and property at mission offices, residences, schools, and off-post recreational facilities, and it remains a vital component of OBO's goal to provide safe and secure facilities for all US Government employees and dependants and foreign national employees. The Compound Security Program complements the NEC program by maximizing security protection until NECs can come on line, or by updating security at posts that will not receive a NEC. This is a highly visible program with support from inside and outside the Department.

The program saves lives. These upgrades have reduced loss of life during attacks in Tashkent, Uzbekistan, Karachi, Pakistan, and Jeddah, Saudi Arabia and have deterred additional attacks by creating a hard target. The program has adapted to evolving threats by including residential security upgrades, and by protection to soft targets, including schools and recreational facilities. Following the Jeddah attack, the program added construction of “mantraps” at compound access facilities to ongoing and future security upgrades. Our program is proactive in addressing new threats. As new threats are identified and new countermeasures designed by the Bureau of Diplomatic Security (DS), OBO incorporates these into our designs.

The Compound Security Upgrade program and its predecessor, the Worldwide Security Upgrade (ESCM) program have received \$816 million in funding since the 1998 East Africa bombings through FY 05. Among other projects, we have implemented 125 major security upgrade projects to office facilities, including the construction of perimeter walls, vehicle barriers, compound access control facilities, and upgrades to building public access controls. We also installed shatter resistant window film at 242 posts, conducted 287 Forced Entry / Ballistic Resistant door and window replacement and maintenance projects, and funded 1,011 post-managed minor upgrade projects (installation of jersey barriers and planters, fences, walls, and bollards).

From the \$816 million in Compound Security Upgrade funding, OBO has funded \$10.4 million in residential security upgrades from FY 03 to the present, including 91 upgrades to Chief of Mission Residences and other government-owned and long-term leased residential property. The FY 05 appropriation (ESCM) provided an additional \$11.8 million for residential security.

The FY 06 Compound Security Program request is \$100.0 million, a decrease of \$25.3 million from FY 2005. The FY 06 budget request will fund compound security upgrades, installation of forced-entry/ballistic-resistant doors and windows, environmental security protection, and setback properties should they become available. It also includes \$15 million for soft targets.

SOFT TARGETS

Soft Targets—Overseas Schools:

The Department identified overseas schools for security enhancements as its highest priority category of soft targets. The Bureaus of Administration, Diplomatic Security, and OBO are implementing this program in four phases:

Phase I provides basic security upgrades, which consist of Shatter Resistant Window Film (SRWF), Public Address Systems, and Emergency Radios, for “grant schools” (schools with which the Department had an existing relationship by providing educational grants; about 60% of the U.S. employee dependent students, as well as many other U.S. citizen students, attend these schools).

- Funding is complete.
- Grants for basic security upgrades were offered to all 189 eligible Department-grant schools.
- In FY 03/FY 04, security upgrade grants totaling \$10.5 million were provided to 181 of the 189 schools.
- The average cost per school is approximately \$58,000.

Phase II provides advanced security upgrades for DOS grant schools.

Advanced security upgrades include enhancing perimeter walls and fences, installing security equipment (bollards, CCTV systems, window grilles, etc.); each proposed project was evaluated by Diplomatic Security on a case-by-case basis.

- The Department issued \$17.1 million in grants for over 500 upgrades at 160 schools.
- Phase II funding is largely completed, but will continue in FY 05 as additional requirements are identified.
- The average cost per school is approximately \$107,000.

Phase III is providing the same basic security upgrades as Phase I for non-grant schools, i.e., those schools that do not receive educational grants from the Department.

- A data-gathering cable was sent to all posts on July 9, 2004.
- Implementation of Phase III began with FY 05 funding.
- As of April 2005, 167 schools have requested Phase III funding of \$8.1 million.

- These requests will protect 1,372 USG dependents and a total of 14,434 US citizens.
- The Department is in the process of issuing grants to posts to cover the Phase III work.
- The average cost per school for Phase III is approximately \$49,000.

The President's Budget for FY 06 included a request of \$15 million for soft targets.

Phase IV of the overseas schools program will provide the same advanced security upgrades as Phase II for non-grant schools. The Department will introduce Phase IV when Phase III funding is largely complete.

- The Department will soon prepare Phase IV guidance to be sent out by cable to all posts.
- FY 06 funds will be used to begin or continue Phase IV.

Soft Targets—Employee Association Facilities:

In FY 04, the Department initiated and basically concluded security upgrades at 23 off-compound employee association facilities, managed by post-sponsored recreation associations. The Department identified 34 off-compound facilities currently in operation, and working through Administration Bureau, contracted the facilities' managers and Regional Security Officers (RSO) at posts to learn what security enhancements would be appropriate. Of the 24 associations requesting security enhancements, 23 of these projects were approved, at a total cost of \$1.0 million. This amount was less than the Department had anticipated, but careful additional inquiries confirmed that no further expenditures were appropriate, and that the posts that did not request enhancements had valid reasons.

Security upgrades include shatter resistant window film (SRWF), emergency radio communications systems, public address systems, enhanced perimeter walls and fences, security equipment (hardened doors, anti-ram barriers, enhanced lighting, CCTV systems, guard booths, etc.). This program is essentially completed.

For many of our new embassy compound projects, recreation facilities are being built within the compound.

CONSULAR WORKSPACE IMPROVEMENT INITIATIVE

In FY03, Congress directed OBO to undertake a 3-year Consular Workspace Improvement Initiative to ensure that the visa approval and issuance process takes place in an organized and efficient manner, and to improve the overall working environment for Consular Affairs (CA) officers. During FY03–04, OBO and CA identified 83 workspace improvement projects at 68 posts, and provided \$10.2M for their execution.

The prioritization process for consular affairs projects emphasizes post input, and no funds are released until CA clears on the final list. Projects ranged from constructing a private interview room for a post's fraud prevention unit (Embassy Managua) to the complete repositioning of all three consular subsections at a major embassy (London). The most expensive project cost \$1.5 million; the average cost was \$180,000.

This initiative is continuing in FY 05—a mid-year review of consular improvement projects worldwide shows that virtually all of the \$20 million in OBO and CA funded projects will be underway or completed this fiscal year as planned.

THE BAGHDAD NEC

Another vital construction project for the Department is the Baghdad NEC.

This unique campus, to be built on an approximately 104-acre site, contains all mission elements inside a secure perimeter, and plans include the Chancery and Public Annex, Interim Office Facility, housing, recreational facility, infrastructure, and support facilities. The planned NEC is not luxurious—the compound will provide a level of life support roughly equivalent with diplomatic facilities at other hardship posts. I would like to thank the Committee and other members of Congress who supported funding for the Baghdad NEC in the FY 05 Supplemental. The interim embassy in Baghdad was never intended to be used as a diplomatic facility, and does not meet all security standards in the current environment. The interim facilities have been attacked. Obtaining funding and beginning the construction process now for a permanent NEC will ensure that all USG staff are working in a safe, secure environment as soon as possible.

CONCLUSION

Thank you for allowing me to explain some of the key programs and projects to be funded under the ESCM account in the President's FY 2006 budget request.

All of us in OBO are committed to the stewardship of our nation's overseas facilities, and to the safety, security, and success of those who represent our country abroad. We know that our front line customers are our people abroad, but we also have stakeholders in every corner—other U.S. Government agencies, the United States Congress, the construction industry and related businesses, and the American taxpayers. I would like to thank the Committee again for your past and current strong support of our overseas buildings program. I welcome the opportunity to answer your questions.

Mr. SMITH OF NEW JERSEY. Thank you very much, General Williams.

Secretary Starr?

STATEMENT OF MR. GREGORY B. STARR, DEPUTY ASSISTANT SECRETARY FOR COUNTERMEASURES, BUREAU OF DIPLOMATIC SECURITY, U.S. DEPARTMENT OF STATE

Mr. STARR. Chairman Smith, Ranking Member Payne and Members of the Subcommittee, I, too, appreciate the opportunity to testify today in support of the President's 2006 budget request in particular for the Department of State's Bureau of Diplomatic Security (DS) and our worldwide security upgrades.

The Bureau of Diplomatic Security protects the lives of our employees and families overseas, safeguards national security information and preserves U.S. missions overseas and domestic from a very, very wide variety of threats.

We perform criminal investigations for visa and passport fraud and personnel investigations.

We also perform additional security and law enforcement duties when deemed in the interest of the U.S. foreign policy, such as the protection of President Karzai of Afghanistan, members of the Iraqi Governing Council and the President of Haiti.

I wish to thank the Members of the Subcommittee for your past support of the Department of State's security requirements, both in terms of funding and in terms of legislative support, such as the 1999 Secure Embassy Construction and Counterterrorism Act.

We have accomplished much in the area of security. A few of these achievements this year include the successful defense of the U.S. consulate in Jeddah, Saudi Arabia, which proved remarkably resistant to a heinous terrorist attack. Despite repeated attempts, the terrorists were not able to penetrate the consulate building, where the vast majority of our employees remained safe.

We conducted more than 1,200 investigations and made over 225 arrests for passport and visa fraud so far this calendar year. We implemented an extensive security framework that allowed the Embassy in Baghdad and the regional Embassy offices in Iraq to open safely and to operate. We have deployed DS personnel to other high threat environments such as Sudan, Kenya, Haiti and the Gaza. We put in place the security personnel, equipment and procedures that allowed the department to open a U.S. interests section in Tripoli, Libya.

Finally, DS worked for over 2 years to coordinate the security for the Athens 2004 Summer Olympics. During the games, DS special

agents protected the U.S. athletes and staffed security coordination centers.

For the 2006 Winter Olympics in Turin, a DS Olympic security coordinator is already consulting with the Italian Government to coordinate security preparations.

For 2006, the President requests \$689.5 million, an increase of \$39.6 million, or 6 percent, over our 2005 level to maintain security programs in the face of an increased terrorist threat.

Security is an ongoing effort, especially as the potential for large-scale terrorist attacks and continued physical and technological attacks remains at an historic high.

DS manages a broad range of programs to create and maintain the appropriate level of security for more than 57,000 U.S. Government personnel, staff and dependents who work and live at approximately 260 Embassies, consulates and other missions overseas.

Funding will strengthen and expand security programs and high-threat protection capabilities. It will allow us to continue programs to maintain our security equipment and technical support, information and systems security, perimeter security and security training. It will allow us to continue defensive countermeasures that lessen our vulnerability to global terrorist threats, thwart attacks and mitigate their effects. It will strengthen the counterintelligence programs by ensuring that reinvestigations of all Department of State employees are completed.

Through improved efficiency, the department has been able to reduce by half the time required to complete clearances. This DS average of 4 months compares very favorably to other U.S. agencies that issue clearances.

It will allow us to strengthen information security countermeasures to provide protection from increasingly sophisticated threats targeted at our information technology systems and our PC-based technical security systems, and it will enhance procedural security programs essential for the protection of our classified information.

To keep up with increasing demands, the department requests your support to help us protect those we serve.

The 2006 request will support an increase of 55 security personnel and \$39.6 million to strengthen security programs domestically and overseas and include the following:

In response to the rise in the number of emergencies overseas, we are requesting 13 additional mobile security deployment team personnel and \$1.4 million.

A high-threat protection program was developed in response to increasing terrorist threat situations in which highly skilled special agents are required to protect designated U.S. personnel and certain foreign government leaders in very dangerous situations. This request asks for three more personnel to manage the programs and \$1.2 million to provide increased oversight of the program as well as additional training for our agents.

The department requests 25 additional special agent positions and \$2.6 million for our domestic field offices. These agents are essential to maintain the viable investigative program in support of U.S. Government border security and counterterrorism programs.

The department also requests an additional 14 special agents and \$1.5 million for protective intelligence investigations as part of the U.S. Government's Joint Terrorism Task Forces. These task forces represent the kind of interagency collaborative called for in the *9/11 Commission Report* and other advisory commission reviews.

In addition to these programmatic increases, the department is requesting \$32.9 million to meet wage and price increase requirements at our overseas posts.

In conclusion, as the department finds itself operating in increasingly hostile locations worldwide, we have risen to the occasion, provided safe environments for the conduct of foreign policy. America's prominent role in the global war on terror requires that we enhance security at U.S. diplomatic facilities worldwide, and the demand for resources is high.

The department will face unforeseen crises in the coming years as those who seek to do harm to the U.S. continue to develop new ways of attacking U.S. interests at home and abroad.

Our ability to anticipate and respond effectively to these incidents creates challenges. But they are challenges that we can and we will overcome in order to provide a safe and secure environment for the conduct of U.S. foreign policy if we have the resources and flexibility to do so.

I thank you, and I will answer any questions that you have as well after Mr. Smith.

[The prepared statement of Mr. Starr follows:]

PREPARED STATEMENT OF MR. GREGORY B. STARR, DEPUTY ASSISTANT SECRETARY FOR COUNTERMEASURES, BUREAU OF DIPLOMATIC SECURITY, U.S. DEPARTMENT OF STATE

INTRODUCTION

Chairman Smith, Ranking Member Payne, and members of the subcommittee, I appreciate the opportunity to testify today in support of the FY 2006 President's Budget request for the Department of State's Bureau of Diplomatic Security under the Worldwide Security Upgrades account.

