

**TESTIMONY OF DEPUTY SECRETARY OF STATE FOR  
MANAGEMENT AND RESOURCES HEATHER HIGGINBOTTOM  
SENATE COMMITTEE ON FOREIGN RELATIONS  
APRIL 22, 2015**

Chairman Corker, Ranking Member Cardin, and distinguished Members of the Senate Foreign Relations Committee, thank you for the opportunity to testify today regarding a Department of State authorization bill.

Mr. Chairman, I appreciated the opportunity to meet with you earlier this year to discuss the importance of passing an authorization bill and the Department's priorities. I also had an excellent discussion with Senator Perdue last week and I look forward to working with the whole Committee on State authorization.

As he has said to this Committee, Secretary Kerry strongly supports moving a Department of State authorization bill. As Chairman, Secretary Kerry wrote a State authorization bill and recognizes that a bill that provides a strong foundation for State Department operations that reflects key Department and Congressional priorities will help ensure that U.S. diplomacy is effective and efficient.

The last Department of State authorization bill was enacted in 2002 and the world has grown more complex in the years since. From countering Russian aggression and coercion in Europe, to placing economic diplomacy at the forefront of our global agenda, to combating ISIL alongside our coalition partners – we face an intricate global tableau of challenges and opportunities that directly impacts both our national security and our economic prosperity.

To effectively meet these challenges, our diplomacy must be more agile, more effective, and more modern. We are working hard to position ourselves to do just that.

In the coming weeks, the Department will release the second Quadrennial Diplomacy and Development Review (QDDR). The QDDR is an important tool that allows us to look strategically – beyond the day to day global challenges – at the emerging issues we are confronting. It also allows us to look critically at both State Department and USAID operations and ask how we can work better, smarter, safer, and more efficiently. The 2015 QDDR will be a focused effort that defines a streamlined set of crosscutting policy goals and the internal reforms needed to maintain America's global diplomatic leadership.

We are taking steps across the board to better position ourselves to meet the challenges of the 21<sup>st</sup> Century, but we cannot take these steps alone. We look to Congress as a partner in this effort.

A State Department authorization bill would provide key authorities so that we can engage as effectively as we can on the multitude of global challenges before us. We have proposed to the Committee a set of authorities that will enhance our ability to better manage our resources, facilitate the Department's programs, and protect our personnel.

We have requested authorities within three overarching themes: First, we need authorities that will allow us to **improve the safety and security of U.S. citizens, government employees, and facilities overseas**; second, we need authorities to **make the most efficient use of our resources**; and, third, we need authorities to **strengthen and retain a talented work force**.

#### Improve the Safety and Security of U.S. Citizens, Government Employees, and Facilities Overseas

The Department is seeking several important authorities to undertake the best protective measures available for our diplomats, citizens, and embassies abroad.

First and foremost, we are requesting authorities to enhance security for soft targets overseas, such as school buses, and the authority to hire local guards by awarding contracts to the best value firms and not just to the lowest bids.

We are also seeking administrative subpoena authority for the Bureau of Diplomatic Security (DS). DS does not currently possess administrative subpoena authority, which erodes its ability to investigate threats and combat visa and passport fraud. Not only would this authority greatly assist DS in investigating and preventing threat cases, it would allow DS to conduct much more efficient investigations of the nearly 3,000 cases of passport and visa fraud it receives annually.

We have also requested authority to secure greater privileges and immunities for U.S. government personnel serving at our consular posts, including those from agencies such as the Department of Homeland Security, Department of Defense, and Department of Justice. The best way to do so is on the basis of reciprocity. We seek the statutory authority for the Secretary of State to afford diplomatic privileges and immunities to foreign consular employees present in the United

States on a reciprocal basis so that we can obtain the necessary immunities for U.S. personnel abroad that are more favorable than those set forth in the Vienna Convention on Consular Relations.

Finally, we believe it is imperative to ensure that U.S. consular officers are notified of, and given access to, U.S. citizens when they are detained abroad. The best way to assure that our citizens abroad receive the strongest protections possible is by ensuring compliance with our own obligations relating to consular notification and access for foreigners detained in the United States.

