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# THE ORGANIZATION OF AMERICAN STATES REVITALIZATION AND REFORM ACT OF 2010

JUNE 10, 2010.—Ordered to be printed

Mr. KERRY, from the Committee on Foreign Relations, submitted the following

## REPORT

[To accompany S. 3087]

The Committee on Foreign Relations, having had under consideration the bill (S. 3087), to support the revitalization and reform of the Organization of American States, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

CONTENTS

| | | Page |
|---|---|---|
| I. | Purpose | 1 |
| II. | Committee Action | 1 |
| III. | Discussion | 2 |
| IV. | Cost Estimate | 3 |
| V. | Evaluation of Regulatory Impact | 4 |
| VI. | Changes in Existing Law | 4 |

## I. PURPOSE

The purpose of S. 3087 is to support the revitalization and reform of the Organization of American States.

## II. COMMITTEE ACTION

S. 3087 was introduced by Senator Menendez on March 8, 2010. Senator Kerry is an original cosponsor, and Senator Lugar is a cosponsor.

On April 27, 2010, the committee considered the bill with an amendment in the nature of a substitute. The committee ordered the bill to be reported favorably, with the amendment, by voice vote.

89–010

## III. Discussion

The Organization of American States Revitalization and Reform Act of 2010 (the "Act") is intended to encourage the Organization of the American States (OAS) to focus its mission towards its natural areas of strength, and encourage the organization to adopt and implement improved accounting standards, put in place results-based budgeting processes, and adhere to transparent and merit-based human resource policies. It also seeks to help agencies within the U.S. Government to better use the OAS as a forum to collaborate on areas of mutual interest like energy, citizen security, economic development, and trade. The bill affirms that the core strengths of the OAS are programs to consolidate democracy, monitor elections, and improve citizen security.

The committee agrees that it is in the best interests of the United States to have a strong and capable multilateral forum to help resolve disputes and build consensus around democratic values and initiatives that benefit all the people in the Western Hemisphere. The OAS is the only regional institution that encompasses all the democracies in the Western Hemisphere, and it provides a multilateral forum for the United States to engage with Latin America, the Caribbean, and Canada on issues of mutual concern. It has strengthened peace and security and promoted representative democracy and regional dispute resolution. It has championed election monitoring, contributed to economic development and served as a fair steward of the Inter-American Human Rights System.

However, as OAS officials themselves acknowledge, there is room for improvement. The long-term relevance and health of the OAS depends on the strength of its underlying processes—the transparency of its budget, the effectiveness of its personnel selection process, and efficiency of its priority-setting mechanisms. This bill focuses on strengthening the OAS from the bottom up, with an eye toward strengthening its value as a hemispheric forum for cooperation. This is in the interests of the United States and in the interests of the entire hemisphere.

The Organization of American States Revitalization and Reform Act of 2010 provides that it is the policy of the United States to:

(1) Promote democracy and the rule of law throughout the Western Hemisphere;

(2) Promote and protect human rights and fundamental freedoms in the Western Hemisphere; and

(3) Support the practices, purposes, and principles in the Charter of the OAS, the American Declaration on the Rights and Duties of Man, the Inter-American Democratic Charter, and other fundamental instruments of democracy.

Further, the Act articulates a Sense of Congress: That, the OAS should be strengthened, be more transparent in their budgeting, adopt and adhere to better budget monitoring, use consistent mechanisms for setting OAS quotas and OAS expenditures, reduce its number of mandates, and have more transparent hiring practices.

The Act directs the Secretary of State to submit a multiyear strategy to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives

that outlines a recommended approach to the OAS to encourage the adoption of International Public Sector Accounting Standards, a results-based budgeting process in order to strategically prioritize current and future mandates, and transparent hiring practices. The Act also requires that the strategy reflect the inputs and coordination from other executive branch agencies, as appropriate. Further, the Act directs the Secretary of State to: proactively inform executive branch agencies about the role and importance of the OAS; encourage increased use of the OAS as a forum through which to publicize hemispheric initiatives; promote donor coordination among OAS member states; and help set priorities for the OAS.

The Act also includes a provision added at Senator Lugar's request and reflective of the committee's view regarding the need for improved coordination between the OAS and the Inter-American Development Bank on economic development programs.

## IV. Cost Estimate

In accordance with rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee provides this estimate of the costs of this legislation prepared by the Congressional Budget Office.

United States Congress,
Congressional Budget Office,
*Washington, DC, May 17, 2010.*

Hon. John F. Kerry,
*Chairman, Committee on Foreign Relations,*
*U.S. Senate, Washington, DC.*

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for S. 3087, the Organization of American States Revitalization and Reform Act of 2010.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is John Chin.

Sincerely,

Douglas W. Elmendorf.

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Congressional Budget Office Cost Estimate

*May 26, 2010.*

**S. 3087**

**Organization of American States Revitalization and Reform Act of 2010**

AS ORDERED REPORTED BY THE SENATE COMMITTEE ON FOREIGN RELATIONS ON APRIL 27, 2010

S. 3087 would direct the Department of State to coordinate with appropriate federal agencies to develop a multiyear strategy that outlines an approach to encouraging specified reforms at the Organization of American States (OAS). Such reforms include the adoption of International Public Sector Accounting Standards, a results-based budgeting process, and transparent hiring practices. The Sec-

retary of State would be required to submit its strategic plan to the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs within 180 days of enactment of S. 3087. Within a year of the submission of that plan, the Secretary of State would be required to submit a report that analyzes the progress OAS has made in adopting the specified reforms. CBO estimates that preparing the strategy and progress report would cost less than $500,000 over the 2011–2012 period, assuming availability of appropriated funds.

Enacting S. 3087 would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

S. 3087 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is John Chin. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

## V. Evaluation of Regulatory Impact

Pursuant to rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has determined that there is no regulatory impact as a result of this legislation.

## VI. Changes in Existing Law

In compliance with rule XXVI, paragraph 12 of the Standing Rules of the Senate, the committee has determined that there are no changes in existing law made by the bill, as reported.

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