The Bureau of Diplomatic Security is charged with protecting the lives of our employees and families overseas, safeguarding national security information, and preserving US Missions overseas and domestic Department of State facilities. We perform criminal investigations in Departmental matters such as personnel clearances and visa and passport fraud. We also perform additional security/law enforcement duties when deemed in the interest of US foreign policy, such as the protection of President Karzai of Afghanistan, members of the Iraqi Governing Council, and the President of Haiti.

I wish to thank the members of the subcommittee for your past support of the State Department's security requirements. We have made many accomplishments in the area of security. I would like to talk about a few of these achievements.

For example:

- The successful defense of the US Consulate in Jeddah, Saudi Arabia, proved remarkably resistant to a heinous terrorist attack. Despite repeated attempts, the terrorists were not able to penetrate the consulate building, where our employees remained safe;
- The Bureau has conducted more than 1,200 investigations and made over 225 arrests for passport and visa fraud so far this calendar year; and
- FBI Director Robert Mueller commended the investigative skills of Diplomatic Security Special Agent Vincent Martinez, who rescued an American woman being held captive in Karachi.

In support of peace and stability efforts, Special Agents are currently protecting US contingents working towards Israeli-Palestinian peace, and have implemented

the security framework that allowed Embassy Baghdad and the Regional Embassy Offices to open. We have also deployed personnel to other high threat environments such as Sudan, Kenya, and Haiti. We have put in place the security personnel, equipment, and procedures that allowed the Department to open a U.S. Interests Section in Tripoli, Libya.

DS worked for over two years to coordinate security for the Athens 2004 summer Olympics. During the games, Special Agents protected the U.S. athletes, and staffed security coordination centers. For the 2006 Winter Olympics in Turin, a DS Olympic Security Coordinator is consulting with the Italian Government to coordinate security preparations.

FY 2006 REQUEST

For FY 2006 the President requests \$689.5 million, an increase of \$39.6 million (6%) over the FY 2005 level, to maintain security programs for the protection of our diplomatic personnel, facilities, and information in the face of an increased terrorist threat. Security is an on-going effort, especially as the potential for large-scale terrorist attacks and continued physical and technological attacks remains at an historic high. DS manages a broad range of programs to create and maintain the appropriate level of security for more than 57,000 U.S. Government personnel, staff, and dependents who work and live at approximately 260 embassies, consulates, and other missions overseas.

Funding will:

- Strengthen and expand security programs and high threat protection capabilities;
- Allow the continuation of programs to maintain our security equipment and technical support, information and systems security, perimeter security, and security training;
- Continue defensive countermeasures that lessen our vulnerability to global terrorist threats, thwart attacks, and mitigate their effects;
- Strengthen the counterintelligence program by ensuring that reinvestigations of all DOS employees are completed every five years as required by Executive Order 12968. Through improved efficiency, the Department has been able to reduce by half the time required to complete the clearances. The DS average of four months compares very favorably to other U.S. agencies that issue clearances;
- Strengthen information security countermeasures to provide protection from increasingly sophisticated threats targeted at information technology and PC-based technical security systems; and
- Enhance procedural security programs essential for the protection of classified information.

To keep up with ever increasing demands, the Department requests your support to help us protect those we serve. The FY 2006 request will support an increase of 55 security personnel and \$39.6 million to strengthen security programs domestically and overseas including the following:

- In response to the rise in the number of emergencies overseas, we are requesting 13 additional Mobile Security Deployment team personnel and \$1.4 million. Increased threats and security training requirements necessitate that we have the additional personnel and resources to meet the demand. Current MSD personnel are over burdened due to the growing number of new and longer assignments.
- The High Threat Protection Program was developed in response to ever-increasing terrorist threat situations in which highly skilled special agents are required to protect designated U.S. personnel and certain foreign government leaders in very dangerous situations. This request asks for three more personnel and \$1.2 million to provide increased oversight over an ever more demanding program as well as provide additional training for our agents.
- The Department requests 25 additional Special Agent positions and \$2.6 million for our domestic field offices. These agents are essential to maintaining a viable investigative program in support of USG border security and counter-terrorism programs. Field offices are often called upon to supply the manpower needed to cover high threat protection assignments at our missions overseas due to increasing worldwide terrorism activities, which detracts from their core investigative duties.

- The Department requests an additional 14 Special Agents and \$1.5 million for protective intelligence investigations as part of the USG's Joint Terrorism Task Forces. These task forces represent the kind of interagency collaboration called for in the 9/11 Commission report and other advisory commission reviews.
- In addition to these programmatic increases, the Department is requesting \$32.9 million to meet wage and price increase requirements.

CONCLUSION

As the Department finds itself operating in increasingly hostile locations worldwide, we have risen to the occasion, providing safe environments for the conduct of U.S. foreign policy. Agents, security engineers, couriers, analysts, and other DS personnel continue to make significant personal sacrifices to get the job done. Our agents have received the Department's Heroism Award for the support to Iraq embassy operations and for protecting the newly named Prime Minister and President. Agents have also received awards for actions taken during the Gaza motorcade attack and Iraq's Al Rasheed hotel attack.

America's prominent role in the Global War on Terror requires that we enhance security at US diplomatic facilities worldwide, and the demand for resources is high. The Department will undoubtedly face unforeseen crises in the coming years, as those who seek to do harm to the U.S. continue to develop new ways of attacking U.S. interests at home and abroad. Our ability to anticipate and respond effectively to these incidents creates challenges, but they are challenges that we can and will overcome in order to provide a safe and secure environment for the conduct of U.S. foreign policy.

Mr. SMITH OF NEW JERSEY. Thank you so much, Secretary Starr. Secretary Smith?

STATEMENT OF MR. DAN SMITH, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF CONSULAR AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. SMITH. Thank you, Chairman Smith and Ranking Member Payne and Members of the Committee. I appreciate this opportunity to discuss the Department of State's border security program.

The Department of State has no higher responsibility than safeguarding our nation's citizens, both abroad and at home, and the border security program is designed with these objectives in mind.

The department protects the lives and interests of American citizens abroad by ensuring that they have the consular information, services and assistance they need to reside, conduct business, study and travel abroad.

We enhance homeland security through vigilance in U.S. passport and visa adjudication processes. We also enhance U.S. national security by facilitating legitimate travel to the United States for tourism, business, education and exchange.

To promote the safety and security of the approximately 4 million Americans who reside abroad and the millions more who travel abroad each year, we provide current information on travel conditions and security updates through our consular information program of travel warnings, public announcements and consular information sheets.

We distribute this information through our popular Web site, travel.state.gov, which registered 171 million page views in 2004.

The Bureau of Consular Affairs also operates a call center which provides information about travel and serves as a useful communication link to the American public during times of crisis. This call

center was particularly effective in the aftermath of the terrible earthquake and tsunami in the Indian Ocean last year.

In the 6 weeks following that disaster, the call center took over 32,000 calls from American citizens concerned about friends and family who might have been in harm's way. We also dispatched dozens of consular officers and staff to the region to help locate and assist Americans.

We have also developed and launched an Internet-based system for Americans to register their overseas travel, which has logged more than 150,000 registered travelers since last June. This centralized, flexible database allows us to better assist registrants in case of emergency.

The Bureau of Consular Affairs provides the world's premier travel, citizenship and identity document to the American public through 16 domestic passport agencies and at consulates and Embassies all over the world.

In fiscal year 2004, we issued 8.8 million passports domestically. Passport demand among American citizens has risen to unprecedented levels. We anticipate receiving 9.6 million passport applications in fiscal year 2005 and 10.1 million in fiscal year 2006.

In fiscal year 2006, the Bureau of Consular Affairs will begin introduction and production of a new enhanced passport that incorporates a number of innovative security features. These improvements include a complete redesign of the passport and the integration of a contactless chip in the cover of the passport that will store biographic data and the bearer's photograph.

Chairman Smith, as you noted, the Intelligence Reform and Terrorism Prevention Act of 2004 requires the Secretary of Homeland Security, in consultation with the Secretary of State, to develop and implement a plan by January 1, 2008, to require U.S. citizens, as well as non-U.S. citizens, to present a passport or other secure document that denotes identity and citizenship when entering the United States.

The legislation was clear recognition by Congress of the need to reduce the vulnerabilities inherent in the current system where many people enter our borders without proper documentation or proof of citizenship.

Notwithstanding the important security goals, we understand the implications that this initiative might have for industry, business, the general public and our neighboring countries. For this reason, we have proposed a phased implementation plan providing as much advance notice as possible to travelers to enable them to acquire the necessary documents before the deadline.

An advance notice of proposed rule-making will be published in the *Federal Register* shortly to allow ample time for what we expect will be considerable public comment.

Working closely with the Department of Homeland Security, we will conduct aggressive outreach to ensure that legitimate travel is not impeded.

Consular officers serving at over 200 Embassies and consulates around the world that adjudicate visa applications serve on the front lines in the global war on terror. Since the horrific attacks of September 11th, we have undertaken a top-to-bottom view of visa procedures to ensure that we have in place as strong a shield

as possible against those who would do us harm. We have also re-engineered the interagency visa clearance process to enhance accountability and improve efficiency.

In advance of the congressional deadline of October 26, 2004, the Bureau of Consular Affairs implemented a biometric visa program at each visa adjudicating post worldwide. At each post we now collect fingerprints from nearly all non-immigrant visa applicants and issue a machine-readable immigrant visa that contains a digitized photograph and scanned fingerprints of the applicant.

The fingerprints are matched against the Department of Homeland Security's database when visa travelers apply for entry to the United States.

Mr. Chairman, the focus and scope of our initiatives in the Department of State's border security program are designed to enhance U.S. national security by protecting the lives and interests of Americans overseas and securing our borders.

We are deeply aware of these solemn responsibilities and work every day to earn the trust and confidence of the American people.

I thank you for the opportunity to discuss the border security program and welcome your questions.

[The prepared statement of Mr. D. Smith follows:]

PREPARED STATEMENT OF MR. DAN SMITH, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF CONSULAR AFFAIRS, U.S. DEPARTMENT OF STATE

Chairman Smith, Ranking Member Payne, Members of the Committee:

I am pleased to have this opportunity to describe to you the activities of the Border Security Program, how we identify the Program's priorities, and how our strategy for implementation supports the border security objectives of our nation.

The Department of State has no higher responsibility than safeguarding our nation's citizens, both abroad and at home, and the Border Security Program is designed with these objectives in mind. The Department protects the lives and interests of American citizens abroad by ensuring that they have the consular information, services and assistance they need to reside, conduct business, study and travel abroad. We enhance homeland security through vigilance in U.S. passport and visa processes. We also enhance U.S. national security by facilitating legitimate travel to the United States for tourism, business, education and exchange.

The Bureau of Consular Affairs (CA) is responsible for implementing the Border Security Program. Funded largely through the Department of State's limited fee retention authorities for consular services, the Bureau of Consular Affairs has developed ambitious initiatives to strengthen the protection of Americans abroad and our nation's borders. The Border Security Program extends far beyond the Bureau of Consular Affairs to numerous partners within the Department of State including the Bureaus of Diplomatic Security, Information Resource Management, Human Resources, Intelligence and Research and Resource Management, as well as the State Department's geographic bureaus. Working together, these components form a core element of the coordinated interagency effort.

The Border Security Program is supported by *five pillars*: human resources, infrastructure, information, connectivity and integrity. The Department of State has developed a consistent, multi-year strategy based on these elements to achieve its goals of safeguarding American citizens at home and abroad.

Human Resources: Investing in the training and professional development of consular employees to ensure that they provide the highest quality border security services. Covering the operating costs of many other Department of State personnel beyond the Bureau of Consular Affairs who support our border security efforts.

Infrastructure: Ensuring that all personnel worldwide who are responsible for border security services have secure and functional facilities, technological support and essential equipment to fulfill their responsibilities. Key elements include an effective equipment replacement program and continued development of modernized consular software.

Information: Providing accurate, comprehensive and timely information to all Department personnel at embassies and consulates worldwide that are responsible for adjudicating passport and visa applications, and providing other consular services.

Key elements include data sharing with other agencies, ensuring the interoperability of systems when possible, and continuing improvements to namecheck systems.

Connectivity: Connecting all overseas and domestic operations responsible for border security through redundant, high-speed networks that make possible such powerful tools as the namecheck system called the Consular Lookout and Support System (CLASS) and the Consolidated Consular Database (CCD).

Integrity: Safeguarding the integrity of consular employees, processes and services through continuous enhancements to consular documents, improvements in information storage and retrieval, expanded training of personnel in namechecking and fraud prevention procedures, and the implementation of a comprehensive program to investigate incidents of passport and/or visa fraud.

The priorities for the Bureau of Consular Affairs in FY 2006 reflect our unwavering commitment to achieving our mission:

- Protecting the lives and interests of American citizens abroad by ensuring that they have the consular information, services and assistance they need to reside, conduct business, study and travel abroad.
- Providing Americans with a secure travel document showing their citizenship and identity, and ensuring that passport services are provided in a timely and efficient manner
- Protecting our homeland by strengthening the visa process as a tool to identify potential terrorists and others who should not receive a visa, and preventing those people from traveling to and entering the United States.
- Providing consular personnel worldwide with the tools and training they need to carry out these responsibilities.

