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NATIONAL SECURITY BUREAUCRACY FOR ARMS CONTROL, COUNTERPROLIFERATION, AND NONPROLIFERATION: THE ROLE OF THE DEPARTMENT OF STATE—PARTS I AND II

HEARINGS

BEFORE THE

OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA SUBCOMMITTEE

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

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NATIONAL SECURITY BUREAUCRACY FOR ARMS CONTROL, COUNTERPROLIFERATION, AND NONPROLIFERATION: THE ROLE OF THE DEPARTMENT OF STATE—PART I

THURSDAY, MAY 15, 2008

U.S. SENATE,
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT
MANAGEMENT, THE FEDERAL WORKFORCE,
AND THE DISTRICT OF COLUMBIA,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:05 p.m., in Room SD–342, Dirksen Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Subcommittee, presiding.

Present: Senator Akaka.

OPENING STATEMENT OF CHAIRMAN AKAKA

Chairman AKAKA. I call this hearing of the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia to order.

I want to welcome our witnesses. Thank you so much for being here today. Some of you have worked on the Hill and your experiences will certainly contribute here today.

As you know, this is the second in a series of hearings that the Subcommittee is holding to explore the effectiveness and efficiency of government management in various aspects of national security.

The first hearing considered proposed reforms to the U.S. export control system. Today's hearing focuses on the management of the arms control, counterproliferation, and nonproliferation bureaucracy at the Department of State, commonly known as the "T Bureau."

Just as our last hearing disclosed serious problems in our export control licensing system, this hearing will examine disturbing management issues in the T Bureau. These issues include a hostile political environment, a poorly conducted reorganization in 2005, and a resultant loss of well-qualified Federal Civil Service employees. Senator Voinovich and I recently requested the Government Accountability Office examine in depth these disturbing developments.

Arms control, counterproliferation, and nonproliferation are critical functions to our national security. If this bureaucracy is not

doing its job, our security is jeopardized and the leadership of this bureau and the Department of State should be held accountable.

Our arms control, counterproliferation, and nonproliferation bureaucracy has evolved since the end of the Cold War. In 1961 during the Kennedy Administration, the Arms Control and Disarmament Agency (ACDA) was established to address the growing international security threat posed by nuclear weapons and fears of a dangerous missile gap between the U.S. and the Soviet Union. But after almost 40 years of performing admirably, ACDA was disestablished. Its role and responsibilities were placed under the Department of State since some viewed its stand-alone role as out of place in the post-Cold War world. This, in my view, is a tragic mistake.

Despite the many international efforts to control the proliferation of weapons of mass destruction, these weapons, especially nuclear, continue to pose a threat to international security.

India and Pakistan detonated nuclear devices in 1998 causing a regional nuclear crisis. North Korea, which opted out of the Nonproliferation Treaty in 2003, detonated a nuclear weapon in October 2006. Iran's nuclear program threatens stability in the Middle East. Pakistan's A.Q. Khan ran a secret black market of nuclear items which revealed a growing demand for nuclear weapons. Osama bin Laden has called the acquisition of a weapon of mass destruction a religious duty.

For the United States to handle these national and international security issues, we need not just good policies and international agreements but a healthy organizational structure to implement policies.

My goal in this hearing is to identify possible recommendations for improving the arms control, counterproliferation, and nonproliferation bureaucracy.

The Department of State is the lead agency for managing U.S. arms control, counterproliferation, and nonproliferation efforts. The Under Secretary for Arms Control and International Security leads the bureaus of International Security and Nonproliferation, Political Military Affairs, and Verification, Compliance, and Implementation.

If you will see these three charts that we have here,[1] you will see that this bureaucracy has changed from 1999 when it was an independent agency, known as ACDA, until today. ACDA was merged into the State Department bureaucracy where its long term and worldwide focus has unsuccessfully competed against prevailing regional and bilateral interests.

From 2005 until today, these charts clearly demonstrate the elimination of bureaus singularly focused on arms control and nonproliferation. These charts begin to tell the story of how our country's security has been imperiled by bureaucratic reorganization. If this Administration cannot begin to correct the damage, the next Administration must do that.

A number of concerns include: The loss of independent agency status for the arms control, counterproliferation, and nonproliferation bureaucracy, making it less responsive to national needs.

[1] The charts submitted by Senator Akaka appears in the Appendix on page 105.

Another is a loss of experienced Federal employees, especially those with critical physical and social science backgrounds.

Another is the overburdening of an assistant secretary handling arms control and nonproliferation.

And another is the fear that other nations may perceive our concern for these critical national issues as weak and fleeting since the arms control bureau was merged into another bureau.

Some of the reforms I want to explore are: (1) Reestablishing an independent arms control agency or granting greater autonomy through the existing bureaus within the current structure, (2) Updating the bureau structure to support a greater focus on nonproliferation and arms control efforts, and (3) Ensuring that there are enough qualified arms control, counterproliferation, and nonproliferation professionals to carry out national policies and our international obligations.

We cannot wait until terrorists or more unfriendly states obtain a nuclear weapon.

Today's hearing will help us identify ways to reform the key government agency responsible for preventing this from happening.

I want to at this time welcome our witnesses to the Subcommittee.

Ambassador Thomas Graham, Jr., Former Acting Director and Deputy Director, Arms Control and Disarmament Agency.

Andrew K. Semmel, Former Acting Deputy Assistant Secretary for Nuclear Nonproliferation Policy and Negotiations, Department of State.

And Ambassador Norman Wulf, Former Deputy Assistant Director for Nonproliferation and Regional Arms Control, Arms Control and Disarmament Agency.

As you know, it is a custom of this Subcommittee to swear in all witnesses and I would ask you to please stand to take the oath. Will you raise your right hand?

Do you swear that the testimony that you are about to give this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. GRAHAM. I do.

Mr. WULF. I do.

Mr. SEMMEL. I do.

Chairman AKAKA. Thank you very much.

Let the record note that the witnesses answered in the affirmative.

Before we start, I want to let you know that your full written statements will be part of the record. I would also like to ask you to keep your remarks brief and I certainly look forward to your testimony.

So, Ambassador Graham, will you please proceed with your statement.

TESTIMONY OF THE HON. THOMAS GRAHAM, JR.,[1] FORMER ACTING DIRECTOR AND DEPUTY DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY

Mr. GRAHAM. Thank you, Mr. Chairman, for the opportunity to come here and participate in this hearing on the national security bureaucracy for arms control and nonproliferation.

I personally, along with many others, appreciate your interest in this subject which is important to the future security of our country. I also thank you for your perceptive opening remarks.

On April 1, 1999, the U.S. Arms Control and Disarmament Agency (ACDA), a mainstay of the U.S. national security policy since 1961, went out of business.

As part of a reorganization of foreign affairs agencies in 1998 and 1999, the main functions of ACDA were absorbed by the State Department.

Was this a wise decision? Are America and the world safer with the arms control portfolio integrated into the range of foreign policy concerns that occupies the State Department rather than constituting the sole responsibility of a specialized agency?

President Kennedy and his Secretary of State, Dean Rusk, strongly supported the legislation that established ACDA.

The fundamental rationale for not placing the arms control-nonproliferation bureaucratic structure within the State Department structure was and is that the pursuit of arms control and disarmament goals will often conflict with the primary mission of the Department of State which is to foster good relations with other countries.

For example, to press Pakistan on nuclear nonproliferation issues or criticize Russia for perceived arms control treaty violations can be contrary to pursuing with those countries good relations and will often be opposed by the regional State Department bureau responsible for relations with the country in question.

Most often in the competition of ideas within the State Department, interests of improved short-term bilateral relations will prevail over arms control, disarmament and nonproliferation interests.

The early years of the agency in the 1960s were prosperous and successful as Secretary Rusk believed in and supported the role of ACDA.

Over strong opposition by the State Department, ACDA successfully pressed for the Nuclear Nonproliferation Treaty (NPT), which is now considered a centerpiece of international security.

Other highlights, all of which depended on the existence of an independent arms control agency, were negotiation of the SALT agreements, negotiation of the START agreements, negotiation of the chemical weapons convention, the extension of the nuclear weapon test moratorium in 1993, the indefinite extension of the NPT, and the negotiation of the comprehensive test ban treaty.

However, in the 1990s, the Department of State pressed for the termination of ACDA and the merger of its functions into the Department of State. While this effort failed in the early 1990s, it succeeded later in the decade with the support of the new Republican-led Congress in place after 1994.

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[1] The prepared statement of Mr. Graham appears in the Appendix on page 53.

However, this step was taken pursuant to a compromise solution agreed to by ACDA and the State Department, supported by the White House and the Congress. This compromise solution, reached in 1999, contains certain conditions which it was intended, if not observed in the future, would remove the legitimacy of this new bureaucratic and legislative arrangement.

These were principally the preservation of the independent arms control advocacy role within the government at the highest levels and that the ACDA arms control-nonproliferation functions transferred would be strengthened and have the lead role in the Executive Branch.

However, the Bush Administration chose not to appoint officials who were committed to the success of arms control-nonproliferation policies and not to observe the conditions of the 1999 decision.

Rather the arms control process was destroyed by the abrogation of the ABM Treaty by the United States, the abandonment of the START process, initiated by President Reagan, and many other comparable actions which resulted, among other things, in the grave weakening of the NPT.

On top of all of this, Secretary Rice essentially abolished the Arms Control Bureau and reconstructed the Nonproliferation Bureau in the State Department so as to make it much more difficult to develop and follow nonproliferation policies.

Mr. Chairman, it is of the highest priority that the United States return to its traditional role of pursuing a world order built on rules and international treaties designed to enlarge international security and lead the world to a safer and more stable future. Only with a workable bureaucratic structure in place to support sound arms control-nonproliferation policies and agreements can this be accomplished.

The structure built on the 1999 compromise has demonstrated that it cannot work. The soundest solution would be for Congress to reestablish by statute an independent arms control agency. In that way, the independent voice for arms control and nonproliferation can best be preserved, and even if there should be sometime in the future another attempt to marginalize the arms control-nonproliferation process, with an independent agency in place, it can always be brought back by a subsequent Administration.

However, having said this, if the independent agency concept proves not to be politically possible, at a minimum I would urge that the Congress should require by law observation of all the conditions agreed as part of the 1999 compromise solution.

Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Ambassador Graham.

And now we will hear from Ambassador Wulf.

TESTIMONY OF THE HON. NORMAN A. WULF,[1] FORMER PRESIDENT'S SPECIAL REPRESENTATIVE FOR NUCLEAR NONPROLIFERATION (1999–2002); FORMER DEPUTY ASSISTANT SECRETARY OF STATE FOR NONPROLIFERATION (2001–2002); FORMER DEPUTY ASSISTANT DIRECTOR FOR NONPROLIFERATION AND REGIONAL ARMS CONTROL, ARMS CONTROL AND DISARMAMENT AGENCY (1985–1999)

Mr. WULF. Thank you, Mr. Chairman and thank you for this opportunity to appear before this Subcommittee.

I, like my colleagues, found myself nodding in agreement with much of your opening statement.

I am here today to present a report that was prepared by a volunteer task force. The genesis for the report was a concern among many of us that the State Department no longer had the capability of meeting the nonproliferation challenges that are facing us today.

We were catalyzed into action by the statement of Defense Secretary Gates last fall. He gave a speech decrying the abolition of, "Cold War Agencies," specifically citing the USIA. He also expressed concern that the present State Department structures were inadequate to meet development assistance needs.

Well, for us, another Cold War agency that was abolished along with USIA was the Arms Control and Disarmament Agency. And we believe and our report stresses that there are serious problems in the State Department structures supporting arms control and nonproliferation.

