

**TESTIMONY OF DEPUTY SECRETARY OF STATE FOR
MANAGEMENT AND RESOURCES HEATHER HIGGINBOTTOM
SENATE COMMITTEE ON FOREIGN RELATIONS March 8, 2016
10:00am**

Chairman Corker, Ranking Member Cardin, and distinguished Members of the Senate Foreign Relations Committee, thank you for the opportunity to testify today regarding State Department reauthorization. As the former Chairman of this Committee, Secretary Kerry continues to believe that a State authorization bill will enhance the Department's efforts to become more efficient and effective. We are committed to working with the Committee on a bill that would provide a strong foundation for State Department operations while reflecting a balance of both Department and Congressional priorities.

The State Department has shared its priorities with the Committee. I will highlight a few of the most critical issues, and will also briefly address the other topics you requested, including information security and transparency, consular fees, United Nations reform, and strengthening our workforce. Before I begin, I want to thank the committee and its leadership for being a good partner on many of these issues.

Shortly after I appeared before the Committee last year, Secretary Kerry unveiled the second Quadrennial Diplomacy and Development Review (QDDR). Building

on the 2015 National Security Strategy, the QDDR serves as a blueprint for the next generation of American diplomacy and development, looking beyond day-to-day challenges to set strategic and operational priorities. Over the past year, we have focused our efforts to advance the four strategic priorities it identifies for the State Department and USAID: (1) preventing conflict and violent extremism; (2) promoting open democratic societies; (3) advancing inclusive economic growth; and (4) mitigating and adapting to climate change. We are currently in the process of implementing dozens of the QDDR's recommendations, including those to strengthen our organization and support our workforce. The authorities we will discuss today would help us to further advance these priorities and reforms to help ensure that U.S. diplomacy is effective and efficient.

Improve Safety and Security

One areas of particular importance is authorities to enhance protection of U.S. citizens, government employees, and facilities overseas. Authorities to enhance security for “soft targets” overseas are critical as threats to schools, malls, hotels, and restaurants have increased. In addition, permanent authority to contract local guards by selecting the firms that provide the best value to the U.S. Government rather than just the lowest bidder would help us make further progress in our

efforts to counter these types of threats. We are also seeking administrative subpoena authority for the Bureau of Diplomatic Security. This authority would greatly assist the Bureau in investigating and preventing threat cases, as well as allow them to conduct much more efficient investigations into the over 6,000 cases of passport and visa fraud it receives annually.

In the 21st century, the United States faces not only risks to our physical security, but also risks to the security of our information. As the breach of our own unclassified email system in 2014 demonstrated, our adversaries see information handled by the Department – and many other U.S. government departments and agencies – as a desirable target. Protecting our information as we face increasingly sophisticated, frequent and well-organized cyberattacks is one of the Department’s top priorities. Working closely with the White House and several interagency and private sector partners, we are upgrading our Information Technology (IT) systems’ protections, including enclaving our most sensitive and high-value data, finding new ways to identify and analyze emerging cyber threats, and expanding the training and accountability of personnel in ensuring the security of our systems.

Increase Efficiency and Effectiveness

The State Department and USAID have requested \$50.1 billion in discretionary funding for fiscal year 2017. We take seriously our responsibility to be good stewards of taxpayer dollars and look forward to working with Congress to enhance our efforts.

Transparency and accountability are fundamental to good stewardship of our resources. To increase the data available to the public, we are implementing President Obama's Open Data policy. I am pleased to report that we have expanded the data available on ForeignAssistance.gov, a web site managed by the Office of U.S. Foreign Assistance Resources on behalf of the U.S. government. Last year, the State Department updated and expanded our evaluation policy, requiring each bureau to conduct and publicly post annual evaluations of foreign assistance and of diplomatic engagement. In December, we published a report on the Foreign Assistance Data Review, which evaluated how the Department captures foreign assistance budget and planning data, and made recommendations that we are currently carrying out to further improve our foreign assistance management, coordination, and transparency tools and processes.

Public access to the records of the government through Freedom of Information Act (FOIA) processing is also essential to our transparency efforts. While the volume of FOIA requests has tripled since 2008, our resources to respond have not kept pace. In fiscal year 2015 alone, we received approximately 22,000 FOIA requests. Thus, we've requested a 70 percent increase in fiscal year 2017 funding for FOIA processing and electronic record archiving. In addition, Secretary Kerry appointed Ambassador Janice Jacobs as the Department's Transparency Coordinator who reports to me and is helping the Department transition from paper-based, manual records processing to an advanced electronic records management system. We are expanding our already widespread training on handling classified and sensitive information and increasing oversight of the Department's Office of Information Program Services to help improve the FOIA process.