The FY 2005 funding level for the Border Security Program is \$864.466 million. To maintain our aggressive efforts on behalf of U.S. national security, the Department of State is requesting \$930.610 million in FY 2006.

AMERICAN CITIZEN SERVICES

The Border Security Program promotes the safety and security of approximately 4 million Americans who reside abroad and the Americans who make nearly 60 million trips abroad each year for tourism, study or work. It also includes activities designed to assist American citizens when they need it most: in times of crisis, whether it is a natural disaster or civil unrest.

The Department of State provides current information on travel conditions and security updates through our consular information program, which receives significant public attention. The primary means for distributing this information is the popular website of the Bureau of Consular Affairs, <http://travel.state.gov>. This website registered 171 million page views in 2004, an increase of 30 million page views over the previous year. The Bureau's Office of Citizens Services (OCS) also operates a call center which disseminates information about travel abroad and also serves as a useful communication link to the American public during times of crisis.

The OCS call center was particularly effective in the aftermath of the terrible earthquake and tsunamis that struck numerous countries surrounding the Indian Ocean on December 26, 2004. In the six weeks following the tsunamis, the call center took over 32,000 calls from family members and friends concerned about American citizens who might have been in one of the affected areas. From these calls we were able to put 15,112 names into a database and then began to look for these people, coordinating with our posts in the region to locate American citizens or obtain information confirming they were not in the region, to respond to each and every inquiry. We dispatched dozens of consular officers and local staff to the region to help locate and assist American citizens. As of this week there are just 7 unresolved inquiries, and the Bureau will continue to use all of the resources at its disposal until we know everything that is knowable about those last remaining inquiries.

The Bureau also developed and launched an Internet-based system for Americans to register their overseas travel. The Internet-based system makes registration more convenient, while at the same time addressing concerns regarding the security of information protected by the Privacy Act. This centralized, flexible database allows us to assist registrants in case of emergency. Since June 2004, we have logged more than 150,000 registered travelers.

In FY 2004, the Bureau of Consular Affairs:

- conducted 2,616 searches for missing Americans, in addition to the more than 15,000 inquiries from the Indian Ocean tsunami;

- assisted next-of-kin following the deaths of 5,690 Americans outside the United States;
- helped reunite 264 abducted children with parents in the U.S.;
- offered 834 repatriation loans to destitute Americans;
- helped American families adopt 22,884 foreign-born children; and,
- paid 6,910 visits to U.S. citizens imprisoned abroad.

Our information system issued 92 Travel Warnings, 72 other public announcements about conditions abroad and 215 Consular Information Sheets containing detailed information by country. Consular officers issued 39,624 emergency passports to American citizens with immediate travel needs. The Border Security Program will allow us to continue to offer this essential support to Americans in time of need.

Our priorities for improving our services to American citizens in FY 2006 include: the implementation of the Hague Inter-country Adoption Convention; enhanced services for victims of crime abroad; enhanced emergency response teams, called "fly-away" teams, ; expanding the use of our Internet-based registration system; ; augmenting training for American and international judges in Hague Abduction convention procedures; continuing training of state and local officials on consular notification issues; and issuing a new, emergency US passport book with enhanced security features.

PASSPORT SERVICES

The Bureau of Consular Affairs provides the world's premier travel, citizenship and identity document to the American public through sixteen domestic Passport Agencies and at Embassies and Consulates all over the world. In FY 2004, CA's Office of Passport Services issued 8.8 million passports domestically. Passport demand among American citizens has risen to unprecedented levels. Applications in FY 2004 increased by more than 22% over the comparable period in FY 2003. The Department of State previously anticipated receiving 9.6 million passport applications in FY 2005 and at least 10.1 million in FY 2006. However, factoring in the impact of newly enacted legislation, the Department of State now anticipates receiving over ten million passport applications in FY 2005, and as many as 12 million in FY 2006.

In FY 2006 the Bureau of Consular Affairs will begin production of a new, enhanced passport that incorporates a number of innovative security features. These improvements include the digitization and electronic storage of information currently visible on the front pages of the existing passport document including the biographic data and the bearer's photograph. Passport agencies have also begun using a secure mail process requiring delivery confirmation to reduce the risk of a passport being received by someone other than the intended customer.

While increasing the security of the U.S. passport, the Department of State is also mindful of the importance of providing a high level of customer service to the American public. The Office of Passport Services participated in the American Customer Satisfaction Index (ACSI) for 2003 to measure the satisfaction of participants who were either applying for a passport for the first time or renewing their passport during the past two years. The office of Passport Services achieved a higher score than the aggregate index for Federal Government and private sector/services scores. As the ACSI report noted, "Passport Services delivers quality that surpasses customers' expectations."

Western Hemisphere Travel Initiative

Section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004 requires the Secretary of Homeland Security, in consultation with the Secretary of State, to develop and implement a plan by January 1, 2008 to require U.S. citizens, as well as non-U.S. citizens, to present a passport or other secure travel document that denotes identity and citizenship when entering the United States. Consistent with this legislation, by January 1, 2008, the initiative eliminates the long-standing regulatory action that has permitted U.S. citizens and Canadian citizens traveling within the Western Hemisphere, and Canadian citizens crossing the land border between the United States and Canada to enter the U.S. without presenting a passport or other secure document.

We understand the implications that this initiative might have for industry, business, and the general public and our neighboring countries, and we will work with affected stakeholders throughout the process. For this reason, we are proposing a phased implementation plan, providing as much advance notice as possible to travelers to enable them to acquire necessary travel and identification documents (passport or other secure document to be determined at a later date) for each phase of the initiative. We are proposing to:

1. Apply the requirement to all travel to or from the Caribbean, Central America and South America by *December 31, 2005*.
2. Apply the requirement to all air and sea travel to or from Mexico and Canada by *December 31, 2006*.
3. Apply the requirement to land border crossings by *December 31, 2007*.

An Advance Notice of Proposed Rulemaking (ANPR) regarding the requirement is currently under review and will be published in the Federal Register shortly, to allow for ample time for what we expect will be considerable public comment. The Department of State, working closely with the Department of Homeland Security and other agencies, will conduct aggressive outreach to ensure that legitimate travel is not impeded. We know we do not have all of the answers and will encourage comments from the public, state and local government officials and concerned businesses.

Full implementation of the program by the deadlines we are proposing will be challenging, and it will require significant resources. During FY 2006, in fact, the Bureau of Consular Affairs anticipates it may reach its maximum passport production capacity. The Bureau is exploring solutions to address this potential problem.

VISA SERVICES

The Border Security Program encompasses every aspect of the visa process, from the "raw materials," including Border Crossing Cards for Mexican citizens, visa foils, to funding the salaries of consular staff, as well as some Diplomatic Security and Information Resource Management employees.

Consular officers serving at over 200 embassies and consulates around the world that adjudicate visa applications serve on the front lines of the global war on terror. Since the horrific attacks of September 11, 2001, we have undertaken a top-to-bottom review of visa procedures to ensure that we have in place as strong a shield as possible against those who would do us harm. One of the most important tools we can provide to consular officers in this effort is real-time information gathered by intelligence and law enforcement agencies that can help them identify terrorists, criminals and other ineligible aliens and make sure that they are denied visas. Although we have nearly tripled the information holdings in the CLASS namecheck database since June 2002, we continue to explore additional areas where consular officers could benefit from increased interagency information sharing.

In advance of the Congressional deadline of October 26, 2004, the Bureau of Consular Affairs implemented a Biometric Visa Program at each visa adjudicating post worldwide. At each post we now collect electronically scanned fingerprints of nearly all non-immigrant visa applicants, and a machine-readable immigrant visa that contains a digitized photograph and scanned fingerprints of the alien. The fingerprints are matched against the Department of Homeland Security's database when visaed travelers apply for entry to the U.S. By enrolling visa applicants' biographic data in this way, the Biometric Visa Program contributes to DHS's entry-exit control program known as US-VISIT.

October 26, 2005 is the date by which travelers from Visa Waiver Program (VWP) countries must present passports incorporating a biometric identifier complying with the standards established by the International Civil Aviation Organization (ICAO) for continued entry into the U.S. without a visa. Individuals possessing passports issued prior to this deadline are grandfathered. All VWP countries have programs in place and are making varying degrees of progress toward implementing what we expect will in July 2005 become an official ICAO recommended practice for biometric utilization. They are also moving toward or have already met ICAO specifications for improved photo quality in furtherance of biometric utilization. We are continuing to look at the requirements of the Congressional legislation and the practical issues associated with implementing the various ICAO specifications and recommendations.

The Department's two domestic visa support operations deserve special mention. The National Visa Center (NVC) provides worldwide support to immigrant visa processing posts and is actively engaged in anti-fraud efforts in coordination with the Federal Bureau of Investigation and the Department of Homeland Security. The Kentucky Consular Center (KCC) uses facial recognition technology to review non-immigrant and diversity immigrant visa applications for fraud and will also centralize the pre-adjudication processing of all petition-based nonimmigrant visas. The KCC will continue its management of the successfully established electronic registration process for diversity immigrant visas.

The Bureau of Consular Affairs will continue to upgrade and refine the technology used in the collection of fingerprints and the use of facial recognition technology

during the visa adjudication process. This will include improvements in the integration and compatibility between Consular visa systems and the databases of the Department of Homeland Security, the Federal Bureau of Investigation, and other law enforcement and intelligence agencies including the Terrorist Screening Center (TSC) and the National Counterterrorism Center (NCTC).

We have re-engineered the interagency visa clearance process to enhance accountability and improve efficiency, investing significant funds and time in our systems to move visa applicants more quickly through the interagency clearance process while maintaining its integrity. A Government Accountability Office study published in February 2005 noted marked improvement in the processing time for interagency clearances related to sensitive technology transfer.

The Intelligence Reform and Terrorism Prevention Act of 2004 also included provisions that incorporate recommendations from the 9/11 Commission Report and are designed to enhance the federal government's ability to detect and disrupt terrorist travel. The Department of State is working closely with the Department of Homeland Security to enhance the training of consular officers in the detection of fraudulent documents and terrorist travel patterns, to develop a plan to deploy document authentication technology and to increase information exchange on foreign travel within the government, as well as sharing information on terrorists with trusted allies. The Bureau of Consular Affairs is working to enhance the sharing of lost and stolen passport information with Interpol and other governments and to ensure that posts that experience the highest level of fraudulent documentation associated with consular services have full-time fraud specialists on board. We are also assisting the Bureau of Diplomatic Security in fulfilling a requirement of the legislation that it create a program for visa and passport security targeting the production, use and dissemination of fraudulent travel documents.

MANAGEMENT AND ORGANIZATIONAL EXCELLENCE

A consistent priority of the Department of State is to strengthen homeland security by ensuring that the consular function has appropriate facilities and staffing to fulfill the mission of the Border Security Program. Between FY 2002 and FY 2006 consular staffing will have increased by 570 new positions. For example, in FY 2005 we will hire 55 staff to handle increases in passport and visa workload and 63 new Foreign Service officer positions will be created to complete the last tranche in our multi-year Consular Associate Replacement Program. This program shifts responsibility for visa adjudication held by consular associates, who are eligible family members, to full time consular officers.

Underpinning the management of consular operations worldwide are efficient and state-of-the-art systems. Leveraging technology not only improves the efficiency of our operations, it has become a necessity for interagency data sharing and supporting rapid change in consular operations. We will continue to replace information technology equipment for consular sections abroad as well as domestic operations on a three to four year cycle. We will continue to provide updated remote and computer-based training on consular systems to supplement hands-on training by experts deployed overseas, and maintain support desks to provide responsive links between employees and experts in the Consular Systems division. The Border Security Program will also continue to fund mainframe support for the CLASS namecheck system by the Department's Bureau of Information Resource Management.

Internal controls are a critical component of good management. To date, we have issued 81 formal standard operating procedures (SOPs) to ensure uniformity in procedure and to reinforce the importance of proper safeguards in visa and passport adjudication, as well as substantial additional guidance to consular managers and Chiefs of Mission. We reiterate the importance of following these procedures during our visits to Embassies and Consulates, in regular guidance to the field, at training programs and during leadership conferences for Ambassadors and Deputy Chiefs of Mission. By the end of May the Bureau of Consular Affairs will have completed 77 assessments of overseas posts (since February 2003), utilizing Consular Management Assistance Teams, to assess the integrity of management controls, effective resource utilization and space allocation, and the extent to which the Bureau's Standard Operating Procedures have been implemented. And we will continue a robust schedule of visits. The Bureau's Vulnerability Assessment Unit, a joint initiative with the Bureau of Diplomatic Security, is a proactive approach to preventing fraud and malfeasance. The Unit continues to analyze consular data and systems to detect anomalies in visa and passport processing, thus encouraging sound management and transparent processes.

I thank you for the opportunity to discuss the important ways that the State Department's Border Security Program enhances U.S. national security. I welcome your questions.