What I would like to do is briefly summarize the report's findings. I will hopefully have the opportunity to express my personal views at a subsequent point.

Our group believes that the organizational capacity of the State Department must be strengthened to meet nonproliferation and arms control challenges.

Critical personnel have left. The Arms Control Bureau has been abolished. The bureau whose mandate includes nonproliferation is burdened with tasks outside of its traditional purview, and the State Department is simply not organized to ensure that these critical issues are accorded the priority that they deserve.

Regarding bureau structure, the report suggests streamlining the work of the Nonproliferation Bureau. This means removing issues such as missile defense, the U.N. First Committee or the Conference on Disarmament from that bureau and allowing it to focus solely on nonproliferation issues.

The report recommends that these issues that have been removed and others related to arms control be addressed in one bureau, either a separate bureau devoted to arms control as in the 1999 approach or consolidated into the existing Verification and Compliance Bureau.

Regarding verification and compliance, the report urges that steps be taken to reduce bureaucratic turf battles that exist among the bureaus in the T family and free up resources by reducing verification activities to those required to meet statutory requirements.

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[1] The report entitled "Securing the Nonproliferation Capability of the Department of State," submitted by Mr. Wulf appears in the Appendix on page 67.

To address the growing staffing problems, the report recommends taking steps to halt further departures, improve morale, and to encourage those who have gone to other agencies to return.

Reliable career paths must be developed for both Civil Service and Foreign Service. It is not acceptable, in our judgment, to rely on other departments for all technical expertise, but that is increasingly becoming the case as steps to recruit and retrain scientists and others with technical expertise are scaled back.

As a part of the State Department, it is appropriate that certain office director positions in these functional bureaus be made available to Foreign Service officers, but it must be recognized that doing so reduces the management positions available to Civil Service employees. This not only makes a service in the State Department in these areas less attractive, but it also is made less attractive by the continuing decline in the number of SES positions available to the nonproliferation area.

Finally, the group believed that the Foreign Service must take steps to develop career paths that reward and do not punish Foreign Service officers working in the nonproliferation area.

The area in which there are differing views among those preparing this report was how to ensure that nonproliferation-arms control equities were heard at the highest levels.

Some argued for reliance on personal relationships among the various State Department officials. Some urged use of the existing statutory authority allowing the Under Secretary a separate voice from the State Department and some urged the creation of an independent agency.

As I indicated, we could not reach any agreement and all those options are included in the report.

Since my time has expired, I will stop at this point, but I hope that I could have the opportunity at some point to express my view as to which of these options I would support. Thank you, sir.

Chairman AKAKA. Thank you very much, Mr. Wulf.

And now, we will hear from Mr. Semmel.

TESTIMONY OF ANDREW K. SEMMEL,[1] FORMER ACTING DEPUTY ASSISTANT SECRETARY FOR NUCLEAR NONPROLIFERATION POLICY AND NEGOTIATIONS, U.S. DEPARTMENT OF STATE

Mr. SEMMEL. Thank you, Mr. Chairman.

I share my colleague's applause of your opening statement. I think you touched upon the critical issues that we need to address here.

And thank you again, as my colleagues have, for the opportunity to discuss some of the important management and organizational issues of the so called T Bureaus of the Department of State.

Mr. Chairman, I am going to go to my statement very quickly but during my tenure as the Deputy Assistant Secretary—I left the Department in December of last year—I served under five different assistant secretaries or about one assistant secretary on average ever 11 months. Three served in acting capacity and only two were confirmed by the Senate.

[1] The prepared statement of Mr. Semmel appears in the Appendix on page 83.

When I left in December, all four occupants in the front office of the ISN Bureau held acting positions or temporary positions and three were political appointees.

The reason I mentioned this is there is a price to pay with leadership instability and frequent change. It makes formulating and implementing our arms control and nonproliferation policies more difficult at home and abroad. It weakens the Bureau's voice in the department and in the interagency fora. It creates confusion among the permanent staff whose expertise and experience are vital for continuity and clarity, and it impairs our ability to negotiate with counterparts in other countries.

Turning to the Arms Control and Nonproliferation Bureau merger, I was a member of the senior management panel appointed in September 2005 tasked with implementing the merger of the Arms Control and Nonproliferation Bureaus.

I might point out that I recall that no one in the Nonproliferation Bureau at the time and I was told by the senior leadership in the Arms Control Bureau that no one there really supported or thought this was a good idea at the outset.

The case was made for the merger on the grounds of minimizing duplication and redundancy and on the benefits of streamlining and cost savings.

There are a number of, what I call, anomalies in that merger which I want to point out, Mr. Chairman.

What I mean by anomalies is the sort of developments that occurred outside the normal that have a bearing on the efficacy of the new ISN Bureau.

The first is that the combined workforce of the new ISN Bureau resulted in substantially fewer full-time equivalents. This is permanent personnel, about a 16 percent reduction than the combined workforce of the two bureaus prior to the merger. Several offices were severely truncated in size and remain understaffed today. One office was cut nearly in half.

Paradoxically, the newly named Verification, Compliance and Implementation Bureau which had received a critical review by the Office of the Inspector General and a recommendation for reduction in size and responsibilities was, in fact, expanded in size and function.

The second point that I see as an anomaly of that merger: The report of the Inspector General concluded that the Nonproliferation Bureau was overworked and was well led and that the Arms Control Bureau was underemployed and had low morale. Despite this, the leadership of the ISN Bureau was almost exclusively drawn from the Arms Control Bureau.

Three of the four ISN front office leaders and the special assistant were chosen from the Arms Control Bureau by the then Under Secretary of State for Arms Control and International Security. In the process of doing that, the arms control function was deflated and the role of the Arms Control Bureau was elevated, at least the leadership.

There are other things that happened and I will not go into them, but one of them was, as was mentioned already, that staff flight that took place, i.e., members either went into early retirement, sought other jobs, and so forth.

Finally, I would mention that the senior management panel, on which I served, interestingly enough was composed of four political appointees, political appointees including myself, who had dim knowledge about the Foreign Service and Civil Service personnel systems.

We were required to function pretty much in secrecy and we were bereft of the day-to-day help of the human resources elements within the State Department.

The bottom line on the merger, as I see it, is that the merger of the Arms Control and the Nonproliferation Bureau has done little to strengthen the voice in the State Department on nonproliferation and arms control.

I see my time is running out, Mr. Chairman, but I want to mention four things that could be done.

One of them is a cultural change in the State Department and that is to change the internal biases and the working assumptions within the State Department, so that serving in functional bureaus, like the ISN, yield greater rewards and greater status than they now enjoy.

Another one is to have the Foreign Service Institute institute courses on multilateral diplomacy and on arms control and nonproliferation which they are starting to do just now.

The second broad suggestion I mentioned in my statement pertains to separate entity which has already been discussed. Whether it is based on the model of the Arms Control and Disarmament Agency or some other mechanism, some separation would give it greater independence and voice within the State Department, greater clarity and visibility when dealing with foreign countries.

The third suggestion is organizational reform and there are a series of suggestions I make in my paper, a half dozen or so, that could be made that would work to improve the structure and the process as well as maintain, attract and maintain the skills in the State Department for arms control and nonproliferation.

The fourth area I mention almost gratuitously is what I call policy. Any organizational change, whether it is on the margins or if it is fundamental change such as creating a new independent organization, can only be as good as the soundness of the policy of the new Administration and the leadership that is set up to manage that policy.

I conclude, Mr. Chairman, by simply saying that there are a number of options that we have on this panel laid out today and more I suppose that we will discuss in the questions and answers.

And sorting through all of these maze of options is a difficult chore. It would be a wise thing, it seems to me, to create a bipartisan blue ribbon task force to think through some of these recommendations and others, on what our nonproliferation and arms control policy agenda should be and how this agenda should be structured and managed to optimize chances of success in furthering our national interest.

This should be done as soon as possible so that its findings and recommendations are available for consideration by the next Administration. Thank you.

Chairman AKAKA. Thank you very much, Mr. Semmel.

I thank you very much for your testimonies and the recommendations that you are making to this Subcommittee.

I would like to ask my first question to Ambassador Wulf and also Mr. Semmel.

Ambassador Graham states that enforcing the terms of the 1998 ACDA compromise solution is better than reestablishing an independent agency for arms control and nonproliferation. If you could choose between an independent agency or a semi-autonomous agency status for arms control and nonproliferation within the State Department, which would you choose and why?

Ambassador Wulf and also Mr. Semmel.

Mr. WULF. It is a question that I have wrestled with myself, and the answer that I came out with is clearly, I am strongly in favor of an independent agency.

The primary reason for favoring an independent agency is that an independent agency gives independent representation in the inter-agency process at every step in the process whereas, if you are a semi-autonomous agency, the benefit of that is the State Department need not and probably would not form its own nonproliferation and arms control bureaus.

But the compromises and decisions that have to be made with respect to the State Department's position would be made solely by the State Department. Whereas if you have a separate agency, you have a State Department position going into an inter-agency meeting and presumably the independent agency position which may or may not be different.

So for those reasons, I think an independent agency is far preferable. There are a variety of other reasons I could add as well, but that is the fundamental one. Thank you.

Chairman AKAKA. Mr. Semmel.

Mr. SEMMEL. Yes. It is a good question. I think we have all wrestled with this and I know that the document that Mr. Wulf has identified that was put together has a series of pros and cons which I think summarize, in many respects, the benefits or the lack of benefits of an independent or semi-independent or semi-autonomous organization dealing with these issues.

I have to tell you, and this is not a cop out, but I am somewhat agnostic about that because I think there are strong arguments on both sides. I think certainly what we want to give the function of pursuing sound arms control, nonproliferation policy much greater visibility and a stronger voice within the national security bureaucracy.

Any organization, whether it is a separate organization like the ACDA, will only work if the senior leadership want it to work. In other words, you can design on paper a seemingly infallible organizational structure, but if the leadership does not want it to work for whatever reason, you may get a seat at the table on the critical issues but you may not be heard, if you are at that table.

So it really depends upon what comes down from the top. I personally think that there is some strong merit in a separate organization either within the State Department or outside the State Department like one modeled after ACDA.

The other point I would mention, Mr. Chairman, is that if we are thinking about the new Administration, and this is perhaps obvi-

ous, but if we are thinking about a new Administration, going back to a separate entity like ACDA or whatever it may be, whatever its merits and it has considerable merits, will require a considerable amount of effort on its part at a time in which they are reorganizing the entire government or reorganizing much of the entire government, and something has to give in that process.

The presumption is the new Administration will want to embark on a whole series of, perhaps, new initiatives in the area of arms control and nonproliferation. Can it do everything at once? Can it reorganize and still pursue these new initiatives? It may be too much carrying capacity, too much of a load for a new Administrative. So I would caution against that in terms of taking on too much at once.

Chairman AKAKA. Ambassador Graham, would you want to respond to their answers?

Mr. GRAHAM. Thank you, Mr. Chairman.

I very much agree with my two colleagues that, if possible, a separate agency would be the best solution.

As I said in my opening remarks, it has long been recognized that there is an inherent conflict between arms control and nonproliferation policies and the central mission of the Department of State—enhancing for lateral and multilateral relations with other countries—and to put them together almost inevitably is going to lead to the downgrading of arms control and nonproliferation policies which, I believe in the age in which we live, are essential to our national security.

Secretary Dean Rusk said, "Disarmament is a unique problem in the field of foreign affairs. It entails not only a complex of political issues but involves a wealth of technical scientific and military problems which, in many respects, are outside the Department's formal concerns and in many instances reach beyond the operational functions the Department is designed to handle."