### Make the Most Efficient Use of Our Resources

The Department and USAID have asked for a total of \$50.3 billion in discretionary funding for FY2016. At roughly 1 percent of the Federal budget, this is a critical investment in the security and prosperity of the American people. We take seriously our responsibility to be good stewards of taxpayer dollars and there are practical steps that Congress can take to help us in this effort.

First, we need authorities to provide greater flexibility to support fee funded consular functions. Specifically, we seek authorities to slightly increase some border crossing fees, expand our use of fraud prevention and detection fees, and expand existing passport and visa surcharges. The FY 2016 budget also requests the authority to deposit consular fees into a new standalone Treasury account in order to make financial reporting of these fees more accessible to stakeholders. In taking these steps, the Department can 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.

We are also seeking to streamline how we meet existing Congressional requirements for regular reports on key foreign policy issues. The Department remains committed to providing the most up-to-date information to Congress through its various reporting requirements. We would like to work with Congress to refine these requirements in order to maximize the Department's efficiency in producing these reports. We have requested a mechanism to sunset reports older than three years and to repeal a number of reports that we have identified as obsolete, but which continue to absorb scarce Department resources.

Finally, we are seeking authorities that would ensure our continued leadership in international organizations and international peacekeeping, which would enable the

United States to continue to lead from within those organizations. We have requested authority to pay our peacekeeping dues at the assessed rate through the Contributions to International Peacekeeping Activities (CIPA) account, which will allow us to more effectively shape and to reform peacekeeping operations to deliver maximum impact and avoid potentially accruing new arrears at the UN.

### Strengthen and Retain a Talented Workforce

Secretary Kerry is committed to ensuring that the State Department retains the most talented employees in the Foreign and Civil Service. To do so, we are seeking a number of key personnel authorities, including enhanced benefits for employees serving at dangerous posts.

Our top priority is to secure 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 2009, the Department started a three-phased initiative to correct this imbalance and, working with Congress, we have obtained temporary support for the first two phases.

This issue directly impacts our ability to retain top-flight talent. The 2012 Federal Employee Viewpoint Survey (FEVS) found 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.

In a job market where the Department competes with major international businesses and other Federal agencies for a highly-skilled labor pool, we cannot expect to employ the most talented employees if we maintain an inequity in our compensation structure. We believe it is critical to offer our overseas employees the same basic pay as their domestic colleagues. The best way to fix this disparity would be to continue the authority enacted in the FY 2009 supplemental appropriations act to implement Overseas Comparability Pay.

We have obtained extensions of other personnel benefits, such as waivers of dual compensation limitations for reemployed annuitants and premium pay cap waivers, through annual appropriations legislation or in the National Defense Authorization Act. However, these authorities are temporary, limited in scope, and have often focused only on Afghanistan, Pakistan, and Iraq. We are seeking longer – term

authorities for these benefits and we would like to broaden them to support our workforce in other high risk, high threat locations.

Mr. Chairman, the Committee posed several specific questions in its invitation to me, some of which I will address briefly here.

Your letter raised the need for more rigorous program evaluation across the Department. In January of this year, I issued a revised evaluation policy that will improve how we assess the breadth of activities undertaken by the Department. Bureaus are now required to conduct at least one evaluation per year and those with a large number of programs and projects will be expected to conduct more. The updated policy also emphasizes the use of evaluation findings to improve programs, make budget recommendations, and better inform policy.

Your letter also asked for an update on United Nations reform and financial burden sharing. We firmly believe that emerging countries must pay their fair share of United Nations budgets, as they have an increasing stake in ensuring the UN's success in addressing global challenges. We expect to see assessment rates for larger developing countries continue to increase as scales are revised. We are also working to advance reforms to the scales methodology to better reflect changes to the global economy and ensure that wealthier developing countries shoulder a fair burden of the UN's expenses.

And your letter raised the issue of whether economic diplomacy receives enough attention at the Department. This is a critical issue. The 2015 QDDR will make economic diplomacy a key focus, and it will make recommendations to ensure the competitiveness of U.S. businesses abroad and job growth back home. This issue has been a priority for Secretary Kerry from day one.

Mr. Chairman, a strong State Department authorization bill will put the Department of State on the strongest possible 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.