Mr. SMITH OF NEW JERSEY. Thank you very much, Secretary Smith.

Just to begin the questioning, let me again thank you for your extraordinary service to our nation and to the people that are serving abroad, especially U.S. personnel as part of our missions. They need every bit of due diligence that you and we in the Congress can provide.

Very often it does come down to an issue of resources. I would just ask you my first question—I remember so well when Admiral Crowe testified before our Committee back in 1999, he made the point that they had asked for \$1.4 billion each year for the next 10 years for these upgrades to really beef up our efforts. He knew the spend-out could not be done overnight; it had to be done in a phased way. The absorption capacity was just not there.

But one of the points that I was struck by during that proceeding was that for 2000, there were no real increases recommended. As a matter of fact, we made much in a bipartisan way—remember, Congressman Delahunt and I and others, I was Chairman of the Committee then, could not believe that we were going to punt for a year, we were just not going to look at 2001 but not the year 2000.

Even though Secretary of State Albright had asked for the money, it was not forthcoming, and the culprit in all of it was OMB.

My first question would be: Did you get everything you asked for from OMB?

I know it is a process and, you know, you try to manage as best you can to get all the resources you can. But it seems to me that security, there is nothing that tops that.

Did you get what you asked for from OMB?

General WILLIAMS. From the building perspective, since 2001, after putting our strategic plans in place, OMB has been very supportive of our program.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. Starr?

Mr. STARR. I think to the extent that we could in fact plan ahead and see what was ahead of us, OMB has been very supportive. The budget process is a 2-year process. I think, clearly, that we have had to work very closely with OMB and the Congress on things like supplementals when we could not foresee things that were coming out. And even in that respect, we have gotten good support in terms of supplemental funding when we needed it.

Mr. SMITH. I would agree fully with my colleagues.

I would add, though, that with regard to the fiscal year 2006 budget, the Administration prepared this budget before the passage of the Intelligence Reform Act. So one of the changes, clearly, is going to be the implications of section 7209 with regard to the Western Hemisphere Travel Initiative.

Mr. SMITH OF NEW JERSEY. Okay, I appreciate that.

And what will that entail in terms of—

Mr. SMITH. One of the things we are looking at is the possibility that we could retain some of the additional fees that will be generated by increased passport demand to help offset the costs of this program.

Mr. SMITH OF NEW JERSEY. Has there been any economic assessment on that, what that might mean in terms of the flow of people from the Americas?

Mr. SMITH. We are working closely with the Department of Homeland Security to assess exactly how many Americans will be affected by this and how this will impact on local communities. That process is under way as I speak.

Mr. SMITH OF NEW JERSEY. Have the governments of Mexico, for example, Canada and others weighed in on that, the Western Hemisphere Initiative? Have they expressed their views?

Mr. SMITH. They have certainly expressed their views on this. And we have been in close consultation with them. It was no surprise to them because we had long been discussing this issue.

But they are in close consultation with us as we move forward on this.

Mr. SMITH OF NEW JERSEY. If you could—this will be to Secretary Starr—explain why the DS antiterrorism course, which teaches surveillance detection and avoidance and defensive and evasive driving techniques, is only given to those going to critical-threat posts?

I raise that because one of the things that the GAO report pointed out—and I think this has been an ongoing concern. I remember when David Carpenter made a very compelling case on this—that transnational terrorists do not hit us where we necessarily expect it now. They are not going to just hit the post in their own country. They are going to look for targets that are softer.

It seems to me that some of our post that would seem to be safe and secure, the drive to and from their schools where they have their kids educated, could be at risk.

And while you are answering that, if you could—and perhaps you did this a couple of days ago—maybe your reaction to the report that was issued a couple of days ago by GAO.

Mr. STARR. Thank you, sir.

I, in fact, did testify 2 days ago on the GAO report.

We appreciated the GAO report. I think it did point out a very good idea and recommendation that we had been working on.

The world has changed. And while we have had a very long-term and I think quite effective briefing program on security, both before people go overseas and after they go overseas, I do think the world has changed, and we noted that.

In order to be prepared 24 hours a day, 7 days a week, 365 days a year, and not lose that edge, we really do not believe that briefings will do it anymore, that you have to train people before they go overseas, you have to give them better tools.

To that end, we had started a training program, the diplomatic security antiterrorism course, and we were starting to give it to people going to high and critical threat-level posts. However, with the advent of Iraq, we turned more closely to that, and that was our highest priority.

We have put over 1,000 people that have gone to Iraq through the diplomatic security antiterrorism course, specifically changed to note Iraq conditions, and we continue to do that. It is a mandatory requirement before they go to Iraq.

We are working within the department and we accept that recommendation that we should do more training as opposed to briefings and working with the Foreign Service Institute and Diplomatic Security. We are going to take that recommendation to heart, and we will look at what resources we need and what time and what training programs we need to do that.

Mr. SMITH OF NEW JERSEY. If you could, keep us apprised of that, if there is any way we can be helpful, because it seems to me that is a vulnerability that we need to be concerned about.

Mr. STARR. Absolutely, sir. I would like to note one thing that I am a little almost afraid about. There is a great deal of discussion on soft targets, and it is true that terrorists are in fact widening their view of what is a targetable American overseas, and it does include soft targets.

But I think there is a misconception in some people's minds that terrorists are changing to soft targets. They are not just changing to soft targets. We continue to have a tremendous amount of threat against our flagpole facilities, and it is vitally important that we not lose sight of the new construction program and protecting our official facilities.

The GAO report noted that since 1968—37 years—23 people have been killed in soft-target attacks. In one horrific event in Nairobi, we had 222 killed and 5,000 wounded.

So we must not lose sight of the fact that we have both responsibilities: Our official facilities and soft targets.

Mr. SMITH OF NEW JERSEY. Let me just ask Secretary Smith: Since the passage of the Homeland Security Act of 2002, State and Homeland Security share responsibilities for visa policy and issuance.

How well has the dual-agency responsibility worked thus far? And do you have any suggestions that we might—is there anything we need to be doing legislatively to correct any imbalance or problem that you have encountered?

Mr. SMITH. Thank you, Chairman Smith.

I would say that the relationship between the Department of Homeland Security and Department of State has actually been a very productive, very important one.

We have, as you know, a negotiated MOU that governs their role with respect to visa policy and our role with respect to the implementation of that policy overseas.

The Secretary of State and the Secretary of Homeland Security meet on a periodic basis to review issues of common concern. I think there is a close collaborative relationship between our two institutions. And I would say overall that this new relationship has worked very well.

I do not have any suggestions for you with regard to legislative changes.

Mr. SMITH OF NEW JERSEY. The biometrics by mid-2005, is that going to happen, in our passports?

Mr. SMITH. With regard to U.S. passports or with regard to—we are going forward with a program which will embed a contactless chip in the U.S. passport. To that chip will be written data that basically is now contained in the passport, that is, the photograph and the biographic data that is already on the passport.

I would note in this context, there have been concerns raised about privacy and other issues. We are addressing those concerns. We have now asked for NIST to evaluate the vulnerability of this new technology.

We will embed, in fact, in the passport cover, a device which will in effect prevent skimming unless the passport is open. We are also looking at the possibility of introducing basic access control technology that would allow it to be read only if it is swiped, in fact, at a port of entry.

Mr. SMITH OF NEW JERSEY. Because the concern was that somebody as close as 30 feet could skim it, is that—

Mr. SMITH. Absolutely.

Mr. SMITH OF NEW JERSEY. So if it is closed—

Mr. SMITH. With this new technology, with the embedded cover, it will not be read unless it is opened. And even in those circumstances, it will only be able to be read if it is swiped now with the basic access control, move in that direction.

Mr. SMITH OF NEW JERSEY. Mr. Payne?

Mr. PAYNE. Thank you. Thank you very much.

As we mentioned, the U.S. Embassies in the past, you know, were really places with a lot of accessibility and so forth, as we have seen the fact that there have been the attacks on the Embassies.

I wonder, have the number of threats since 1998 increased or decreased? Any one of you can answer that.

And how has the type of threat changed? And is it on people or personnel? Is it the threat to facilities, places that U.S. people frequent?

Could any of you just kind of give me a broad picture of that, if you can?

Mr. STARR. Sir, I start every morning, 5 days a week, at 7:30 with a threat recap of what we have seen from the night before.

The amount of threats that we are seeing is going up. We are seeing wider threats, not just at our official facilities but at soft targets, at other representations of American ideals.

We have seen it change also, when they could not get Americans, to other targets. When we successfully moved out of Palazzo Corpi and Istanbul and created a new consulate there, we have information that the terrorists looked very closely at attacking us, and when they could not get us, hit the British consulate and the HSBC bank—we see those types of threats as well.

I think the tempo is very high, sir. I think it has definitely increased.

The type of attack is changing also. For a long while the thing that we were most concerned about was strictly the vehicle bomb—that horrific attack that took down several of our Embassies.

In Jeddah, we saw an armed assault on our compound, which I think we did quite well at repelling. We had some casualties, and

that is very unfortunate, but the vast majority of people remained safe.

I think we are seeing other types of attacks when we saw a single suicide bomber with explosives strapped to him walk up to our Embassy in Tashkent.

So we are seeing a wider variety of attacks and we are seeing more intelligence about attacks.

Mr. PAYNE. In the U.S., for example, McDonald's and those kinds of U.S. businesses that might have a big presence, are threats to those places increasing?

Mr. STARR. Yes, sir—not necessarily McDonald's or things like that. We have seen more flagship threats, hotels, businesses that represent the United States oil companies, things like that.

Mr. PAYNE. The question about, for example, in Kenya and Nairobi—and once again, it is sort of a judgment call. As you know, after the bombing there, as I mentioned, we were very involved in that. Our Subcommittee took a lot of interest, went over, and was there before it and so forth.

Do any of you know what has happened to the 5,000 injured Kenyans and the 222 deaths? Of course, I think seven or eight were Americans.

But when Ambassador Carson left Kenya, there was an ugly demonstration by the Kenyans. I think there is a feeling that they were friendly with America—as a matter of fact, Kenya is the only country in the world that American planes can fly in and just say, "We are landing," because it is an emergency, that we want to move materiel to the Middle East and all that. All they have to do is call maybe an hour before they get there. So no other country in the world, England, France—no one has that kind of a relationship.

And, then, secondly—you might answer this, too—the Kenyans feel very offended about the travel advisory. They say because they are friendly with the United States they got hit, and now the United States Government tells Americans, "Do not go to Kenya because of the threat assessment."

The President of Kenya asked me, "Do Americans tell people not to go to New York because of the World Trade Center? Or do they say, 'Do not go to Oklahoma City because they bombed the town there?'" Well, you know, I do not have an answer for that.

So the bitterness of unfair treatment by virtue of their friendliness with the United States is really gnawing at them.

I wonder if anybody has any comment on, one, what have we done for the victims there, if you know? And secondly, what about this travel advisory that has just killed their tourist industry, because, then, other countries listen to it, too, although other foreigners continue to go but not in the same numbers, but virtually no Americans.

Mr. STARR. Sir, on your first question, when you first mentioned this in your opening statement, and Ms. Lee as well, I talked briefly with Mr. Smith. Neither of us have a good answer for you or know the facts. I noted your question, and I will, when I get back to the department, for the record provide an answer to the Chairman and yourself on what we have done in terms of the victims

in the Nairobi bombing. I am sorry, but I just do not have an answer for you right now.

Mr. PAYNE. All right, thank you.

Mr. SMITH. With respect to the travel advisory, sir, I have also met with Kenyan officials who have expressed their concerns about our travel advisory, as I have met with many other officials. Assistant Secretary Hardy, my boss, has been to Kenya and has met and discussed this with them.

We work closely with our colleagues in Diplomatic Security in evaluating the threats that we feel Americans face overseas.

Although we realize that many of these travel advisories can have impact on these countries, I have to underscore that our first and really only concern is American citizens. We feel that we have to provide them with fair and accurate information about the potential threats that they face when they go overseas, and that is exactly what we tell foreign officials as well, is that this is not aimed at them, it is not intended in any way to affect our bilateral relationship, but that we have to evaluate ourselves what we think the security environment is and inform Americans of those facts.

Mr. PAYNE. Well, you know, it appears to them it is kind of a double standard, you know, they consider any place unsafe. You go to Istanbul, you have people there that would like to get some Americans in Turkey or wherever.

So hopefully we can get a balance on that as the State Department continues to review it.

But I asked the question—the final question is about housing.

In Kenya, as I mentioned, you brought all of the American personnel, most of them, together in a compound, which is very beautiful housing and nice, up on the top of the hill. I passed it on my way to Nivasha when the Sudan peace talks were going on 4 or 5 months ago. And it protects all of them because they are all together.

However, it is really kind of a sitting target, sitting right up on the top of the hill with all of the American people in that complex. And I wonder, you know, how does the balance go there? I mean, it is better to have them together rather than I guess spread out all over town. However, if you talk about a sitting target from some kind of a projectile, I mean, they are just right all there, everybody right there.

So what has been the thought of that high concentration as opposed to in the—

General WILLIAMS. Congressman Payne, thank you for the question.