And critical in all of this, if nonproliferation-arms control is important as I and my colleagues believe that it is, it is essential to preserve that independent advocacy voice which means that the person, the official who is in charge of arms control and nonproliferation has the right to go to the President if he or she believes it is necessary and also has the right to have a seat on the National Security Council when arms control and nonproliferation issues are discussed and to have a separate vote, in other words, to be able to vote in favor, if he or she so chooses, for a nonproliferation proposal even if the Secretary of State disagrees.

Well, I would submit that it defies human nature to give such a vote to someone who works for the Secretary of State. My guess is his performance evaluation might be adversely affected if he were to vote contrary to what the Secretary of State wanted, and that is why, in my view, an independent agency is far and a way the best solution if we want to have the best policies.

Chairman AKAKA. Ambassador Wulf, you wanted to say something?

Mr. WULF. Yes. Thank you. I wanted to elaborate, if I could, a little bit on why I think an independent agency is the best way to go.

First, it is worth noting, as Ambassador Graham did, the Department of State's focus must be upon the totality of U.S. interests with a given country. Contrast that with an independent agency whose single focus is nonproliferation or arms control.

The result is that the State Department is often forced to focus on the crisis of the day and that often times will lead to some compromise on nonproliferation principles.

I would suggest as a general proposition that incremental decisionmaking on any issue will almost always lead to a weakening of the general principle. The classic example of this is the decision to engage in civil nuclear cooperation with India.

We abandoned the principle that all nonproliferation is bad, but India did not abandon its principle that it wanted to maintain and build its nuclear weapons capability.

I would also submit that the time horizons that the Department of State often times thinks in are dictated in part by the 3-year rotational assignment that Foreign Service officers have.

I am not suggesting Foreign Service officers are incapable of thinking in long terms perspectives, but I am suggesting there is a fundamental difference between a career civil servant who has worked in this one area for 20 years and a Foreign Service officer that came in last year and began working on a given issue.

I also think that an independent agency is best able to design a personnel system that emphasizes career civil servants and recruits people with technical expertise or scientific knowledge. It can create an environment where there is a synergy between, what I will call, techies and policy wonks.

Time horizons are not influenced by Foreign Service rotation but Foreign Service officers can still make valuable contributions by working in that independent agency as, indeed, was the case with ACDA.

While the crisis of the day, whether it is North Korea or Iraq, will command the headlines and the senior level attention, someone needs to maintain and improve the overall nonproliferation regime.

The expertise within the U.S. Government in, for example, IAEA safeguards, continues to dwindle. Yet those safeguards are the first line of defense against nuclear proliferation. Neglect of the NPT has been noted by friends, both domestic and foreign. So that the experience to date, I would suggest, is that the State Department is not capable of supporting arms control and nonproliferation policy in the manner in which it needs.

I would also pick up a point I think you had in your opening statement, Mr. Chairman, and that is that the creation of an independent agency will send a clear message to the rest of the world, friends and allies who may fear that we have lost our way, they will be reassured by the creation of a new agency and they will believe once again that the United States continues to see nonproliferation and arms control as essential components of international security.

And I think for those tempted to proliferate, I think the message would be sent that the United States is ready to maintain a leadership role against proliferation.

Finally, I would emphasize that with an independent agency—Mr. Semmel outlined some of the deficiencies in Senate-confirmed individuals that now occupy the Department of State. With an independent agency, you will have a multiplicity of Senate-confirmed individuals.

When a U.S. official engages in discussions with a foreign country, that country matches the rank of the individual coming there. What is now being done by office directors should be done and used to be done by people confirmed with the advice and consent of the U.S. Senate. Thank you, sir.

Chairman AKAKA. Thank you. Ambassador Graham, of course, has mentioned the independent agency and so have you.

So, Ambassador Wulf, could you elaborate for me why a semi-autonomous agency within the State Department, roughly modeled on the National Nuclear Security Administration, can be an improvement over the existing model?

Mr. WULF. I think it could be an improvement over the existing model, but I do not think it would be as good as an independent agency; and the fundamental reason is, as a semi-autonomous agency, they would be subject to the direction of the Secretary of State; and the likelihood, as Ambassador Graham has indicated, of someone who works directly for the Secretary of State taking a totally contrary view to the Secretary is very small.

We had some recent experience with that model. The ACDA merger legislation provided the Under Secretary, the "T", with the possibility of an independent voice at the NSC meetings. It worked "sort of" well, I would say, during the end of the Clinton Administration but not terribly well, and it certainly has not worked, I do not think at all, during the last 7 or 8 years.

There are those who claim that the model in the Department of Energy has not worked very well either. But I think the biggest drawback to a semi-autonomous agency is the lack of a separate voice at inter-agency meetings.

If you are a part of the State Department, you will represent the Department of State's views. You will not have an independent voice to represent a view contrary to the State Department's views.

Chairman AKAKA. Thank you. Would any one, Ambassador Graham or Mr. Semmel, want to comment on the semi-autonomous model?

Mr. SEMMEL. Well, just one general comment, Mr. Chairman, and this is perhaps in the area of the obvious.

As you know, President Bush, Secretary Rice, Secretary Gates, and most commentators on national security and foreign policy have pointed out that the challenge with the threat of proliferation of weapons of mass destruction, missiles and the materials and technology associated with that getting into the wrong hands constitutes the most significant threat that we face. It is what I like to call column "8" on the front page, the upper fold of the newspaper type of issues that we have to deal with in the world.

And right now the structure that we have is embedded in the State Department seems to be a disconnect between the saliency, if you want to call it, of the issue area that we are facing, an issue area that is going to grow and expand by the way. It is not going to retract unless we do something about it and are successful.

So that the current organizational arrangement that we have, it seems to me, is inadequate to measure up to the dangers that we face in this area; any incremental change, it seems to me, whether it is organizational or dealing with personnel, resources, and the like of this function, whether it is a semi-autonomous entity within the State Department or an independent agency, I think would be an important step, the right step in the direction that we have to face. I think both Ambassador Wulf and Ambassador Graham have already pointed out some of the positives of a separate organization.

I only made that one caveat about the difficulty of making a transition again. This would be the third. If the new Administration coming in were to want to have either a semi-independent or independent, this would be the third major reorganization in 10 years. All of them were deemed to be necessary. All of them have been problematic.

None of them really solved the problem, I think, in a satisfactory manner, and whether we want to go through that again, I think, is a question we really have to think through.

Chairman AKAKA. Thank you.

Ambassador Graham, I have a question for you, but you may begin with your comment that you want to make.

Mr. GRAHAM. I would just like to add, Mr. Chairman, that the problem with a semi-autonomous agency, if we want really sound nonproliferation and arms control policies, is that it is not independent.

From time to time in order to clearly present the arms control-nonproliferation alternative at the highest levels of our government so that the President, the Cabinet can understand all that is involved, the person responsible for arms control-nonproliferation policy may have to take a position contrary to the Secretary of State, and that is difficult to do when you work for the Secretary.

As one example that comes to mind, during the 1980s or early 1990s, according to law, the Arms Control Agency, the Department of Defense and the Department of State were required to submit recommendations to the President as to whether or not Pakistan should be recertified each year that they did not have a nuclear weapon and, therefore, it was OK to sell military equipment, and in particular, fighter-bombers to Pakistan.

And for several years the Department of Defense would recommend certification and the Department of State would recommend certification. The Afghan war was going on but ACDA always recommended not to certify. And in fact, Pakistan did have a nuclear weapon, at least they had parts of a weapon that could quickly be assembled into a workable weapon.

Eventually when the Afghan war ended, President Bush chose the ACDA option but the President had it in front of him every year, which he would not have been the case had there not been an independent agency. I do not think an autonomous agency within the State Department could do that.

Chairman AKAKA. Thank you.

Ambassador Graham, you have identified a number of instances where the current Administration has abandoned its commitment

to arms control and nonproliferation. Let me give you some examples.

The rejection of the anti-ballistic missile treaty. The abandonment of the Second Strategic Arms Reduction Treaty and the decision not to continue pursuing the ratification of the Comprehensive Test Ban Treaty.

In this post-September 11, 2001 world, does the current organization best support this new strategic priorities as the Secretary states, "to prevent the acquisition of WMD by terrorists and hostile states and contribute to the international effort to secure and remove and eliminate WMD, their delivery systems and related materials through diplomacy and counterproliferation efforts."

Does the current organization, in the post-September 11, 2001 world, best support the new strategic priorities?

Mr. GRAHAM. You will be getting my personal opinion, of course. I would say no because I believe that part of the effort to reduce the threat to the United States of weapons of mass destruction, particularly nuclear weapons of course, but all weapons of mass destruction, is intimately related to the advancement of and success of sound arms control and nonproliferation policies.

The chemical weapons convention, for example, prohibits chemical weapons worldwide, at least to all of those countries that have signed up to it.

That helps with limiting the possibilities of the proliferation of chemical weapons and the ultimate use of them by terrorists. The fewer such weapons that exist, the more the world community moves towards zero, the less is the likelihood that terrorists are going to be able to have them and use them.

With respect to the ABM treaty and the START II treaty, it remains in our interest, while at the same time dealing with the terrorist threat based on WMD, to stabilize at lower levels the nuclear weapon balance with Russia and those two treaties greatly contributed to that.

The reason that the START process ended which had been begun by President Reagan and there are no more negotiated reductions, negotiated reductions in long-range nuclear weapon systems, is that when we withdrew from the ABM treaty, the Russians had always made it clear that they would not continue with the START, the second START treaty, unless the ABM treaty was in force. We withdrew so they backed away from START II and that was the end of it and that was most unfortunate.

With respect to the test ban, the test ban will help in inhibiting proliferation of nuclear weapons around the world in two ways. First, more than any single thing the United States could do, it will strengthen the nuclear nonproliferation treaty and make it more effective because from the earliest days it has been clear that the quid, the principal quid that the rest of the world wanted for giving up nuclear weapons forever from the nuclear weapons states, for their quo of giving up nuclear weapons forever was the test ban. If we are going to give up nuclear weapons forever, at least the nuclear weapon states could stop testing was and is the viewing the NPT nonnuclear weapon states.

The NPT is based on a compromise. It was not a free gift from the rest of the world. It was a compromise, a strategic compromise;

and the principal, the most important part of the price that the nuclear weapons states paid for stopping proliferation with the NPT was the test ban. So it is very important to the long-term health of the NPT.

And second, with the test ban in force, it is going to be not impossible but much more difficult for additional states to acquire nuclear weapons.

Yes, you can assemble a Hiroshima-type bomb without testing, yes, you can do that. But there are many other things in creating a nuclear arsenal that the test ban monitoring system would detect.

When the Kursk submarine exploded in the Arctic waters, a small conventional explosion underwater, some of the test ban monitors picked that up 3000 kilometers away. So it would improve the proliferation situation.

So in dealing with the world that we have today, which is one of declining order, a threat of weapons of mass destruction, particularly nuclear weapons spreading to unstable countries and terrorist organizations, a less than perfect relationship with Russia and China, these measures are an important part of our national effort to enhance our security and the security of the rest of the world and they should not be abandoned. They should be pursued.

Chairman AKAKA. I am glad to hear the last sentence you made because I wondered if you thought it was a national security concern and you just mentioned that.

Ambassador Graham, you just said "dealing with the world that we have today." When ACDA was the lead agency for arms control and nonproliferation, its director could appeal directly to the President for support.