We could also enhance the efficiency and effectiveness of our work with authorities that provide greater flexibility to support fee-funded consular functions. We are seeking to make permanent the authorities to increase some border crossing fees for minors to half of the amount that adult applicants are required to pay, expand our use of fraud prevention and detection fees, and expand existing passport and visa surcharges. In taking these steps, the Department can provide a

more sustainable basis for funding consular operations, increase the quality of its global consular service to the American people, devote additional resources to combatting all types of visa fraud, and maintain high customer service standards for U.S. citizens who request a passport.

Finally, we are seeking authorities that would ensure our continued leadership in international organizations, such as the United Nations (UN), enabling the United States to continue to lead from within these organizations and leverage other countries' resources. UN peacekeeping has been one of the most meaningful forms of international burden-sharing for almost 70 years. As President Obama has said, "[peacekeeping] is not something that we do for others; this is something that we do collectively because our collective security depends on it." On September 28, in connection with the Leaders' Summit on Peacekeeping at the UN, President Obama released a Policy Memorandum on U.S. Support to UN Peace Operations, the first of its kind in over 20 years. It directs the State Department and other U.S. departments and agencies to take actions that will help to improve the performance and accountability of peace operations and their uniformed and civilian personnel. Implementation is underway. We have requested authority to pay our peacekeeping dues at the assessed rate through the Contributions to International Peacekeeping Activities account, which will allow

us to more effectively shape and reform peacekeeping operations to deliver maximum impact and avoid potentially accruing new arrears at the UN.

We firmly believe that emerging countries must pay their fair share of UN budgets, as they have an increasing stake in ensuring the UN's success in addressing global challenges. The assessment rates for larger developing countries are continuing to increase as their share of the world economy grows. China, for example, is now the second largest contributor to UN peacekeeping costs, contributing over ten percent of those costs annually.

While we recognize the invaluable nature of international peacekeeping missions, we are appalled by continuing allegations of sexual exploitation and abuse by peacekeepers. The United States has been the driving force behind the UN's zero tolerance policy and will continue to push the UN to bring an end to abuses and hold perpetrators accountable. We strongly support UN measures to strengthen prevention, enforcement, and accountability for sexual exploitation and abuse, including the Secretary-General's repatriation of military contingents that have demonstrated a pattern of abuse and his suspension of payments to countries for their personnel who face credible allegations. We will continue to monitor the UN's implementation of its proposals and we are also directly pressing troop and

police contributing countries -- named for the first time in the March 4 UN report on these abuses -- to promptly and credibly investigate allegations and, when appropriate, to prosecute offenders.

In this challenging budget environment, we have also been working closely with the Department of Defense on the significantly increased authorities and resources to provide assistance to foreign nations. As part of our efforts, we continue to implement the Presidential Policy Directive on Security Sector Assistance, which emphasizes comprehensive interagency approaches and close collaboration in the planning and execution of security sector assistance between State and DOD. We appreciate this Committee's work with its counterparts on the Armed Services Committees to ensure that security sector assistance is coordinated not only within the Administration, but also in Congress. We look forward to working with you to ensure State's ability to effectively coordinate security sector assistance in line with broader foreign policy goals.

Strengthen and Retain a Talented Workforce

In our work to advance American leadership and diplomacy around the world, we are only as strong as our people. We need the right people, in the right places, at

the right time. Thus, we are investing in an agile, diverse, and skilled work force. We are committed to creating and retaining a diverse workforce – one that more closely reflects the diversity of our nation. We have made important changes, such as increasing our focus on leadership at all levels of the organization, updating our training, adding recruitment opportunities, and expanding efforts to hire and retain a diverse workforce.

As we capitalize on the top talent attracted to the State Department, we must work hard to retain them in a competitive labor environment. Our top priority is to secure full Overseas Comparability Pay (OCP) authority. Due to inequities in the Foreign Service pay schedule, Foreign Service officers deployed overseas have absorbed cuts to their basic pay compared to their domestic counterparts. In addition, our colleagues from other agencies with whom we serve overseas do not face this discrepancy. One recent Federal Employee Viewpoint Survey revealed that more than 60 percent of officers said the elimination of OCP would deter them from bidding on overseas assignments, and that more than 50 percent said they would either seriously or somewhat consider leaving the Foreign Service if OCP were eliminated.

Another priority in the retention of our employees is the payment of our locally-employed staff (LE Staff). The role of LE Staff is absolutely essential to our mission. Overseas, America is often a magnet for local talent, however, if we do not pay competitively, we stand to lose valuable skills, institutional knowledge, and their critical local relationships. In the current fiscal year, we are targeting our resources to countries where our current pay rates make it difficult to retain local employees.

Mr. Chairman, a strong State Department authorization bill will put the Department of State on robust footing as we aggressively pursue the security and prosperity of the American people. Along with Secretary Kerry, I look forward to working with you on this important endeavor. Thank you and I am happy to answer your questions.