I will begin with just a part of it as it relates to the building and the thinking behind that. Then my colleague, Greg, will pick up on some of the security aspects.

First of all, Ambassador Carson pressed very hard on the department for this concept. I personally went to Kenya and discussed this whole matter with him. It was his people, together with ours, who picked the site.

We were experiencing a privatized sort of a concept which would allow us to get there fast. It was called build-to-lease. We found the appropriate arrangement from the business community with the Kenyan bank, coupled with an American organization, and put

things together very nicely and thought, quite frankly, based on our interaction with people before it was built, that we had done a noble thing, because this was not easy to get through our structures because it was a new concept.

It was a quick way. We got the housing in place very quickly. It is a gated community, which is synonymous to anything that we have here. So we were quite surprised, to be very honest with you, when there was some concern about it being clustered, because this is exactly what was asked for.

Mr. STARR. Sir, you asked what is actually a very vexing question: How do we best protect our people in soft targets overseas? And certainly their housing is a question that we have to address.

The best answer that I can give you is that there is no one silver bullet answer for what is the best way to protect our people in their housing. Each answer that we come up with has certain vulnerabilities.

I can assure you that the compound that we built in Kenya has setbacks, anti-ram walls, barriers, adequate guards. And at some of our highest-threat locations, we find the best answer is to put a large amount of our people on our compound where we can concentrate our resources to protect them.

But as you point out, it does create other vulnerabilities as well.

We have worked on this on the overseas security policy boards since the killing of Mr. Foley in Jordan, and we looked at our residential housing policy.

Ultimately, what we have determined is that those posts with a mix of different housing—whether it be clustered housing, housing in apartments, some single family or compounds—but those posts with a mix are going to be in the best circumstance to address the wide variety of threats that they are going to encounter in the future.

Mr. PAYNE. Thank you. I yield back.

Mr. SMITH OF NEW JERSEY. Thank you.

Dr. Boozman?

Mr. BOOZMAN. Yes. First of all, I would like to compliment you all in the sense that as I travel overseas, in-country briefings, you all do a tremendous job, and it is a very difficult job. I have been blessed. I have been on delegations that were very high ranking to very low ranking and, again, I always got treated the same. So that is very important.

As you go to these different countries, it is very difficult. You know, you go to different Embassies, different facilities. Some of them, just by the nature of how they are—you know, you have setbacks and things like that—several of them, they are in very difficult situations.

I know it is a huge job, but it is almost an impossible job—is not it?—from the standpoint of what do you do about being in the community where it is an ideal location, been there forever, but you are right on the street and, you know, everything is on the street. How do you fortify that?

I guess we probably should not get into too much detail. But with those kind of problems, are we looking at better security there? Or are we looking at going offsite?

I know, again, it is almost insurmountable.

General WILLIAMS. Mr. Boozman, I will speak to sort of the philosophy behind why we must move from what I call "Main Street." And Greg, again, will speak to other issues relative to the hardening.

We simply cannot, today, build the type of facility and have it make the type of presentation we desire for our American presence in some of the locations where we are currently operating. Early on, when the Embassies were stood up, at that time our Government took whatever it could to make it work. Now we are attempting to get it right and make certain that our people are in fact protected.

I was just in Armenia on Friday. We opened the new Embassy compound in Armenia. It is something that any American, any person can be very proud of. It is in the right location, it is where the things that matter in that country are going to migrate to. We got there first and it is a nice presentation—and happy faces on all of the people who work there, both Americans and host-country people.

So you are absolutely right. None of us are proud of the locations where some of our places are now. We are working as fast as we can to get out of those situations. For example, we have 11 new starts as we speak on the continent of Africa compared to maybe one 4 or 5 years ago.

So we are moving. We are in three of the 'stans—Uzbekistan, Tajikistan and Kazakhstan. We just finished Bulgaria. We are going into the Balkans, Phnom Penh and Laos.

We are trying to go to the outpost areas—and I just mentioned Armenia—to try to help our people through this. It is an excellent question, and we are working it as hard as we can.

Mr. BOOZMAN. Thank you.

The other thing that I would just like to comment on is that nobody is any tougher than I am in wanting you to do everything we can to secure our borders and make sure that the people that are coming into the United States are the people that they say they are and things.

On the other hand, I think one of the programs that I would argue is probably the most vital to the United States, is having the ability to go to these countries, sit down and in the course of the conversation—in fact, I was in Israel visiting with a Palestinian minister that had done summer school at the University of Arkansas in Fayetteville, which is 20 miles from where I live and where I went to school, and then he went on to the University of Texas—which I told him that I would not hold that against him—and finished up.

But that is invaluable, you know, to sit down and—this guy knew Fayetteville as well as I did. And you run into those kind of relationships time after time.

I know after 9/11, one of the problems that we had was that kids would come back, that they would maybe go home on visa or go home during the semester or whatever for break, and then the delay in getting them back, you know, and stuff.

So I would like to reiterate that, again, I hope that we use some common sense with those kind of situations and that we work really hard and continue to foster that relationship, where those people

that we have all agreed should be here, you know, they are going to school, and yet they get hung up in the red tape of instead of that, you know, clearing immediately, that they are going to get back fine, but it is 2 months into the semester.

Mr. SMITH. Sir, that is an excellent point and I think picks up on comments earlier by Congresswoman Lee about the importance of academic and scientific exchanges to the United States. We could not agree more, as you well imagine, given the Secretary's background. Secretary Rice is very much concerned with us and seized with this issue as well.

There is no question I think that in the post-9/11 environment, a number of the changes that were made had some impact on students, and we have all heard these horror stories about people who were caught up in this.

I would say that since that time we have taken extraordinary measures to try and address those shortcomings that we had. The clearance process has improved significantly. The Mantis clearance, which is the one most mentioned now, is that the average time for clearance has gone down from 79 days to 14 days.

Most students and most applicants are not subject to any special screening when they apply for a visa. But those that are, we want to get through as quickly as possible, determine those that are a potential threat and those that are not.

We have also asked all of our Embassies abroad and consulates abroad to put students at the head of the line, to make it as easy and quick as possible, painless as possible for them to apply for visas.

We clearly recognize the importance of this, not only to our academic and scientific communities, but also to our national interests, as you pointed out, the fact that they were educated in the United States, that many foreign leaders were educated in the United States or were here on exchange programs means a tremendous amount to us as a nation and is something that we treasure and that we need to preserve.

Mr. BOOZMAN. Thank you very much.

Mr. SMITH OF NEW JERSEY. Thank you.

Ms. Lee?

Ms. LEE. Thank you very much.

Let me just follow up on that and ask you: Given that, what do the numbers look like in terms of percentage now of students? I mentioned earlier that it had declined significantly after 9/11. Have we seen a turnaround yet?

Mr. SMITH. There was a decline. We are now seeing somewhat of an up-tick. In fact, the numbers of visas issued last year were up slightly over the previous year, about 1.5 percent.

The difficulty I think is two-fold: One is, there is a perception problem on the part of many people abroad still, that it is difficult to get a visa or it is difficult to get entry to the United States. I think that is largely myth, but it is one that we need to address and we are to do through rigorous outreach.

I think the factor, though, is, we are facing increased competition that we did not have before. Many of these students are going elsewhere. They are going to Britain, they are going to Australia. They

are deterred sometimes by the high cost of education in the United States.

So there are many factors that come into play. But, clearly, we need to work closely with the academic community to address these issues, to reach out to students, to get them to come back to the United States and to our educational institutions.

It is an economic issue, but it is also, as we discussed, a national security issue.

Ms. LEE. Let me ask you about our public diplomacy efforts as it relates to the Embassy security. How do you see security benefits arising to America and American citizens as a result of using public diplomacy strategies?

I recently was in a country in Africa and talked to some business people and some very influential individuals who were very close to heads of states, U.S. foreign relations were in very good shape. And these individuals indicate they—we invited them to come and participate in some meetings. Now, these were people who you never would expect this response from, but their response was, “No, no, no. We cannot come. I do not want to come. The environment is not conducive in America for us to come. We feel very intimidated. We do not know what is going to happen, and we have had many instances of our citizens being harassed,” and what have you.

I got the sense that, not only in this one country but in other countries, that there is a real reluctance now to come to the United States because of the fear of harassment. And these are people who should not have that kind of feeling.

Mr. SMITH. I agree entirely. It is something that certainly we are seized with. We have been working closely with the Office of the Undersecretary for Public Diplomacy and Public Affairs to try and address these issues, to try and demystify the visa process, the border-entry process to make it as transparent as possible.

We have worked with our colleagues at Department of Homeland Security to address some concerns that we had with regard to border procedures and things that people perceived as unwelcoming.

But you are absolutely right. We need to do much more in way of outreach.

I can say that from the perspective at least of the Bureau of Consular Affairs, when Assistant Secretary Hardy travels, she makes it a point of always addressing student audiences and meeting with local business folks, of trying to assure them that the process is—we are trying to make the process as efficient and transparent as possible and that we welcome them as legitimate travelers to the United States.

Ms. LEE. Given the fact that the security needs of Embassies quite naturally have been enhanced and must be, the access for local citizens to come to Embassies is, again, you know, not prohibited, but it is a bit guarded. In the past, American citizens have been able to interact with foreign nationals, you know, come into the Embassies, visit the libraries, have discussions at the Embassies.

So how are you balancing the new security needs with the need for U.S. citizens and foreigners to engage in dialogue and in cultural exchanges and what have you on Embassy grounds?

Mr. STARR. I am not the expert on this, but I will try to answer some things.

I think as security matures, we know how to do things better. If you look at our buildings that we built from 1988 until 1992, the first generation of Inman buildings, I think you see many of them very secure, but they do tend to look like fortresses, they do tend to look like buildings that are imposing, that you may not want to visit.

I think the new designs that we have incorporated and the fact that we, from the security perspective, are very responsive to the ideas that we have an image to project as well, have worked very hard with OBO, who has worked very hard with architects and advisory councils, to first give our buildings a better look and to work on access controls.

I think some of the things that you talked about, visitors not wanting to come to the United States immediately after 9/11 when we imposed homeland security regulations on travelers, I think in some of those instances, people may have been harassed unnecessarily right at the beginning.

But I think as time goes on and homeland security procedures mature, just as we matured at Embassies, you are going to see it less foreboding, you are going to see more people want to come in.

I can also talk very briefly about the fact that the public diplomacy program does not just solely rely on people coming to the Embassy. They are looking at new answers such as the corner libraries that they are putting in, new efforts to try to get information out, use of the Internet and use of electronic means that a lot of people are beginning to use.

So public diplomacy is beginning to look at new methods to meet those challenges as well.

Ms. LEE. Finally, let me just ask Mr. Starr: In reporting back the situation in terms of compensation for the Kenyan and Tanzanian victims of the bombings, could you include in your report the issue of the security guards? It is my understanding that the Kenyan and Tanzania Embassy guards who were on contract did not receive full benefits, which of course I understand U.S. Embassy staff did.

And so I want to see what is going on with the non-U.S. Embassy security guards and the status of their medical payments, their compensations.

Looking at what has happened in Kenya and Tanzania, we need to figure out what to do in the future if there is an unfortunate attack as it relates to—

Mr. STARR. I will try to find those answers for you.

I would note that in an environment where we are increasingly trying to outsource as many things as we can, when we find professional security organizations that can provide it, we are going to see differences between the benefits that we provide to direct-hire employees and those that are employees of contractors giving us services.

But I will try to find the answer for you.

Ms. LEE. Well, let me just say, I think that, given that we are going in that direction, I think it is going to be very important, if we want to get the best and most skilled security guards, to make

sure that contractors are required to provide some form of compensation that is comparable to U.S. Embassy staff. Because otherwise, you are going to have a huge problem in terms of morale and the ability to attract the type of security-guard firms that we need.

Mr. STARR. Ma'am, I think currently about 50 percent of our programs overseas are direct-hire employees for the Embassies, PSA employees, personal service agreements, and about 50 percent are contracted.

There are benefits to both systems. We do not have any problem with getting bidders on our contracts, and we do have exceptionally good firms bidding on our contracts.

But I will find the information for you.

Ms. LEE. Okay, no, I think it is very important, and I appreciate that. We may write a letter to you and lay out what I think we need to look at.

Thank you, Mr. Chairman.

Mr. SMITH OF NEW JERSEY. Mr. Fortenberry?

Mr. FORTENBERRY. Thank you, Mr. Chairman.

Just a comment before I ask two questions: I think of all the important things that you are doing and perhaps the most notable thing that will come out of your testimony today is the talk of the chip in the passport. I would assume that will begin to catch a lot of attention soon, and you will be answering a lot of questions on the proper balance of security and privacy in that regard—just to prompt you on that.

Two questions—and I apologize for coming a little late. If you have answered this, I am sorry: How many Embassies and consulate facilities do you have worldwide?

General WILLIAMS. About 265 or so.

Mr. FORTENBERRY. Then how do you approach—and this is related to the previous question—the use of indigenous security personnel, whether that is military or police or firms that are privately contracted? This is a very broad question, and I recognize it is dictated by the particular circumstances in the country, but the general approach.