You mentioned in your testimony that Under Secretary of State for Arms Control and International Security who is also a senior adviser to the President and Secretary of State can still appeal to the President.

What is the difference today?

Mr. GRAHAM. Well, the difference is twofold. One, he works for the Secretary of State, and two, in this Administration, at least my understanding is, the various Under Secretaries have never availed themselves of that right.

It only works if, in the inter-agency struggles over what is the soundest approach to particular arms control and nonproliferation policies, the ACDA Director or the arms control-nonproliferation director, Under Secretary, whatever he may be called, is free to approach the President directly.

Now, if he works for the Secretary of State, he is obviously bypassing the Secretary of State, but he is not if he is head of an independent agency.

And the independent arms control and disarmament agency directors in the past actually did avail themselves of that right.

I remember once I was doing some research for the confirmation of a ACDA director in the 1980s and I do not have any figures for the 1980s and 1990s; but I do remember this that we found, just by looking at White House logs, that Ambassador Gerard Smith, who was the director of the Arms Control Agency from 1969 to 1973, had 46 private meetings with President Nixon during his 4-

year stay there. His successors, I think, had far less, but they did have some.

During the year that I was acting director, on the nuclear test ban issue, I personally experienced and utilized the right at an NSC meeting to cast my own vote and I did so twice on the decision to extend the test ban moratorium in 1993.

So it was a real, particularly the second vote on the test moratorium, it was a real right and it was utilized. It is much more difficult for an Under Secretary, two levels down from the Secretary of State, to do that.

We tried to fashion the 1999 compromise so that the legal right to do that existed, but the only way it would have ever had a chance of working, although this is difficult, would have been for the Under Secretary to frequently use it, to establish that precedent that it would be used with some frequency, that is, both the access to the President and the separate vote at the NSC.

Chairman AKAKA. Do you think the Under Secretary is silenced before his views can be presented before the National Security Council or President?

Mr. GRAHAM. If he is silent, can his views be——

Chairman AKAKA. Yes.

Mr. GRAHAM. I would think not. My guess is if the National Security Council members, the principals, when they are discussing whatever nonproliferation issue of the day it may be, if nobody mentions the Under Secretary, nobody is going to think of him. That would be my guess as to what would likely happen, that the only way that his views or her views would register on National Security Council principals is if he or she were there expressing them.

Chairman AKAKA. Mr. Semmel.

Mr. SEMMEL. May I just make one caveat to what Ambassador Graham just mentioned and that is going back to a point I alluded to before that. If the Under Secretary for Arms Control and International Security has the full confidence of the Secretary of State and if the Secretary of State makes it known, through whatever means, but certainly makes it known that the Under Secretary has his or her full confidence and speaks on her behalf on these issues, that automatically elevates the Under Secretary's role in the inter-agency fora, the National Security Council, and so forth.

I don't want to be trite about this, but I used to teach political science and my favorite definition of politics, which is what we are really talking about, is that it is a process involving mobilization of bias. It is mobilization of a point of view that you favor and somebody else does not favor.

So that the Under Secretary, if he or she is able to have allies within the Administration at senior levels, there is a lot of articles, for example, that when Mr. Bolton was Under Secretary of State he had very close relationships with the White House over at the Vice President's office.

And in the inter-agency fora at the senior levels of National Security Council, you could begin to, as Under Secretary, mobilize those assets in terms of the process.

So while I agree basically with what Ambassador Graham is saying, I think that having a separate vote has much more clout in

the process. There are ways in which that can be mollified somewhat. Thank you.

Chairman AKAKA. Thank you very much for that.

Mr. Semmel, you mentioned that the State Department Office of Inspector General pre-determined the outcome of its T Bureau investigation findings in 2004 and 2008. These findings had an impact on the 2005 reorganization.

Can you elaborate on this?

Mr. SEMMEL. What I said in my statement was that it was the feeling, it was the judgment of those of us who were involved with the Office of the Inspector General that somehow or another the outcome of its investigation was going to be determined even before the investigation took place.

Whether we were right or wrong on that, as subsequent developments unfolded, I think we were right that somehow or another we knew what the end result was going to be before the process began.

I think because it was made known to us at the outset that there was considerable redundancy of functions between the Arms Control Bureau and the Nonproliferation Bureau and that others at senior levels were talking about the need for us to readjust to the post-September 11, 2001 security world that we faced and that this was one way in which we could make that kind of adjustment.

There was a perception also and others can comment on this on this panel and outside that the current Administration had given far less weight to the function of arms control.

Subsequently it was determined in the Inspector General's report, as I mentioned in my opening statement, that the Arms Control Bureau was deemed to be under-worked. They had a lot of people not doing a whole lot of work simply because they were not assigned a lot of work.

It was, again, the senior level policy preferences sort of seeped down and manifested itself in a way in which these two bureaus functioned. Whereas the Nonproliferation Bureau which was a policy area in which the Administration did give considerable credence to in terms of preventing weapons of mass destruction getting in the wrong hands, was an area that was deemed to be very important and a high priority within this Administration.

So putting all of that together, there was the deep suspicion at the outset that if it is not broke, do not fix it. The system was working pretty well in terms dealing with nonproliferation and that merging the two bureaus together was not the optimum strategy for us to engage in at this point in time, particularly the way in which it unfolded.

There was the perception that somehow or another the Under Secretary at that point liked the leadership in the Arms Control Bureau but did not like the function. He liked the function in the Nonproliferation Bureau but did not like the leadership. And when the two merged, certainly that was the outcome.

In other words, if our perceptions were correct at the outset, indeed, that is the way in which the merger unfolded where you had the leadership of the Arms Control Bureau which had very little to do, taking over basically the leadership of the new combined International Security and Nonproliferation Bureau.

Others can comment on this as they see fit. So most of what we thought was a part of the motivation behind the request for the Office of the Inspector General to look into the possible merger of these two bureaus did, in fact, unfold in their report and the subsequent merger that took place.

Chairman AKAKA. Ambassador Wulf.

Mr. WULF. Could I just add my understanding, and I have to say that I have never read the entire contents of the IG's report. I have been only shown portions of it.

My understanding is the IG concluded that the Nonproliferation Bureau was doing extremely good work but, as Andy indicated, it was overworked.

The Arms Control Bureau was under worked and the IG recommended the merger of arms control and nonproliferation. I would suggest that those who sought the abolition of the Arms Control Agency in the 1990s did not do it because they were proponents of the Department of State. They did it because they disliked arms control and I would suggest that the merger in 2005 was largely driven by the same motivation, a dislike, a distrust of arms control.

I am taken, personally, by the fact that we have three Secretaries—Secretary Kissinger, Secretary Shultz, Secretary Perry and former Senator Nunn saying we are really at a very serious point with respect to nuclear weapons and we really need to start doing things much differently than we have been doing it.

I do not believe that the Department of State structure can meet the challenge that those four have posed to the political establishment as to what needs to be done to enhance our national security.

Thank you.

Chairman AKAKA. Thank you.

Mr. Semmel, you mentioned that the 2005 Bureau reorganization has done little to strengthen the voice of the T Bureau on nonproliferation and arms control issues.

What is your net assessment of the effectiveness of this reorganization?

Mr. SEMMEL. Mr. Chairman, one of the things that did result from the merger that took place is that the new bureau, the International Security and Nonproliferation Bureau, the ISN Bureau, did create two new offices. It created two new offices, one to deal with weapons of mass destruction terrorism, called WMDT office, and another to work on questions of counterproliferation and interdiction issues in which the Proliferation Security Initiative, something calculated PSI, was the focal point.

I think those were creative additions. Whether they should be lodged in the ISN Bureau or not is another question, but certainly they were a creative policy for this bureau. I think that is a step forward in the reorganization. I think that made a lot of sense.

There was also an office or suboffice created to deal with strategic planning which really had been moribund, I think, in this area for sometime.

I do not want to convey the impression that this merger is all sort of backsliding or negative. There were some creative things.

Maybe the fourth thing I can say on the positive side is, and this may be real conjecture, that subsequently when the current Assist-

ant Secretary for International Security and Nonproliferation, who, by the way, is now acting as the Under Secretary, probably has given some strength to this bureau because he has the confidence of the Secretary of State. They have worked together at the National Security Council, and elsewhere.

So, from a personal relationship, the interpersonal dynamics which are very important in policy making as they are up here in the Senate, as I used to recall, probably gave some additional strength to the International Security and Nonproliferation Bureau, given that confirmation of the current Assistant Secretary.

But I see nothing apart from that that gives us greater entre into the senior decisions at the National Security Council. I do not see our issues being given greater weight in the inter-agency fora.

As I mentioned in my statement, the size of the bureau has been truncated as a result of the merger, about 16 percent fewer persons than one might have expected.

Across the board, the nonproliferation and arms control function has been a voice that simply is, I would not say silenced, but certainly has been subdued in the process. I say that only in the context that the issues that we are dealing with are going in this direction and the organization that we are dealing with are going up in another direction, and there is a wide gap between what we need to do organizationally and other means in dealing with these issues.

So I do not see any major leaps forward in terms of this organization even though it was designed to strengthen the voice certainly within the Department and within the inter-agency fora. I do not see that happening. I do not see that happening in terms of our international negotiations as well.

As Ambassador Wulf pointed out, there are fewer senior officials with senior ranks who are engaged in those international negotiations and much of that responsibility falls to more junior persons such as the Deputy Assistant Secretary, and myself, office directors, and others.

So I think the net result, despite some positives that one should not discount, the net result is I think at best a static organization in terms of its strengthening the role in this particular policy area.

Chairman AKAKA. Mr. Semmel, you mentioned that the senior management panel, the group that led the 2005 reorganization, did not directly benefit from the Department's human resources expertise.

In what ways would this panel have benefited from human resources expertise?

Mr. SEMMEL. Thanks. I could wax on this issue for sometime, Mr. Chairman. But let me just say that, first of all, the senior management panel was asked to make recommendations on the decisions that were subsequently made on the reorganization. Our recommendations were not all accepted by the Under Secretary when we made recommendations to him.

We got involved in some very micro-planning. We had little name cards for every member of the ISN Bureau and began to place them in bureaus and offices within the bureaus, and so forth. It was micro-management of the highest order.

Specifically on your question, without getting into the internal workings of the senior management panels, which I do not think I should do, there was a decision that was made early on to not have present during our deliberations, which were in secret I might point out, members of the human resources offices, both within the T family or within the larger Department of State for reasons that I objected to, but for reasons that we do not have to get into at this point in time.

So there we were in a sense, as I characterize it, feeling our way in the dark on issues. Eventually we did get obviously human resources people engaged who knew the personnel system, Civil Service, Foreign Service personnel systems but not during our deliberations. It was outside of the deliberations, which I believe was a mistake.

In other words, as I described in my statement that initially the four members of the senior management panel were all political appointees, including myself, who had limited experience in personnel management within these two personnel services in the Department. You could measure the number of years of experience in the State Department on my two hands.

We really did need some additional expertise to help guide us through some of these decisions, but it was decided at that point in time that they would not be included in the room when we were deliberating and I think that was a mistake in terms of the efficacy of our group, in terms of wisdom of the kinds of options that we were deciding upon. It was one of the anomalies I pointed out in my opening statement.

Chairman AKAKA. Ambassador Wulf.

Mr. WULF. Could I just add that I have stayed in contact with many of the colleagues that I used to work with in ACDA and in the State Department, for 3 years, before retiring. And I never saw a more dispirited bunch of people in my whole life than those who went through the 2005 reorganization.

In 1999, when ACDA was merged into the State Department, we went out of our way to be as transparent as possible, to share fully the information and to make sure everybody was treated fairly.

This approach that Mr. Semmel has described, and I commend him for his efforts to try to make it a more fair process, was characterized to me by one of the lawyers in the legal adviser's office as within the letter of the law but certainly not what anybody would call good management practice, and I think the bitterness that was generated by how it was done continues to this day. You have a very demoralized staff as a result of how the 2005 merger was handled.

Chairman AKAKA. I have one more question for Mr. Semmel, and following that question, I am going to ask the panel if they have any final comments to make to the hearing.

Mr. Semmel, you argue that changing the cultural biases in the State Department is worth doing since regional bureaus tend to be favored over functional bureaus within the Department.

How would you recommend the Department change these cultural biases?

Mr. SEMMEL. It is a very difficult thing to do because, Mr. Chairman, I do know there have been efforts in the past to address this

question and address this issue. They have not amounted to any substantial change. I think this is because this is a part of the personality of the State Department, part of the personality of the Foreign Service that is very difficult to change. Personalities are very difficult to change in general.

I do not know if in the wake of the merger that we were just talking about, that created the ISN Bureau, that one of the things I personally suggested to the Under Secretary which came to fruition sometime later, was that we set up within the T group our own task forces within this family, within the T family, our own task forces on the Foreign Service and a separate task force on the Civil Service to see whether or not internally we could make some positive changes so that we could recruit Foreign Service officers who are essential for our function, retain them, and find a good satisfactory post-service employment after they leave the ISN Bureau, and the functional bureaus.

But the problem is a much larger one. The problem is a State Department-wide problem and it is one in the Foreign Service. And I think that again to try to fundamentally change something, it needs to come from the top down. It needs to come from the Secretary. It needs to come from the management bureau within the Department, and so forth.

So I think every time there is a new Administration, there is an opportunity for beginning to take a re-look at, take another look at the way in which we are organized. The new Administration may very well want to do that.

I think civil servants tend to be looked upon as technicians. They tend not to serve in our foreign country posts. I think that serving in international institutions is looked upon with disfavor as I mentioned. I think much of the State Department also looks upon multilateral diplomacy and international organizations as feckless organizations that do not accomplish very much. These are all things I think that are out of step with the way in which the world is evolving.

So it is very difficult to make those changes from the bottom up. They really have to come from the top down. Somebody has to say, this is the way we are going to do business and these are the ways we are going to change the way in which we function.

It is not easy. It will take a long time to transform any personality or any inbred cultural attributes, but I think it would certainly enhance this function of arms control and nonproliferation as well as some of the other so-called functional bureaus and the conduct of foreign policy by giving some greater voice to multilateral diplomacy.

But I do not want to suggest that it is going to be easy. It is something that I do advocate and I think should be done. It should be a sustained effort because it requires a sustained effort from the top down.

Chairman AKAKA. I want to ask the panel to close with any summary remarks they may have on this hearing.

You have all recommended ways to the improve arms control, counterproliferation, and nonproliferation bureaucracy. In addition to what I just asked you to do, I am going to ask you to, if you

would, mention your top three recommendations to address the staffing, management and organizational challenges that we face.

Ambassador Graham.

Mr. GRAHAM. Thank you, Mr. Chairman. First, let me again commend you for holding this hearing.

Just from my own personal perspective, I think these issues are very important and little attention has been paid to them for years and, as a result, developments have taken place which affect our national security in a negative way which, if these issues had been addressed earlier, perhaps the result might have been somewhat different.

We live in, in my opinion, Mr. Chairman, a very dangerous world today. It is, at least in part, featured by a decline in world order everywhere, certainly in many places. I have heard experts say that there are 50 to 70 countries that are sliding into the failed or failing states category, and as such, a breeding ground for international terrorists and then we have the strengthening of international terrorism worldwide and the terrorists desire to acquire weapons of mass destruction, particularly nuclear weapons. As you said in your opening remarks, Osama bin Laden said that acquiring nuclear weapons is a religious duty.

And the technology is so much more available or at least much of it is. I can remember in the early 1990s there were very strict controls on computer technology. There had existed computers of great power which are very useful in nuclear weapons programs, and these computers were in the possession of only a few governments. No one else. Well, it was not long ago that the technology developed in a way that you or I could walk into a shop in Hong Kong and walk out with a computer capability comparable to those computers that used to be possessed by only a few nations.

So the potential for nuclear weapons and other weapons of mass destruction to spread is considerable. It is going to require a serious effort to persuade some countries not to acquire nuclear weapons.

In 1958, the British Prime Minister said, during a television interview, that our independent contribution—he meant by that, the British nuclear weapons program—puts us right where we ought to be, a great power; and 3 years later, President de Gaulle said something similar in a speech. "Any great state that does not possess nuclear weapons when others do makes itself hostage to fortune."

The Indian prime minister said something to that effect, India is a big country now, we have the bomb, in 1998.

Nuclear weapons, particularly nuclear weapons, carry with them political prestige that is attractive over and above any military utility they might have, which in most cases is negligible.

We have a situation where the nuclear nonproliferation treaty is much weaker than it used to be. The NPT nuclear weapon states have not delivered on their disarmament obligations. Indeed, we have gone in reverse direction since 1995 and since Norm's work in 2000.

These are very worrisome conditions to anyone who cares about our country's national security. And it is clear, the United States cannot go it alone under these conditions. We need allies. We need

multilateral treaty arrangements that we can rely upon. We need international security treaty regimes which we can rely on both because they are soundly conceived, but also because they are effectively verifiable.

It will be very difficult for us to improve the situation and develop the international cooperation that we need to have, to expand the multilateral treaty arrangements that we need, to strengthen the international security treaty regimes that are essential to controlling the proliferation of nuclear weapons and other weapons of mass destruction which can arrest the potential for grave danger to our country unless we have in our government a bureaucratic structure that is capable of developing sound policies to meet these threats.

That is not to say that the arms control or nonproliferation alternative always should prevail, but it is extremely important for the President and the National Security Council to have that alternative in front of them as one possibility to consider.

So I would urge serious consideration by the Congress of the creation through legislation of some sort, of an independent agency that can help strengthen our security in a very difficult and dangerous age.

Chairman AKAKA. Thank you. Ambassador Wulf.

Mr. WULF. As my colleagues have mentioned, I also extend my thanks for this hearing on this extremely important topic obviously, Mr. Chairman.

A couple of comments on comments by others. Personalities clearly matter, but one should not put a system solely at risk because personalities change.

I think the way to look at the issue of what structure is required is not, "well, we get the right people in place and they will work with each other and things will work out just fine."

I think the better way to look at the issue is, assuming that you have the right people in place, that they are good and competent people, how can we design a structure to make them even more effective and hopefully perhaps a little less susceptible to changing political whims?

An example that builds on one Ambassador Graham cited, is the CTBT itself. Early on in the Clinton Administration when a lot of people were not yet in place in the various departments and agencies throughout the government, the question of what position should the United States take on a comprehensive test ban was hotly debated.

The State Department early on decided on a compromise position which I will characterize as a limited number of tests per year at a lower threshold than the existing threshold that was in place at that time.

ACDA took zero tests and zero yield as its preferred approach and it kept that option alive. It could not force the rest of the interagency to accept that, but it kept it alive until the Department of Energy had enough people in place and Secretary O'Leary got enough advice from enough different quarters that she came to the conclusion that was the best option, and it ultimately was the position adopted by the U.S. Government.

Had there not been an independent agency like ACDA, that option would no longer have been on the table by the time the Secretary of Energy and the Department of Energy was organized enough to promote that option.

I think there is something to be said for a small agile agency made up of, shall we say, similarly motivated people as opposed to a small part of a very large agency.

I think, for example, that when I was a Deputy Assistant Director in ACDA I spent perhaps 10 percent of my time keeping my senior management informed of what the bureau was doing. I contrast that to when I was a Deputy Assistant Secretary in the Department of State and I probably spent 40 percent of my time trying to keep my senior management informed of what my part of the bureau was doing instead of actually doing things.

It is simply, shall I say, the difference between 250 people and what is the Department now? Around 19,000. So there is something to be said for the culture that comes with a small dedicated agency with people similarly motivated.

There has also been a question about whether the substantive issues that will face the new Administration at the start are so big that we should not take time away from them to work on structure? You have to turn that question around. Can you do the substance if you do not have the structure?

I would argue that you can work on both. I would urge that whoever is the President-elect spends his time during the transition addressing the question of what kind of priorities he wishes to achieve during his presidency in the areas of arms control and nonproliferation? What structure do I need to achieve those priorities? And if he reaches a conclusion which I recommend, that is an independent agency, he begins drafting during the transition and begins working with the Congress to lay the groundwork for prompt action on that.

I believe the time period between the introduction of legislation to create ACDA back in 1961 and its enactment was something a little over 3 months. It can be done, Mr. Chairman, and I think you can address structure and address substantive issues.

So my top three recommendations, I only have two. Draft legislation now creating an independent agency and the mandate of that agency should be nonproliferation, counterproliferation, safeguarding of nuclear materials and arms control, and I am not putting arms control last because I think it is least important.

And I would say the second recommendation is an interim step until such an independent agency is established would be to recreate the Arms Control Bureau in the Department of State and remove from the nonproliferation bureau issues like missile defense and the Conference on Disarmament.

Thank you very much, Mr. Chairman.

Chairman AKAKA. Thank you very much, Ambassador Wulf. Mr. Semmel.

Mr. SEMMEL. Thank you, Mr. Chairman, and, I too congratulate you on this hearing. I think it is absolutely important and it certainly is timely.

Let me say, first of all, to echo some of the comments that my colleagues have made, that we are, I think, at a critical juncture

on this issue in terms of our national security, in terms of world affairs, and I think the new Administration, whoever it is, whoever comes into the White House and the State Department will be tested the very first day. I think the issues are boulders rolling down hill towards the next Administration. They are going to have to contend with them now or as soon as possible.

As I have mentioned in my longer statement, the tide is not moving—the trend lines are not moving in the right direction right now. I think it is going to be very difficult for the new Administrative as the problems begin to pile up.

I mean to suggest that there is state of urgency about this issue and about doing it right as we move into the next Administration. Having said that, I think it would be correct for me to say there have been some very constructive things done over the last few years. We ought not to forget those things.

Innovations have taken place across-the-board in dealing with the issue of nonproliferation and counterproliferation include the Proliferation Security Initiative and there has been some stock pile reductions. We have had a moratorium on testing since the early 1990s. We have not produced any fissile materials in a long time, etc., and there are a number of negatives that have been pointed out already.

I think the NPT is hanging on not by a thread but certainly the Nuclear Nonproliferation Treaty is being very stressed right now and will become even more so if we do not get the right answer to Iran and North Korea. If what comes out of those two processes in dealing with their nuclear programs are unsuccessful, I am not sure where we are going to stand with the Nuclear Nonproliferation Treaty.

The conference on disarmament in Geneva has been virtually at an impasse for at least 10 years, and not produced much that we can shout about, and enforcement of IAEA reports have been somewhat lacking at the moment. So there are some positives and negatives and we can actually expand upon those if we wanted to.

The three priorities, if you will, that come to mind for me is, first of all, per your question, we need to elevate the status and the role of this function within the State Department, within the U.S. Government. It has to be elevated because of the nature of the challenge, the nature of the threat that exists now and that is going to grow in the future. It is not going to dissipate in the immediate future.

Whether that involves the strengthening, or rather the creating of a semi-independent entity within the State Department, or an independent entity, or strengthening the role of the Under Secretary, any one of those, it seems to me, would move in the right direction but, as I say, I am somewhat agnostic about this.