Mr. STARR. We rely to a great extent on host-country security and intelligence forces—that is our first line of defense. However, no U.S. Embassy can go without its own security guards and security force, which we use for screening personnel before they come in.

Then we have regional security officers behind that. And then 150 Embassies, 149 or 150 at this point. We also have a Marine security guard detachment. It is a combination. Like most things in security, we do not rely on any single point of failure. We have overlapping levels of security.

So it is host government, our own security guards—whether directly hired or contracted—Marine security guard personnel and regional security officers.

Mr. FORTENBERRY. The contracted personnel are not indigenous personnel? They are American personnel?

Mr. STARR. In most cases, they are in fact indigenous personnel. In some cases, we have third-country nationals doing it, and some case, particularly places like Iraq and Afghanistan where we use personal security personnel, we contract with firms like Blackwater

or Dynacorp and others on an open and competitive basis to provide cleared American personnel.

Mr. FORTENBERRY. Excluding the Middle East, where do you see emerging threats to your particular mission around the world?

Mr. STARR. I think the attacks in Africa, unfortunately, proved very clearly that terrorism is a global phenomenon. We still continue to have great concerns in the Middle East, but we see concerns everywhere. The Far East has concerns. We see concerns in Africa, we see concerns in Central and South America, in the Near East and South Asia areas as well.

There is no place that we are not concerned about the phenomenon of global terrorism.

Mr. FORTENBERRY. Well, it is good to be from Nebraska. [Laughter.]

Thank you for your testimony.

Mr. SMITH OF NEW JERSEY. Let me just ask him a follow-up question and some additional questions, and if my colleagues have some additional questions, I would yield to them as well.

General Williams, can you evaluate the capital security cost-sharing system, which was included in the consolidated appropriations bill for 2005? Has that brought additional resources into your efforts, and could you quantify that?

General WILLIAMS. Chairman Smith, as you know, it is designed to do just that. And the implementation of this to date has been, I think, on track. We got strong support from the Congress. The participating tenants who have been levied to make a participation on this phase-in, that is going generally well. I must say that we are, at this point, moving along very nicely with it.

So after having 1 year, or part year, of implementation, in spite of the quick right turn in the road for those that had not participated before, I would say on par, it is progressing all right.

Mr. SMITH OF NEW JERSEY. Could you perhaps describe for the record, then, how much you expect to realize, how much value this provides your efforts?

General WILLIAMS. Well, the ultimate—and I think I just should speak to after it is phased in—will be roughly \$650 million in addition to our normal program, which will get us up to our \$1.4 billion per year that Admiral Crowe projected. And then we can stay on that \$1.4 billion annual appropriation, and then in 13 years we can walk out of this.

Mr. SMITH OF NEW JERSEY. Secretary Smith, in your testimony you point out, and I quote you, “All VWP countries,” visa waiver countries, “have programs in place and are making varying degrees of progress toward implementing what we expect will in July 2005 become an official ICAO-recommended practice for biometric utilization.”

Can you give us any insights today as to which countries are on line or getting close to it, and which countries are falling behind?

Mr. SMITH. Well, as indicated, sir, in the testimony, all of them have programs in place at this point. Some have made more progress than others, in part because I think there are a number of legislative issues that have arisen in some countries.

There are also very technical issues that we ourselves have encountered in the course of moving forward with this new technology that those countries have encountered.

One of the issues, sir, that I think you are suggesting is the deadline that countries face with regard to—

Mr. SMITH OF NEW JERSEY. And those that might be behind. Obviously, a terrorist would go where the weakest link is.

Mr. SMITH. I would simply note—of course, the visa BP countries as a whole represent the strongest countries with respect to the integrity of the documents, with respect to the security of their systems and do now, under the USA PATRIOT, conduct, under Department of Homeland Security leadership, a review of all of these countries on a 2-year basis.

So it is an ongoing process of evaluating not only the issue of the refusal rate and potential overstays and things, but also security elements in their passport production, in their lost and stolen passports, in their basic border controls. So they are subject to the most rigorous of standards worldwide in terms of their security.

But there is a deadline that you were suggesting, sir, with regard to the biometric passport. We have seen some comments recently by Chairman Sensenbrenner, House Judiciary Committee, with regard to that deadline, with regard to the interpretation of the wall, which we are now discussing with our colleagues at Department of Homeland Security in determining how we might best respond to the issues that he has raised in this context about that deadline.

Mr. SMITH OF NEW JERSEY. Are there countries that are not currently visa-waivable countries that might find themselves moving in that direction?

I speak specifically of a country like Poland. I met with their leaders on a trip recently, and that was one of their concerns, you know, that they are not a country that enjoys that kind of status.

It seems to me that if they have the political will to make some very significant changes with regards to biometrics, that might put them in better stead to move in that direction. What is your sense on that?

Mr. SMITH. Well, absolutely. We would like them all to implement biometrics, I think, as an important step forward.

As you know, the President has announced a roadmap with Poland for their eventual membership into the visa waiver program. Although, clearly, they and all other countries must meet the legislative requirements of the visa waiver program before they can enter that program. And only at the end of a long evaluation process, led by Department of Homeland Security, would anyone else be added to that.

Mr. SMITH OF NEW JERSEY. General Williams, looking through your report—and it is very extensive and I think very well done—you point out that advisory committees and councils often provide oversight. And I wonder if you just might provide the Committee some additional insight.

I know on real estate, you have a group of expert advisers, including, I assume, private sector, it is not broken out.

General WILLIAMS. That is correct.

Mr. SMITH OF NEW JERSEY. How often do they meet? Could you give us some insight as to who they might be?

Secondly, on the issue of refurbishment of representational residences, as the GAO report, I think, pointed out very well, you know, these so-called soft targets—and certainly residences, not only schools and places of worship, but residences fall into that regard. Or they may be hard targets, I am not sure, but you might want to tell us that.

But we are talking about a program that was founded back in 1987. It will provide about \$5 million in 2006 for refurbishing. If I read this correctly, you look to refurbish about 1 out of every 7 years, but you are doing it 1 out of every 14 years.

How does the security component—again, we never have enough money to do it all—juxtapose with the issue—or what is the trade-off with aesthetics and making sure that the residences—DCM Ambassadors, the consular generals—look nice as opposed to are safe?

I mean, that is \$5 million, and I do not want to take it away or do anything of the sort. But how do they interface with you guys on the security side to make sure that, you know, you have got a better alarm system and you have every piece of glass shatter-proof?

I remember when we talked about what happened in the two Embassy bombings in Africa, it was shard glass, it was the shrapnel effect that caused the greatest number of deaths and maimings.

And we, too, here now in the Rayburn Building and throughout the Capitol have, you know, a Mylar overlay over our windows because we want to at least mitigate that threat.

So how does that fit into all of this?

General WILLIAMS. Congressman Smith, a good question. We have worked very closely with our Diplomatic Security colleagues on everything that should be done around our senior executive residences.

So on the security upgrade side, which you are speaking to, the windows, the barriers, et cetera, I think that is in reasonably good shape across the board.

Our request here is speaking to another issue, and the issue is to try to bring our residences in line with some reasonable standards in terms of when the interior should be refurbished. Now, we are talking of rugs and this type of thing.

So right now, the refurbishment schedule is 14 years. And we are looking for sort of a glide path over the next 4 or 5 years to get us down to something which is generally accepted, and that is 7 years.

And whatever we do, in and around our residences or in our Embassies, it is in direct coordination with our Diplomatic Security colleagues.

Mr. SMITH OF NEW JERSEY. Secretary Starr?

Mr. STARR. Sir, I cannot eliminate risk. I can manage it to a certain point. And when we have things like housing compounds where we have large amounts of people together, we put the most security in. We do have residential security standards. We have put Mylar on very many residential security windows.

To say that I have eliminated the risk? No, sir, it is impossible. I cannot do that.

I think what we have to work very closely with is looking at what the threat is and not just allowing the threat to continue and

not taking steps, working very closely with consular and with the post.

When we see threats going up, we evacuate people. This is some of the things that I was talking about during the GAO hearing. Unfortunately, over the last 16 years, we have had at least one post in evacuation status every 3½ weeks for the last 16 years.

We have a large majority of posts out there now where we have removed dependents and nonessential personnel from harm's way.

And in those cases where I cannot provide enough guards or, you know, enough physical security, where it is physically impossible to put so much protection around a single person's house, when the threat gets bad, we cross trip wires and we try to get our people out of harm's way.

So, again, it is not just one answer. It is a combination of the different security answers that we have and good judgment on the part of our chiefs of mission, our regional security officers and the management in the department.

Mr. SMITH OF NEW JERSEY. I do have one question that is by request, by Chairman Hyde, which I will just read to you—and it is to you, Secretary Starr.

And it reads:

“The Palazzo Corpi is an historic building located, as you know, in Istanbul, Turkey. It has housed our diplomatic corps for many years until the time that the consulate moved due to severe security concerns. At present, the building remains vacant, yet costs U.S. taxpayers thousands of dollars each month to maintain. What is Diplomatic Security's position on the viability of using that facility to house any U.S. Government or related agency interests in the Palazzo Corpi? Would not our security posture be better served if the State Department were able to sell or otherwise dispose of that property?”

Mr. STARR. I love loaded questions, sir.

From a straight security standpoint, we moved out of that facility because it was exceptionally vulnerable. We built a new facility to get out of there. We saw, in the aftermath of that, the British consulate, which is very similar to Palazzo Corpi, take a terrible explosive hit. We saw a bank go up.

We consider it a vulnerable building, and we consider it an environment that has challenges as well.

My recommendation, from a straight security standpoint, was that we not try to use that facility for anything having to do with—that could be looked at as an American facility and that we should sell it.

Mr. SMITH OF NEW JERSEY. That we should sell it, okay.

Is that shared with you, General Williams?

General WILLIAMS. Well, we, clearly, understand Diplomatic Security's position, and we are always respectful of that.

We are also respectful of other guidance that we receive from the Congress in respect to the future of this facility as well.

Mr. SMITH OF NEW JERSEY. Do you have another questions, Mr. Payne?

Mr. PAYNE. In regard to the Dar es Salaam and Nairobi situation, I just would like to know whether the—I do not need the de-

tails of any settlement, but there was a question with the Bartley family, and I would just wonder if when you look into what has happened—

Mr. STARR. I am sorry, sir, what family?

Mr. PAYNE. Bartley.

Mr. STARR. Bartley.

Mr. PAYNE. Yes. There was a father who was a State Department employee, and his son was there during that summer working in the Embassy sort of as a volunteer. They both were killed, and there was some dispute with the responsibility of State as related to the son. I mean, it was kind of an unpleasant sort of situation that many of us in Congress got involved in.

Mr. STARR. I will inquire, sir, but I am not sure that I am going to be able to provide you with an answer if that is personal information on what the finances were or what insurance policy—

Mr. PAYNE. No, I do not want the finances. I just wonder whether, in the opinion of everyone, it was settled adequately, that is all. No, I do not want to know any kind of details.

Also, the question that was raised in regard to students, we took a big hit in my district. I guess in about a 10-minute drive I have Rutgers-Newark, Rutgers Law School, Seton Hall Law School, New Jersey NJIT, the engineering college, we have Essex County College, we have UMDMJ, the medical school—all within 10 minutes from each other.

Now, we have other schools, too—in Hudson County, New Jersey State College, Saint Peter's, and Union County with Kean University and on and on. So we are fortunate to have a lot of colleges in my district. And a question of the students, the difficulty getting back and forth, especially to technical colleges—New Jersey Institute of Technology took a big hit.

But my question is not only with the students, but faculty members were also given a difficult time. Many of them are foreign-born and it had an impact on the faculty.

And so I would wonder if you could look and see whether there has been improvement, not only on the part of students being put up and having a 14-day turnaround and being put up at the top of the list, but what about faculty members? A number of Middle Eastern people who have been teaching at the university for many years were turned around.

So I would be interested in knowing whether you have concentrated on that area and whether that is improved.

Mr. SMITH. Thank you, sir, that is a good question.

In fact, in part of the process of improving the security clearance process, we addressed a lot of those issues. I noted before that the time for processing Visas Mantis cases, but for other security advisory opinions as well has dropped dramatically in the last several years. We have worked closely with other agencies in the inter-agency community that play a role in this clearance process to make it as transparent and quick as possible.

We have also tried to make it as electronic as possible. We have invested substantial resources to try and expedite these clearances and name checks and other things that are done in this process.

So my perception, sir, is that it has certainly improved, and I have the statistics to support that.

We still hear anecdotal evidence from time to time of people who are caught in these circumstances, and we are delighted to address those if people raise them to our attention and see whether we can resolve those cases as well.

Mr. PAYNE. Also on the point before, where he did mention that we are starting to crank back up and starting to get foreign students back to some degree, when we came up with the tough policy of making it almost impossible—very difficult for this kind of visitations, you know, what they did, in particular in England, was to advertise, you know, “Why be hassled in trying to get in the United States? Come here. We have just as good facilities. We are English-speaking, and you will be welcome, not like in the U.S. where you are not welcome.”