I would say this, that if the new Administration has a set of ambitious nonpoliferation goals, whatever those goals may be, maybe a departure from where we are, or augmentation of where we are at right now, then it will not be able to accomplish those ambitious goals in the absence of some kind of restructuring and strengthening of this role within the State Department, or within the national security bureaucracy.

So the first thing is to strengthen and elevate the status and role of this function.

Second, I like to combine what is desirable and what is doable, and one of the things that I think can be doable over the long run is to increase the funding, programmatic funding, on this function. Programmatic, by that I mean, obtaining—and Congress can play a role in this obviously—funding in the areas of cooperative threat reduction, in the area of redirection of former weapons scientists, funding for the International Atomic Energy Agency, and export controls, and so on. That is a doable priority.

And so is, I think, augmenting the personnel, not only the numbers of people working in this function, but also the skills that they have, which are oftentimes technical skills. We need to recruit more physical scientists, natural scientists, and engineers into this area. And one of the ways we might do this is, as I suggest in my paper, is to revive something akin to what used to exist, namely, the Foreign Service Reserve Officer system where the Foreign Service Reserve Officer system was developed to find skills that could otherwise not be found within the State Department through its normal recruitment system.

The third area is, as I mentioned, and you and I have talked about, Mr. Chairman, to change the rewards structure in Foreign Service. That is to say, to make part of a Foreign Service career path the inclusion of service in a functional bureau, that all foreign officers at one point or another in their career should be required to serve in some functional bureaus. It does not have to necessarily be the ISN Bureau, to get that kind of experience that they would otherwise be lacking.

If you change that reward structure, you are going to get more interest and more ability to recruit and retain Foreign Service officers in this function. Thank you.

Chairman AKAKA. Well, I thank you so much. You have been very helpful to us. I thank all of you.

Mr. GRAHAM. Mr. Chairman.

Chairman AKAKA. Yes, Ambassador Graham.

Mr. GRAHAM. Mr. Chairman, I apologize for intervening here at the end, but I realize I forgot to give you my recommendations.

My recommendations, well, first let me say I do support the recommendations that Ambassador Wulf and Mr. Semmel have suggested. They all seem very sound to me.

The ones I would focus on myself is, first, draft legislation for an independent agency.

Second, I hope the Senate early next year will take a close look at those individuals who are going to be selected to have responsibilities in the arms control and nonproliferation area and question them to get a sense as to whether they are interested and support these policies at least in general terms.

Third, it seems to me that substantively next year the overridingly most important arms control-nonproliferation issue will be ratification of the comprehensive test ban treaty as has been urged by Messrs. Shultz, Nunn, Kissinger, and Perry. And along with that, it is important for the Congress to keep up the funding, as Mr. Semmel has suggested, for the comprehensive test

ban treaty office in Vienna that operates the worldwide verification system and the International Atomic Energy Agency. Thank you.

Chairman AKAKA. Thank you very much, Mr. Ambassador.

I want to say that your recommendations highlighted many fundamental improvements that can be implemented now and also when the next Administration comes, and we are working on that.

This Subcommittee will continue to focus on reforms to critical aspects of our national security. Over the next few months we will continue to examine the arms control and nonproliferation bureaucracy. We will also look into ways to improve our foreign assistance and public diplomacy bureaucracies and processes.

These are our plans and I was glad, ambassador, in your remarks that you mentioned that our country should have allies as well as international treaties in our relationships.

All of this will be helpful to us, and so again, thank you so much for your comments and your testimonies.

The hearing record will be open for one week for additional statements or questions other Members may have.

This hearing is adjourned.

[Whereupon, at 3:52 p.m., the Subcommittee was adjourned.]

NATIONAL SECURITY BUREAUCRACY FOR ARMS CONTROL, COUNTERPROLIFERATION, AND NONPROLIFERATION: THE ROLE OF THE DEPARTMENT OF STATE—PART II

FRIDAY, JUNE 6, 2008

U.S. SENATE,
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT
MANAGEMENT, THE FEDERAL WORKFORCE,
AND THE DISTRICT OF COLUMBIA,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:06 p.m., in Room SD–342, Dirksen Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Subcommittee, presiding.

Present: Senator Akaka.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. I call this hearing of the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia to order. I want to welcome our witnesses today, and I want to thank you so much for being here.

This is the third in a series of hearings that I am holding to explore the effectiveness and efficiency of government management in various aspects of national security. The first hearing considered proposed reforms to the U.S. export control system. During the second hearing, former Administration officials discussed the management of the arms control, counterproliferation, and nonproliferation bureaucracy at the Department of State, commonly known as the "T Bureau." Today's hearing will allow us to hear from current State Department senior leaders about these same issues within the T Bureau and give them the opportunity to respond to the testimony of our previous witnesses. As I mentioned to the witnesses at our last hearing, Senator Voinovich and I recently requested the Government Accountability Office to examine the effect of organizational changes on the State Department, specifically on its capabilities and resources.

The major powers of the world signed the Nuclear Nonproliferation Treaty in 1968. Since then, four other countries have developed nuclear weapons through their efforts outside of the NPT. And now we confront the desire of terrorists to obtain similar weapons. The nuclear genie has emerged from the bottle. We must re-cork it before international security is further threatened.

Leading Presidential candidates have spoken forcefully about containing the proliferation of nuclear weapons. Senator McCain recently declared that his highest priority, if elected, is to reduce the danger that nuclear weapons will ever be used while strengthening all aspects of the nonproliferation regime. Senator Obama is also dedicated to bolstering the NPT and securing loose nuclear materials. Both candidates have committed themselves to fighting proliferation. However, both candidates know that policy statements are not enough. Statements need to be matched by action.

The right policies are critical, but equally important are effective and efficient institutions to support policy implementation. My goal in this hearing, along with examining possibly damaging personnel practices that occurred during the T Bureau's reorganization during 2005, is to identify possible recommendations for improving the arms control, counterproliferation, and nonproliferation bureaucracy.

As you can see in the three charts that I have on my right,[1] the Department of State leads U.S. arms control, counterproliferation, and nonproliferation efforts. The Under Secretary for Arms Control and International Security leads the bureaus of International Security and Nonproliferation, Political-Military Affairs, and Verification, Compliance, and Implementation.

This bureaucracy has changed in two significant ways from 1999 until today. First, ACDA, which was an independent agency that led the national arms control and nonproliferation effort, was merged into the State Department bureaucracy where its multilateral and long-term focus has largely taken a back seat to the prevailing regional and bilateral interests of the Department.

These charts demonstrate clearly the second significant change to this bureaucracy. In 2005, the bureaus singularly focused on arms control and nonproliferation were eliminated and merged into the International Security and Nonproliferation Bureau. I am concerned that this merger further weakened the State Department's ability to implement effective arms control and nonproliferation policy. I believe that steps must be taken quickly to repair damage that has been done.

The number of controversial issues from the 2005 reorganization include: The absence of human resources and Civil Service personnel from the Senior Management Panel, which had the responsibility of crafting the reorganization and reporting its recommendations to the Under Secretary; the significant reduction in the number of full-time equivalent personnel despite the creation of two new offices within the International Security and Nonproliferation Bureau; the loss of an independent arms control bureau, which may have convinced other nations that America was not committed to reducing weapons of mass destruction; an inadequate process for selecting strong leaders with distinguished backgrounds for the bureaus; and concern that morale problems have discouraged well-qualified and experienced career employees in the T Bureau from remaining in the Department.

In addition to gaining a better understanding of the impact of the reorganization on the T Bureau, I also want to explore possible

[1] The charts submitted by Senator Akaka appears in the Appendix on page 105.

reforms, including: Reestablishing an independent arms control and nonproliferation agency that is modeled on ACDA; creating a semi-autonomous arms control and nonproliferation agency within the State Department; reestablishing an arms control bureau alongside nonproliferation and verification and compliance bureaus within the T Bureau; elevating the role of the head of the arms control, counterproliferation, and nonproliferation bureaucracy to have an unobstructed and clearly defined role in national security decisions; and, following in the footsteps of former Secretary of State Colin Powell, finding ways to address the diplomatic and human capital readiness challenges confronting the T Bureau so that there are enough qualified arms control, counterproliferation, and nonproliferation professionals to carry out national policies and our international obligations.

We need to work together to prevent terrorists and rogue nations from obtaining a nuclear weapon. This hearing, taken with the last hearing on this subject, is particularly important since it will help clarify the challenges ahead and provide possible solutions.

Again, I want to welcome our witnesses to this Subcommittee today: Patricia McNerney, Principal Deputy Assistant Secretary for the Bureau of International Security and Nonproliferation, Department of State, and Linda Taglialatela, who is Deputy Assistant Secretary for the Bureau of Human Resources, Department of State.

It is the custom of the Subcommittee to swear in all witnesses, and I would ask both of you to stand and raise your right hand. Do you solemnly swear that the testimony you are about to give this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Ms. MCNERNEY. I do.

Ms. TAGLIALATELA. I do.

Senator AKAKA. Thank you very much. Let it be noted for the record that the witnesses answered in the affirmative.

Before we start, I want you to know that your full written statement will be part of the record. Also, I would like to ask you to keep your remarks as brief as you can.

And with that, Ms. McNerney, please proceed with your statement.

TESTIMONY OF PATRICIA A. MCNERNEY,[1] PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL SECURITY AND NONPROLIFERATION, U.S. DEPARTMENT OF STATE, ACCOMPANIED BY LINDA S. TAGLIALATELA, DEPUTY ASSISTANT SECRETARY, BUREAU OF HUMAN RESOURCES, U.S. DEPARTMENT OF STATE

Ms. MCNERNEY. Thank you, Senator. Mr. Chairman, I also just wanted to note, I am serving as the Principal Deputy Assistant Secretary for the International Security and Nonproliferation Bureau, not the Human Resources Bureau. In that capacity, I am currently the acting head of that bureau, for the record.

Senator AKAKA. Thank you for that.

[1] The prepared statement of Ms. McNerney appears in the Appendix on page 92.

Ms. McNerney. Mr. Chairman, thank you for this opportunity to discuss the State Department's role in protecting U.S. national security and ensuring that we are responding appropriately and robustly to today's nonproliferation and international security challenges.

When Secretary Rice began her tenure, she called upon the Department of State to transform the way we think about diplomacy and to consider how we might best use our diplomatic tools to meet today's threats and prevent tomorrow's problems. Thanks to that vision of Secretary Rice, we reshaped the structure of the so-called T Bureaus, moving away from a system designed to address the challenges presented by the Cold War toward a structure more capable of countering today's nonproliferation and international security challenges. By creating a robust Bureau of International Security and Nonproliferation, strengthening the Bureau of Political-Military Affairs, and expanding the Bureau of Verification and Compliance's mandate to include treaty implementation, Secretary Rice not only effectively enabled the Department to better respond to the challenges of the post-September 11, 2001 world, but strengthened our commitment and our ability to support the nonproliferation and arms control regimes already in place.

With the merger of the Arms Control and Nonproliferation Bureaus to form the Bureau of International Security and Nonproliferation, the redundancies lingering from the 1999 merger of the Arms Control and Disarmament Agency into the Department were removed.

As a bureau that covers both traditional and non-traditional security threats, I believe we have thoroughly and effectively enabled each of our 13 offices to examine and monitor the multifaceted elements of nonproliferation and arms control. Our offices not only focus on conventional, nuclear, missile, chemical, and biological threat reduction; WMD terrorism; but also on the nexus between WMD and terrorism, and on complex regional affairs and their effect on nonproliferation and international security. By placing a greater focus on counterproliferation and global cooperative threat reduction in addition to multilateral and bilateral engagement, we have enhanced our national ability to engage on the full range of nonproliferation issues.

I am proud of the work that the ISN Bureau and its highly skilled Civil Service and Foreign Service officers have done in leading the U.S. Government's nonproliferation and security efforts. We continue to attract and retain exceptionally qualified and motivated individuals, with many young and talented officers who are our best investment in future capability to address these security threats.

With more than 180 civil servants, as well as Foreign Service officers, we feel confident that the quality of work produced by our bureau reflects positively on the caliber of its employees and the quality of our work environment. All of the T Bureau employees have been strongly encouraged to take training courses at the Foreign Service Institute and other outlets to continue to enhance their skills and expertise, and to work with their leadership to develop a long-term career plan to include training opportunities.

Additionally, we have implemented a new T Family Award for Excellence in International Security Affairs in order to recognize the outstanding Foreign and Civil Service employees in the Arms Control and International Security field, and to further motivate our employees to strive for excellence.

As Senator Lugar noted when he participated in the announcement of the reorganization by Secretary Rice in 2005, the changes made by the Secretary to enhance our counterproliferation, counterterrorism, and threat reduction efforts "are important reforms that will both streamline governmental action and provide greater safety for all Americans." We have worked hard to achieve success internationally as well as domestically, through implementing the Secretary's and the President's vision in creating a workforce prepared to meet these challenges of the 21st Century.

I look forward to any questions you have for me, as well as my colleague from the Human Resources Bureau, and we appreciate your time. I have a longer statement that I would ask be submitted for the record. Thank you, Mr. Chairman.

Senator AKAKA. It will be included in the record.

Well, thank you very much. I would like to direct my first question to Ms. Taglialatela.

Ms. Taglialatela, in previous testimony, we heard that there has been a significant loss of civil servants from the State Department in recent years. A Nonproliferation Bureau career officer who retired a few weeks after the reorganization in the year 2005 mentioned in an article in *Arms Control Today* that the reorganization of the bureaus in 2005 led many experienced career officers to leave the new International Security and Nonproliferation Bureau.

How much attrition has the ISN Bureau experienced since the implementation of the reorganization of 2005?

Ms. TAGLIALATELA. Thank you for that question, Mr. Chairman. I would like to say that during the reorganization, while the final decisions on specific person placements were made by the individuals who were the managers of the bureau, the Bureau of Human Resources and a representative from the Office of the Legal Adviser at the State Department, and I can assure you that there were no violations of Merit System principles and there were no violations of any law or regulation.

At the same time, when we worked and developed the crosswalk between the two bureaus, we put the two bureaus together, and we ensured that everyone had a position to go to, that no one was displaced, that no one lost grade and no one lost salary. Some people, because of the positions that they were moved into, may have felt that there were opportunities elsewhere or it was time for them to leave.

This is the sort of phenomenon that happens any time there is management and organizational change. You will find people who are uncomfortable with the way things are, and they choose to leave. There was a number of—not a large number, but there was a number of employees who chose to either find other work and/or retire. I do not believe that in the more recent years since then, the initial merger, that we have had any large increases or continued large amounts of attrition in the bureau. It has pretty much stabilized.

As you may be aware, the State Department has one of the lowest attritions in the Federal Government. We run below the average on our Civil Service. Our attrition overall is about 8 percent a year, whereas the Federal Government is about 12 percent on Civil Service. And basically, the bureaus have fit into that average and maintained similar comparable attrition numbers to the State Department on the whole.

Senator AKAKA. How does this compare to the typical attrition from the Arms Control and Nonproliferation Bureaus from 1999 to 2005?

Ms. TAGLIALATELA. I do not have specific numbers on what the attrition was from 1999. Basically, again, when the merger took place and we also merged individuals from the U.S. Information Agency, everyone from both of those agencies were, again, guaranteed a crosswalk position at grade without loss of salary into the new, redesigned organization. Again, if people chose to leave, it was because they did not want to become part of the State Department proper or they had other opportunities elsewhere.

Ms. MCNERNEY. Mr. Chairman, I might just add on that point that if you look at a snapshot of vacant positions in August 2005, just prior to the reorganization, between the Nonproliferation Bureau and the Arms Control Bureau, that rate was about 12 percent. If you look at what we have now in 2008, that rate is about 8 percent. So we are actually doing better as a bureau under the new construct than we were with the two bureaus.

Senator AKAKA. Ms. Taglialatela, in previous testimony, we heard that the number of full-time equivalent employees, FTEs, was reduced by the merger of the Arms Control and Nonproliferation Bureaus. Were any FTE positions eliminated? If so, why were they eliminated?

Ms. TAGLIALATELA. Thank you for the opportunity to explain, Mr. Chairman. There were no positions eliminated or taken away from the T area when the merger took place, the merger of the Arms Control Bureau and the Nonproliferation Bureau. What happened was in the decisions that went forward in a reprogramming letter, there were decisions to rearrange the functions within the whole T area. Some positions went to the Bureau of Political-Military Affairs. Some positions shifted to the Verification, Compliance, and Implementation Bureau. So there was not a loss of total FTE. What happened was it was a shift. And the total number of FTE left in the new bureau was probably less than what was in the Bureau of Arms Control and the Bureau of Nonproliferation only because some of those functions were shifted to other areas.

Senator AKAKA. Did you have an overall strategic plan, including the human capital aspects, for the reorganization? And if you did, what was that plan?

Ms. TAGLIALATELA. From the standpoint of the Bureau of Human Resources and the management area in the State Department, we were involved in reviewing the organizational structure that was proposed and sent forward in the congressional notification. We were involved in making sure that all of the offices had work statements determining what functions would be performed by the newly formed offices because there was a realignment of functions in the new organization. And we looked at the number of positions

to ensure that there was a crosswalk of if there were X number of positions in the two bureaus, that many positions plus the ones that went to either the Bureau of Political-Military Affairs and the Verification, Compliance, and Implementation Bureau both got—that all of the people in positions were accounted for.

From a standpoint of strategic planning, we looked at the resources and made sure that the skill sets were transferable between the two bureaus. But as far as actually assigning people and/or looking for any staffing gaps, we did not do that at the time.

Senator AKAKA. Ms. McNerney, in the previous hearing on this matter, I was disturbed by a witness who stated that the office responsible for nonproliferation had to rely on temporary help—interns, short-term scholars, and retirees. For me, this was shocking.

How much temporary help is currently assisting the ISN Bureau?

Ms. MCNERNEY. Well, Mr. Chairman, we maintain, obviously, a high level of full-time employees that do our day-to-day work, but we actually think we benefit by a number of consultants that are—for example, recently retired Ambassador Don Mahley, who brings a wealth of years of experience in arms control, we have retained that ability. We have tapped him to continue to negotiate some specific arms control kinds of agreements. Again, we rely on what we call AAAS fellows. These are scientific experts that come into the Department for a year or two. Our bureaus actually are one of the key areas to attract these kinds of fellows that we think augment our capabilities and our scientific reach-back. Often they come from the labs and places like that, and we have got about 20 percent of all the Department's AAAS fellows.

Additionally, sometimes young students come in on an internship, and this is a good way to get to see some of these students as they are coming out of school. Oftentimes, they will apply later for full-time positions, and having worked in the bureau, we know whether they are talented, what their expertise is. And so, again, this is a program that I actually think is very helpful and useful to us. But certainly the real day-to-day work, the long hours, the hard work that gets done by our staff, it is done by our full-time workforce. And that is what we rely on for the bulk of our work.

Senator AKAKA. Ms. McNerney, a previous witness testified that one of the goals for the 2005 merger of the Nonproliferation and Arms Control Bureaus was to achieve greater efficiencies and to reduce costs through streamlining and consolidation. Have you or the Department examined the effects of the 2005 merger to determine if it generated any cost savings?

Ms. MCNERNEY. I am not sure about cost savings, but if I would look at it more from the policy standpoint of how we are accomplishing our core objectives, one thing, we review regularly where our key priorities are. For example, at the time of the reorganization, there were only just over two full-time equivalent staff in our Regional Affairs Bureau working on Iran. Obviously, Iran is a key challenge of the day, and so we have moved a number of our FTEs from other offices to that office to greatly augment our team that deals with the Middle East and Iran.

Similarly, our counterproliferation initiatives that does a lot of the work to interdict shipments of concern, look at financial meas-

ures that we do to support our Iran policy and our North Korea policy, we thought that we needed to have additional individuals working on those key core issues. And so, again, we shifted some from other offices into that office in order to focus on those areas. And just recently, we followed up with some of our WMD terrorism personnel that were still straddling two bureaus to move them into our WMD T Bureau to really focus the leadership and attention in one group. So that is the kind of thing we are doing on a regular basis to make sure that our people are meeting the key challenges of the day.

The actual costs, what has really been the case across the Department and across government, is we are all having to readjust our costs and our figures, the appropriations that we get. We have been working under CRs a couple years in a row, and so travel monies are tighter. Our program monies are tighter. And so I personally have really focused in on reducing any kinds of contract employees that really do cost a lot more than your standard government employee and trying to eliminate those kinds of costs so we can focus them on the core mission, which is to address threats like Iran, like North Korea, like terrorist access to nuclear weapons and nuclear materials.

Obviously, we have got a responsibility to meet those core challenges, and so under tight budgets and constraints that we all face across the Department, I think it is incumbent on the leadership of our bureau to look at those costs in that context and try to move and shift resources.

Senator AKAKA. Ms. McNerney, you mentioned in your testimony that the new T Bureau structure is more capable of countering nonproliferation and international security challenges. Can you explain this in more detail?

Ms. MCNERNEY. Yes, sir. Before this reorganization, we did not have an office that was devoted to counterproliferation initiatives. This has been a really key area for us in the last several years as we address North Korea and Iran. We now have an office that looks at interdictions on a regular basis, that looks at our financial measures against banks that might be supporting proliferation activities, companies, front companies that might be part of larger networks to try to avoid some of our other programs designed to impede proliferation activities. It is an office that focuses on the new resolution, Security Council Resolution 1540, which was adopted in 2004, looking at a broad-based increase in every State's export control authorities, laws, implementation. So that is one area where we certainly have retooled and refocused ourselves, and that office did not exist before this merger.

A second office that did not exist before this merger dealt with WMD terrorism. There is, obviously, in government a large WMD community, a large terrorism community, but often there is that seam in between where you are not really bringing the two communities together and focusing on that nexus between WMD and terrorism. And so we created an office as a result of—the Secretary created this office as a result of the merger to better focus and drill down on this particular threat. And through that, we have evolved what is called the Global Initiative to Combat Nuclear Terrorism and really reached out across the world to develop capabilities in

other governments. Currently, there are more than 70 governments now participating in that initiative, and that is a partnership globally that did not exist 2 years ago. And so that is the kind of thing that the bureau really has focused on.

Additionally, we have sort of retooled some of our offices to focus on the problems of nuclear energy today, for example. There is a growth of nuclear energy, but obviously with that responsibility comes to reduce the proliferation risks of civil nuclear energy. And so even as we are looking to work with countries to have that capability, which is one of the promises of the Nonproliferation Treaty, we are trying to do it in a way that ensures that things like enrichment and reprocessing, which have a much greater capability to be misused or diverted for proliferation activities, we're trying to eliminate those kinds of aspects of the nuclear program through things like an assured fuel supply with the IAEA and other initiatives of that sort.