And so, you know, we kind of created a good situation for advertisement of these institutions of higher learning to capitalize on the barriers that we put up, and hopefully we might be able to also start to do some public diplomacy or advertising that people are welcome again, you know, like I said, to change that perception that “We do not want you and you are all guilty. Now, let me prove you innocent.”

Mr. SMITH. You are absolutely correct, sir. And in fact, we have seen some of this advertising. In fact in one instance, I think the Assistant Secretary saw a billboard right outside our consular section at one consulate in India advertising study in Great Britain. So clearly, our competitors are out there doing their jobs.

We have begun an ambitious schedule of public appearances and public outreach. We are also working closely with the academic community and with the universities themselves to try and get the message that the United States is open. In fact, one of the things we have said to them, of course, is we need to have a partnership in this because we need to be in lockstep, and any indication that we are not is simply going to be used by our competitors.

So it is something that we are working on and we are seized with.

Mr. PAYNE. Just finally, the 2008 initiative of the Western Hemisphere Initiative, which will mandate to Canadians and Mexicans and Bermudans and folks that used to be able to get to the United States easily will have to have passports. What has been the reaction of the foreign countries to this new requirement that is supposed to go in, I guess, in 2008?

Mr. SMITH. Well, I would say, sir, certainly with respect to Mexico, actually the law will not change dramatically what the current situation is. That is, most Mexicans either travel here with a visa in their passport or with a border-crossing card, and that law is not going to change in that respect.

The bigger impact would certainly be on Canada in terms of the effect on Canadian citizens. They have expressed some concerns, obviously, with our ability to implement this, but also the implications for themselves in terms of their ability to meet the growing passport demand that they face.

This is something that we are going to have to deal with them and work with them closely on as we address especially the border communities themselves, which will be most impacted.

I think the President's comments were right on target and, clearly, were an encouragement both to us and to the Department of Homeland Security to review carefully this whole policy and how it is going to impact the border in particular.

Mr. PAYNE. Really, really, final, final: At one point I believe they were fingerprinting—I know in Brazil they indicated that if you were coming to the United States you would have to be fingerprinted. Where does that stand? I guess that did not go over too big.

Mr. SMITH. Well, as you know, sir, the Brazilians implemented their own fingerprint program in response to US-VISIT. As far as I am aware, that still continues. It is improved somewhat in efficiency over time.

We have always made it clear that this is a sovereign decision of other countries to do it. Our only objections were if Americans were singled out as opposed to anybody in the world, that that seemed to us discriminatory and something that was not certainly in Brazil's best interest to be doing.

But that said, clearly, a lot of countries are moving in the direction of biometrics and biometric collection at the ports of entry.

Mr. PAYNE. And we still have that as a part of our—

Mr. SMITH. It is part of US-VISIT, and it is part of our biometric program, yes, sir.

Mr. PAYNE. Okay.

Mr. SMITH OF NEW JERSEY. Ms. Lee?

Ms. LEE. You, Mr. Smith, indicated that we communicate on a variety of levels, students and what have you, that the U.S. is open and we want students who would pass the test and the qualifications to come to America to study.

But yet I think part of the problem is that while we are looking at some balance between security and openness, people see, quite frankly, through a lot of that. I mean, when you look at the USA PATRIOT Act and when you look at some of the very, I think, extreme policies that have been passed—now, the REAL ID Act—that communicates another message.

So we are saying one thing on one hand and we are doing something else on the other hand. And I think until we somehow, in practicality, pass legislation that recognizes this balance, we are going to have that problem. And that is up to us to fix.

So I do not think we are going to see much in terms of, you know, this increase in students wanting to come to America, and really others wanting to come, until we have the rhetoric and the reality in sync.

So in conclusion, I would just like to say with regard to the REAL ID Act, for example, now that law, soon to be signed, will make it harder for asylum seekers to receive asylum. How are you going to staff that up? What are going to be your internal mechanisms to make sure that this law is complied with?

Because now we know it is going to be more difficult for individuals to obtain asylum. So how do you, again, do that in the context of communicating that we are open?

Mr. SMITH. Congresswoman, the asylum provisions of the law are actually administered by Department of Homeland Security rather than Department of State. We do have an advisory role, that is, the

Department of Homeland Security will ask us about asylum cases, about political conditions in a given country, whether that justifies the asylum request or not. It is not my bureau that plays that role. It is actually the DRL, the Democracy, Human Rights and Labor—

Ms. LEE. But you do not have Embassy officials who—

Mr. SMITH. Well, what we do is, if we have people following to join, that is, if someone is granted asylum in the United States, then there will be family members oftentimes who will be following to join, and that is where we become involved, as the Bureau of Consular Affairs, in processing those visa applications.

Ms. LEE. So do you have to have an increased—do you have to increase your staff to accommodate this increased kind of workload, or no?

Mr. SMITH. We do not anticipate any increase for us, for the Bureau of Consular Affairs.

Ms. LEE. You do not?

Mr. SMITH. No, we do not, not for that provision in particular.

Mr. PAYNE. Mr. Chairman?

I will never say last anymore. [Laughter.]

Let me just ask this question: We are going to have a hearing in a week or 2 about People's Republic of China's aggressive move in Third World countries in investment and development. I wonder whether, you know, the new attitude that came after September 11th, making it more difficult for—I mean, our number one issue was just the war on terror and whatever else had to fall, fell in that zeal and that thrust to protect ourselves.

I think some unintended consequence is the sort of anti-American kind of feeling that was felt in places. And now the tremendous attention that Central and South America and Africa as continents and areas are getting from the attention of China in resources, purchases, land, timber—all kinds of things.

So I am just not, you know, asking for an answer, but I do think that a lot of times when we just—you know, and we have to protect ourselves. But when we really get too tough, I think there is some unintended consequences that we are starting to see, and it is going to be a long time before we can turn that around too.

Mr. SMITH. I would simply note, sir, you did not ask a question of me, but with respect to China, we have tried to address some of the issues that also arose in that context with regard to visas for Chinese applicants—extending the validity of the Mantis clearance, for instance, which has had an impact on Chinese applicants, but also extending visa reciprocity with China to try and make it easier both for Americans to travel to China and for Chinese to travel to the United States.

Mr. PAYNE. But my point was more that China is now saying, you know, "We are sympathetic to you. Do business with us," you know, and that kind of thing, I think, is happening more in Venezuela and Brazil and South Africa and India, places like that.

Mr. SMITH OF NEW JERSEY. Thank you.

Let me just ask some additional questions, and Secretary Starr, you might want to answer this one: The conventional wisdom has been ongoing that setbacks of 100 feet are what is most prudent. Is that still the conventional wisdom? Or is it further?

And secondly, do our Diplomatic Security people, working with other assets of the U.S. Government and others around the world, are they looking at flight training and things of that kind?

We all know that we missed it by a mile here in the U.S., that certain individuals requested flight training, got it. And it seems to me that there are trainers all over the world who could be, you know, trying to get that kind of training to again repeat what they did on 9/11. Are we looking for that in our posts around the world?

Because one of the arguments we made—and it took salesmanship to get the legislation passed back in the year 2000. There was a tremendous push back then from people, “We did not need the bill. We did not need those additional resources.” And one of the arguments we used was that we needed more eyes and ears out there so that the unthinkable would not happen here, hopefully it does not happen overseas as well. So flight training will be a question as well.

And, Mr. Smith, Secretary Smith, has anyone been held accountable for errors which led to the visa issuances that led to 9/11, even though the inspector general, his investigation concluded that the errors were not intentional?

I have held hearings in the past on the fact that in Saudi Arabia, people were saying destination and writing on the application “Anywhere, USA,” or just leaving it blank and still they got the visa issued. It seemed to be at least a gross negligence if not more. Has anybody been held accountable?

And then to General Williams, if I could: On the whole issue of real estate plan, section 5 of your document, talking about the proceeds of sale, the fact that you believe that you can expect to get \$15 million to \$30 million per year through sales, is there anything in the plan that looks at how those assets might be used for humanitarian purposes?

For example, one of the issues that I have pushed and pushed very hard for years is the old issue of trafficking in persons. And everywhere I go, we find there is a great need for shelters for women who have been trafficked and abused. And if we have excess real estate in countries, it may, you know, lend itself to use by USAID or some other NGO, or an NGO, that could provide that kind of service.

Is that part of our plan, to look at humanitarian utilizations?

General WILLIAMS. Well, I will go first.

First of all, the net proceeds of sales is a part of our management each year. And of course, the Congress, through oversight, watches that process quite well.

The funds right now revolve into an asset management account. And out of that asset management account, we fund other construction. For example, Luanda in Angola is funded solely out of asset management, through proceeds of sales.

The notion of trying to use some of these facilities for humanitarian purposes would depend on a couple of critical points: One, whether or not the facility is, quite frankly, useable. All of these facilities are not useable. They are old, they have been around a while, and they should be disposed of.

Then, of course, we have the overarching issue: Do we put those Americans into a facility that we ourselves have grown out of? Because we may have a security problem associated with them.

So this issue of trying to re-use the facilities has not come forth as being a practical way to go. I am not saying that we are opposed to it. I will take this idea, and we will think about it. But I think I would have to look at this, being a steward of this, very carefully to make certain that we are not taking some Americans out and putting other Americans in.

The majority of the properties that we identify for disposal should in fact be disposed of and garner those proceeds and put those proceeds back into good investments going forward.

Mr. SMITH OF NEW JERSEY. Okay, if you could take that back, because it seems to me, whether it be homeless—and I am talking about indigenous homeless—

General WILLIAMS. I understand, I understand.

Mr. SMITH OF NEW JERSEY [continuing]. Or trafficked women, like Bosnia or places like that—

General WILLIAMS. It is an excellent one, so we will look at it from that standpoint.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. SMITH. Chairman Smith, if I may address your question with regard to the officers who issued visas to the 9/11 hijackers: Sir, three different investigative bodies actually looked at the role of these officers—the Office of the Inspector General of the State Department, the GAO and also the 9–11 Commission—and all concluded that these officers had acted in accordance with the guidelines and procedures that were then in place, pre-9/11.

What, sir, our focus has been, given these findings, has been on how do we improve the process as much as possible?

We have, I think, reviewed it from top to bottom in terms of how do we ensure the integrity of the system, both in terms of internal and external controls? We have issued 81 different standard operating procedures to our posts abroad. We now interview the vast majority of applicants in person. We of course take fingerprints of most of the applicants through the biometric visa program.

But we have also changed our whole training program for officers so that they take better advantage of these interviews, that they know what they are looking for, that they know what questions to ask. We have reached out to the interagency community to try and enhance our data sharing and the data that is available to our officers.

Right now, our lookout system, the CLASS system, has increased by as much as two-thirds since the pre-9/11 period. And 60 percent of that is data that we have gotten from other agencies.

It enhances our border security obviously immeasurably, the more information we have and the more information we provide to these officers. So that has been our focus, really, post-9/11, sir.

Mr. SMITH OF NEW JERSEY. Great.

Secretary Starr?

Mr. STARR. And, sir, two questions—100 feet of setback: It is now law, when we build a new facility that we must have 100 feet of setback, or the Secretary herself must sign a waiver when it goes forward for a brand new facility.

We have used that very sparingly. We used it in one location, Luanda, where we could not find clear title, and we enhanced the building so that it would be the same as 100 feet. And we have used it in Berlin, which also had certain other things.

But we pay attention to it. There really is not much of a substitute to getting at least some amount of setback. It makes building the buildings to a certain amount of blast resistance affordable.

In and of itself, it is not a silver bullet, but combined with modern building techniques, it gives us a very good level of protection.

Mr. SMITH OF NEW JERSEY. Before we go to the second one: I know it is law, but is it still your best advice—

Mr. STARR. Absolutely, absolutely.

Mr. SMITH OF NEW JERSEY [continuing]. It does not have to be 150 or 120—

Mr. STARR. No, I think we have reached a good accommodation where we can build reasonably economically the delta above normal building standards that we have come to, to build to blast at 100 feet is a reasonable amount of money. It is not less expensive than normal, but it is not tremendously more than normal standards.

Your second question was on flight training. I do know that within the United States, the Federal Bureau of Investigation has a very active program in terms of looking at flight-training schools.

Overseas, I am a little less able to answer your question, sir. I think that would really go more into an intelligence question and intelligence role.

Mr. SMITH OF NEW JERSEY. If you could take it back, and any insight on what we will—I will ask it of others as well.

Mr. Tancredo?

Mr. TANCREDO. Thank you, Mr. Chairman.

I apologize for not having been able to be here for the first part of the meeting. I have, of course, as many of us do, Subcommittee hearings being held at the same time. So I will not try to get into any of the specific issues that I think have been developed here, or at least that I read.

But I do have a question about the way in which we address the issue of people coming into the country, especially religious figures, Islamic religious figures, specifically imams.

As I understand it—and please correct me if I am wrong—but if someone with those credentials applies for a visa into the United States, they are admitted under some provision that deals with religious sort of clerics, that gives a greater or a broader sort of visa status. Is there a special status like that, to the best of your knowledge?

Mr. SMITH. There is a special status for religious workers per se, sir, yes.

Mr. TANCREDO. How is that differentiated from any other status?

Mr. SMITH. Well, they are still subject to the same sort of clearances, the same sort of controls that others would be in terms of the visa application and the visa process. But it is a special provision which in effect provides them a way around caps in terms of the ability to come to work in the United States as religious workers.

Mr. TANCREDO. There is a book I have actually asked my office to have brought over here that I just got recently and read, and I will certainly commend to you for that same purpose. It is called *Infiltration*, by a gentleman by the name of Paul Sperry.

He talks about, among other things, the number of people who have entered in the country under those conditions and have become—they enter into the country, they are assigned to mosques. Most of the mosques in the United States now that are being built are being built with Saudi money. Most of them are Wahhabi in inclination, and these people, many of them, preach essentially sedition, that what is being said in these mosques, and what these imams have said even outside the mosque, would under any other kind of a situation, if anybody else would say these things, be considered to be seditious, and even maybe charges could be brought on that basis.

I would just like to get your observations about this, of people coming into the country, specifically now, of course, of imams calling for the violent overthrow of the nation, saying and doing things that are insidious, as far as I am concerned, and certainly I think would be illegal under other circumstances if they did not have this mantle of religiosity, if you will.

We are kind of stuck, are we not? Or is there a way around this? Or do you think it is benign?

I guess I just would like your observations, both Mr. Starr and Mr. Smith.

Mr. SMITH. Sir, I am not certain that either of us is really in the right position to address that question, but I will leave that to my colleague, Mr. Starr, for his observations.

I would say that from the standpoint of the Bureau of Consular Affairs, what we do is careful screening at the port of entry—before the port of entry, obviously, at the time of application. That is, all applicants are then subject to watch-list screening to make sure that they are not on a watch list, that they do not pose a threat that is known by another government agency to the United States.

We subject them to the same sort of evaluation that we do any applicant from that standpoint to make sure that they qualify, that they do not pose a threat, at least not one that we perceive or that we are able to detect at the time of the application.

Mr. TANCREDO. Pose a threat. Now, if they have made statements—if someone who is not religiously affiliated makes a statement in another country about their desire to see the overthrow of the United States Government, the desire to see it brought down, the desire to see a religious war bring us down, if somebody says that in another country, but he happens to be just another—he is just a person who is not affiliated with a religious entity, would that restrict him or her from coming into the United States, those statements?

Mr. SMITH. Well, it depends on the circumstances, sir. But if someone declares a statement of opposition to the U.S. Government—

Mr. TANCREDO. Not just opposition, no, of course not.

Mr. SMITH [continuing]. Or advocates a violent overthrow of the U.S. Government, in and of itself it could well be grounds for inadmission to the United States and ineligibility.

Mr. TANCREDO. What if in fact this person were an imam?

Mr. SMITH. And it came to our attention that they had advocated such a thing?

Mr. TANCREDO. Yes.

Mr. SMITH. Then we would ask the officers involved to send back to the department the details and the information about that so that we could evaluate this. But it could well be that this is an ineligibility under U.S. immigration law.

Mr. TANCREDO. To the best of your knowledge, have you ever stopped anybody from coming into this country—an imam, let's say—who has had made those kind of statements or has that kind of—

Mr. SMITH. An imam as such, I am not certain, sir. But we have looked carefully at statements of people.

Mr. TANCREDO. Well, again, there is a lot of evidence that is brought forward by Mr. Sperry in this book—*Infiltration* is its name—that I would like to get to determine whether or not it is accurate, for one thing, because it is really quite disconcerting, to say the least.

The extent to which there has been a considered effort to infiltrate, as he puts it, some of the most basic aspects of American defense, even in the FBI, but certainly in this area of the imams and what they preach in these mosques.

I do not know, Mr. Starr, do you have any observations that you would like to share?

Mr. STARR. Mr. Tancredo, I honestly feel unqualified to answer the question.

I will make one observation: I do not believe that religious status gives anybody any special rights when it comes to advocating the overthrow of the United States or violence in this country. I believe that the laws apply to all. And if that was observed, if it is a Federal offense or a State offense, I do not believe that the fact that a person is a religious person has any sway over that.

Mr. TANCREDO. Do you have any idea—have you ever heard of any person being actually deported from the—having their visa revoked because they have made these kind of statements, specifically imams?

Mr. STARR. No, sir, I am not aware of any.

Mr. TANCREDO. If I could show you that they had been made, the statements have been made in public, statements just exactly what you have described as being objectionable and in fact even deportable, would you take action? Would the State Department take action under those circumstances?

Mr. STARR. I think the first question, sir, would be whether they had broken any United States law, and that would be a question for the Justice Department or whatever State that they were in and, second, then it would be a question of whether or not we would deport them.

Mr. TANCREDO. Who does make the referral? Who would make the referral to Justice?

Mr. STARR. Any citizen, sir, could do that, anybody in the mosque that thought that a law was being broken.

I am sorry, sir, my expertise is not in U.S. domestic law enforcement, I am sorry.

Mr. SMITH. But I would say, sir, if we found out that somebody had done such a thing and they were here on a visa, we would certainly share that information immediately with Department of Homeland Security and Department of Justice.

Mr. TANCREDO. So you cannot make, then, any determination about—

Mr. SMITH. Well, if they are going to be deported, it will not be because—it is not action that the State Department would take. We could revoke visas and certainly at the request of Justice—

Mr. TANCREDO. But you could do that unilaterally.

Mr. SMITH. We could do that unilaterally, or we could do it at the request of the Department of Homeland Security or Department of Justice.

Mr. TANCREDO. Have you ever done that unilaterally in the cases that I have just described, a religious figure making these kinds of—

Mr. SMITH. I am not aware of it, sir.

Mr. TANCREDO. One other issue that comes to mind—again, I am sorry I did not get a chance—I do not know whether or not it has come up before—but is the visa program, the lottery, the visa lottery, is that still—

Mr. SMITH. Diversity visa lottery?

Mr. TANCREDO. Yes, is that still—

Mr. SMITH. It is. It is still a mandate by Congress, a law under which we issue 50,000 diversity visas a year.

Mr. TANCREDO. Do you know if State has ever testified saying we should keep or we should get rid of that law?

Mr. SMITH. I do not know that State has advocated one way or the other.

What we have tried to do is implement the law as efficiently and effectively as we can, including safeguards in this. One of the first uses of facial recognition technology that we have deployed has been with diversity visa applicants. We have also gone to an electronic diversity visa application in order to combat fraud with regard to diversity visas.

We conduct significant numbers of investigations abroad of diversity visa applicant winners to determine whether they are fraudulent applications or not. We devote substantial resources, along with our colleagues in Diplomatic Security, to make this congressional program as secure as we possibly can.

Mr. TANCREDO. I have been given a note to ask about the Visa Viper program in relation to this issue.

Mr. SMITH. Visa Viper, sir, is a program where all of our posts worldwide must have Visa Viper committees and must report information on known or suspected terrorists back to Washington for possible watch-listing by U.S. Government agencies.

The program is administered by the Department of State, but the actual watch-listing is done by the Terrorist Screening Center after receiving information from the National Counterterrorism Center.

Mr. TANCREDO. The last question I have is about—I do not know if it is still on there. I can remember some time ago that on the application for temporary visa, for visitor visa, there are a series of, I think, four questions, one of them being—essentially, I am paraphrasing only a bit here—“Are you a terrorist?” “Have you

committed any acts of terror?" "Do you belong to the Nazi party?" and then something else.

It is a peculiar sort of question, I think, to ask. But on the other hand, even more odd is the—there is a little, you know, thing you go to, it says, "By the way, answering yes to this question does not mean that you would be denied access to the United States—it does not mean you would be denied a visa."

Is that question still there? What is its purpose? What was its purpose? And why in the world would we—even if they answered yes, under what circumstances if you answer, "Yes, I am a terrorist," would you be allowed to come into the United States?

Mr. SMITH. Sir, I am actually not aware that—I do not think that language is there with regard to the terrorism question, specifically. I think—

Mr. TANCREDO [continuing]. It is. I had it actually on my Web site for a while. It is called the "temporary visitor visa."

Mr. SMITH. But I think it is with regard to all sorts of ineligibilities that are asked about in the course of this application, that is, there are any number of reasons why somebody would be denied a visa. And the form is designed to the extent that we can cover as much information about potential ineligibilities as possible. It even asks a number of other questions.

Mr. TANCREDO. When you determine that they are in fact connected to some of these organizations that we have identified as terrorist, what, then, would be the circumstances under which they could be admitted?

Mr. SMITH. The only people we have ever admitted, and we report to Congress on this, who we think are ineligible as terrorists are people who receive a waiver for U.S. Government purposes, blessed by the Department of Homeland Security.

That is, for instance, people who were in the past associated with terrorist organizations, IRA members, members in some cases who were deemed ineligible because they were African National Congress members, members of the Palestinian Liberation Organization who have been deemed ineligible because of the terrorist provisions. But nevertheless, because it is in the U.S. national interest, we have granted a waiver for them to be admitted to the United States.

Mr. STARR. One thing, sir, I think you might want to look at that question in the negative as well.

Mr. TANCREDO. Yes, I understand that you could do that.

Mr. STARR. If somebody lies on the form, it gives us the ability, then, to turn down the visa.

Mr. TANCREDO. Exactly. And I understand that would be a logical reason for putting it in there. It is just that that other little asterisk that says, "Do not worry, even if you say yes to this, it does not mean you will be denied a visa." It is just a peculiarity I wanted you to clear up.

Thanks.

Mr. SMITH OF NEW JERSEY. Gentlemen, do you have anything to add?

Mr. PAYNE. The Rome Embassy, where does that stand? Is that on the list of being redone? I was at the convocation for the new

Pope, and we went to the Embassy. Is that okay? Is that on the drawing board for a new one?

General WILLIAMS. Congressman Payne, if you are speaking of the Embassy Vatican, as you know there are three missions in Rome: One for FODAG, one for the Vatican, and then there is a bilateral mission. We consider all three of these facilities to be adequate for the business at hand.

Mr. PAYNE. Well, I do not know which one I was at, but I was at one of them, probably the main one, if there is a main one.

General WILLIAMS. Yes, in respect to the main Embassy, as you know, we just added another building, the INA building. Formerly an insurance company was in this building and owned it. Its acquisition has significantly increased the overall capability of Embassy Rome and has allowed us to create some more advanced security protection.

We have a \$30 million renovation and security upgrade ongoing as we speak. So to the best of my knowledge—and I have been there several times—all of that is in good shape.

Mr. PAYNE. Thank you.

Mr. SMITH OF NEW JERSEY. Thank you so much, gentlemen, for your testimony, for your great service to our country.

The hearing is adjourned.

[Whereupon, at 1:14 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

RESPONSE FROM MR. DAN SMITH, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF CONSULAR AFFAIRS, U.S. DEPARTMENT OF STATE TO QUESTION SUBMITTED FOR THE RECORD BY THE HONORABLE CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY AND CHAIRMAN, SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS AND INTERNATIONAL OPERATIONS

Question:

Visa Waiver Program—October 26, 2005 is the date by which travelers from Visa Waiver Program (VWP) countries must present passports incorporating a biometric identifier complying with the standards established by the International Civil Aviation Organization (ICAO) for continued entry into the U.S. without a visa. In the testimony of Mr. Dan Smith, he stated that “All VWP countries have programs in place and are making varying degrees of progress toward towards implementing what we expect will in July 2005 become an official ICAO recommended practice for biometric utilization.” Please list the countries which at this point in time, State has reason to believe will not meet the October 26, 2005 deadline, and describe what agreements are in place or are being negotiated to address those countries expected to be in non-compliance with the law.

Response:

The United States is committed to ensuring that VWP countries incorporate contactless chips with digitized photographs into their passports.

State and DHS requested a two-year extension of the biometric deadline last summer, on the assumption that the Enhanced Border Security and Visa Entry Reform Act (EBSVERA) would require VWP countries to produce passports that incorporated ICAO's recommended chip technology by the original October 26, 2004, deadline. Congress granted only one year, until October 26, 2005. All of the VWP countries are making progress towards putting digitized photos and contactless chips into their passports.

After consultation with Congress and the Department of State, the Department of Homeland Security announced on June 15, 2005, that it will require of VWP countries, by October 26, 2005, the inclusion of a digital photograph of the passport holder in the passport. In addition to the digital photo requirement, DHS will also impose an October 26, 2006, deadline for the integrated circuit chip. VWP countries are being asked to participate in a technical conference in September. In order to implement this policy and to assess individual country's ability to meet the deadlines, the United States is requesting each VWP country to provide a written certification that, by October 26, 2005, they will be in compliance with the digital photo requirement, and what their timeline is to meet the integrated chip deadline of October 26, 2006. Alternatively, a VWP country can meet the requirement by certifying that they will implement the integrated circuit chip by October 26, 2005. As part of the certification process, all VWP countries must commit to several measures regarding lost and stolen passports. Once we receive the responses from the countries on the status of their efforts to meet the deadlines, we will be a position to share that information with your office.