So, I think if you really look at sort of what we are doing as a bureau, how we are integrated better with the Department, one of the key things is our team really has been part of Nick Burns' team and now Bill Burns running Iran policy. We have integrated very closely with that process because we are in the State Department. We are not fighting each other. Obviously, people have disputes over policy all the time, but they get worked out. But we are supporting that process in a direct way. Obviously, when the Secretary has an issue related to proliferation, she has us to call upon, and we are obviously working her broader agenda and the President's broader agenda. When she has meetings with the President on our issues, she brings the Under Secretary, John Rood, to those meetings and obviously relies on him, and he obviously relies on us for all of that work and expertise.

So, it takes time because the ACDA merger brought us into the Department, but kind of just plopped it in the middle. Then I think this second reorganization really integrated us further into the work and the challenges we are facing today. And, it takes time, but we are really working, I think, as a team throughout the Department.

For example, if you look again at the North Korea issue, Assistant Secretary Chris Hill relies on us to support all of the settlement actions. We have a nonproliferation disarmament fund, and we are funding all the actions to eliminate components from the reactor at Yongbyon, and that has been something that our bureau has really led the charge on.

So I think there are always going to be personnel departures. Unfortunately, when we were being stood up through this reorganization, the government was also standing up the new DNI with a lot of new jobs that had better resources attached to some of those jobs, and they were able to steal a few of our people. But some of them went over and they realized they did not like it as much, they wanted to be back at the Department and working on these vital issues, we think, for national security.

Senator AKAKA. Ms. McNerney, when the Arms Control Bureau was abolished in 2005, some of the functions and staff were transferred to the International Security and Nonproliferation Bureau.

In previous testimony, it was argued that this action made it much more difficult to achieve priority U.S. nonproliferation objectives.

The Office of Inspector General's reports from December 2004 noted that the State Department's Nonproliferation Bureau was already burdened with a wide range of issues. When you add to this list responsibility for topics such as missile defense, the chemical and biological weapons conventions, and the Fissile Material Cut-Off Treaty, one result, a previous witness argued, is an Assistant Secretary who is spread too thin to provide the senior policy leadership necessary in this critical area of national security.

What would your response be to this assertion?

Ms. MCNERNEY. Well, I guess what I would argue is that, in fact, by merging these two, we have—and some of the responsibility of the Arms Control Bureau went to another bureau, so these were divided.

Another aspect of that merger was there was a new Deputy Assistant Secretary position created, so it actually gave greater day-to-day front office management over a number of these issues by having an additional Deputy Assistant Secretary focused on the issues.

The other part is, again, we did not just give all that responsibility in sort of one chain. For example, the Fissile Material Cut-Off Treaty became a core responsibility of the Deputy Assistant Secretary who is responsible for nuclear affairs. And so they are really integrating that into our larger agenda on a number of these nuclear affairs, the NPT Treaty, etc.

You look at the Chemical Weapons Convention, again, integrating that into our broader chemical, biological office that has the range of issues.

Then on the missile defense—the Missile and Space Policy Office, that office was originally put in the Verification, Compliance, and Implementation Bureau, and it was soon realized that it just didn't fit well there, that it fit more broadly into our larger nonproliferation agenda, and so that office, with the full complement of personnel, was later then moved to the International Security and Nonproliferation Bureau in order to accomplish that mission as well.

So we think we have got a pretty good—people are working hard, obviously, and lots of long days, but I think we have got a pretty good mix and balance in our issue area.

Senator AKAKA. Ms. Taglialatela, in our previous hearing testimony, it was stated that the Senior Management Panel, the panel tasked with crafting the recommendations for the reorganization, operated in near secrecy without the direct benefit of the Department's human resources expertise. Why was the Under Secretary for Management not put in charge of implementing this reorganization?

Ms. TAGLIALATELA. Mr. Chairman, I apologize, but I do not know why senior management made the decision. Generally at the Department, when a reorganization or merger has been approved through congressional notification, the actual implementation is left up to the individual bureaus. In the case of the merger, the then-Under Secretary for Arms Control and International Security formed a Senior Management Panel made up of Deputy Assistant

Secretaries from each of the three bureaus—being Arms Control, Nonproliferation, and Verification, Compliance, and Implementation—to sit down and work through the actual reassignment of individuals. Also included was the executive assistant to the Under Secretary.

At that time initially, they started to meet to work through the concept, sort of the idea of where people would go. Some of the employees expressed concern both to the employees' union, being the American Foreign Service Association and the American Federation of Government Employees, as well as some of the employees expressed their concerns within the T hierarchy, and they asked that a member from the Bureau of Human Resources and a member from their Executive Director Office sit in on the meetings.

When they had their initial preliminary planning meetings and started talking about actually moving people, I personally sat in on a number of those meetings. We did begin halfway through the process to have meetings with the employees. I will tell you that had I been left in charge, I probably would have done it differently and engaged the employees much sooner. But when they had finalized their organizational structures and started to identify people, they did meet with employees. They did offer them an opportunity to express where they might like to go, which of the offices they would be most interested in. Some of them had obviously specific places that they were well suited for, which was basically where they were in the old two bureaus. They moved into similar positions under the new bureau, and they moved forward.

I think in hindsight, the process could have been a little more transparent. It could have been a little more informative throughout the process. This is not the first merger or reorganization I have been through in the Department. I think that every one of them has had its share of problems because I think employees, when you start talking about their occupations and their careers, everyone gets very nervous, very excited about what is going to happen to them specifically, as well as what is going to happen to their office, their organization, and their colleagues. We probably should have done things a little bit differently. But in the end, employees were kept aware of what was happening and were allowed to express their interests in what they would like to do.

Senator AKAKA. Ms. Taglialatela, I have a series of questions I would like you to answer about personnel management, and you can even answer yes or no, if you wish. And here are the questions.

Is it normal procedure there for career staff to be removed from management positions and be replaced by someone with less rank and experience?

Ms. TAGLIALATELA. It is not normal to do that, sir. What happens in a merger when two organizations that are performing similar functions or you are going to merge two similar offices together, you always start out with two office directors, possibly two deputy office directors, several branch chiefs. And when you merge the offices together, you have to figure out first what is the best appropriate organizational structure. Then what you have to do—and that is where the Bureau of Human Resources participates, is in the design of those organizational structures. Then it is up to the managers who are well aware of the capabilities of the individuals,

their contributions, what abilities and skills they have as managers, as well as their expertise in the area, and figure out how best to place people within the organizational structure that has been approved.

Senator AKAKA. Is it common to name detailees from other agencies in positions such as acting office directors?

Ms. TAGLIALATELA. It is not prohibited; it is something that is not encouraged. Obviously, we look to put individual employees from within the Department in those key jobs as a way of giving them opportunities to expand their career, to enhance their abilities to perform and to retain the talent and expertise within the Department.

Senator AKAKA. Is it normal to have employees indicate job preferences without position or office descriptions being provided?

Ms. TAGLIALATELA. Yes and no. I think when you look at organizational—when you are taking two functions and putting them together, one of the first things that they did in the T reorganization is look at their office structures and determine how many people were needed—sort of guesstimate how many people would be needed in each of the offices to perform the functions. Based on that, there were generic descriptions of what each of these offices would do, the kinds of functions they would perform, the areas of responsibility they would have. And they asked people to identify where they might like to work based on that, with the understanding that no one was going to lose grade. Obviously, some people would be moved at grade, but if they departed, their jobs would be reclassified and reassessed to fit better into the organization.

I think some people were a bit concerned because, yes, if you do that, then you are never sure what the grade of the job is you are going into. But everyone was guaranteed up front that no one would lose grade. So that there shouldn't have been concern about where they fit into the organization and what their role would be.

Senator AKAKA. Is downgrading SES level office director positions to the GS–15 level a normal practice at the State Department?

Ms. TAGLIALATELA. I would not say that it was normal. It is a practice that goes on because when you redefine the work being performed, sometimes the grade of the job goes down; sometimes the grade of the job goes up.

Senator AKAKA. Is it normal for the State Department, specifically the T Bureau, to not notify employees of promotion opportunities for which they may be well qualified?

Ms. TAGLIALATELA. When there are promotion opportunities anywhere in the State Department, they are to be advertised in the appropriate forum through Merit Promotion Vacancy Announcements and individuals are allowed to apply and considered fairly and equitably for those positions.

Ms. MCNERNEY. Mr. Chairman, I might add as well, something we have done to try to encourage even better transparency is not only expect officers to look at the normal Federal sites for notification of positions, but also to e-mail to each and every officer any opening and vacancy so that they are aware of that and have the opportunity to compete for such a position.

Senator AKAKA. Ms. Taglialatela, I understand that the State Department's Office of Inspector General reports released in December 2004 concluded that the Nonproliferation Bureau was overworked, the Arms Control Bureau was underworked, and that another bureau—the Verification and Compliance Bureau—should be downsized and its responsibilities severely reduced. However, the newly merged International Security and Nonproliferation Bureau was reduced in staff size, according to a previous witness, far below the total size of the combined number before the merger, while the newly named Verification, Compliance, and Implementation Bureau grew in size and responsibilities.

Can you explain to me this apparent departure from the findings and conclusions of the OIG?

Ms. TAGLIALATELA. We monitor the compliance responses to the OIG. We are not responsible for ensuring that they are implemented. Any time the Inspector General's office does an inspection of an organization and they have a list of recommendations, it is incumbent upon the appropriate bureaus to provide response.

In the case of the reorganization, I can only assume that ISN provided responses—ISN, VCI, and the Under Secretary for Arms Control and International Security—to the Inspector General which defined how they were going to allocate their resources and why—if, in fact, the recommendations were to reduce the Verification, Compliance, and Implementation Bureau, why, in fact, it grew.

Ms. MCNERNEY. Yes, just on that point, obviously this was a decision by then-Under Secretary Bob Joseph and Secretary Rice. But my understanding is they looked at the recommendations from the OIG and felt that a way to address the core concerns laid out by the OIG was to take some of the responsibility of the Arms Control Bureau and add them to the Verification and Compliance Bureau. And so it is that shifting of responsibility which meant some shifting of personnel. But there certainly was no overall reduction in people, and if you look at the two—if you look at the International Security and Nonproliferation Bureau, it is obviously much larger than the original NP Bureau or the original AC Bureau. But the additional people that would have been in one of those bureaus, basically the Arms Control, were shifted to the Verification and Compliance Bureau. And so they had more responsibility and, therefore, more personnel were put towards that new responsibility.

There was just a very small shift of four personnel to the Political-Military Affairs Bureau, so that was quite minor.

So, overall, the International Security and Nonproliferation Bureau certainly grew as a single bureau, but then overall, the numbers pre-reorg and post-reorg within the T Bureaus stayed static.

Ms. TAGLIALATELA. May I add a comment, please?

Senator AKAKA. Yes.

Ms. TAGLIALATELA. I think one of the things—and I am not sure what specifically your witness was alluding to, but one of the things that I would like to make clear is that from 2004 to the present time, the State Department has not received any additional resources. A lot of our resources have gone to staffing our embassy in Iraq, our embassy in Kabul, expanding our presence in Pakistan. And because of that, we have taxed the bureaus for reductions to

gather up new positions that can be reprogrammed to these priorities.

So since 2004—or 2005, the bureaus domestically have all lost resources because of reprogramming to these priorities. So over time, I believe ISN has lost resources that were not necessarily attributed to the fact that we did not believe they needed them, but because the Secretary declared we had a priority that we needed to staff to 100 percent, and we moved resources to that priority.

Ms. MCNERNEY. But just to follow up on that, we all across the Department, all bureaus were required to give the Under Secretary for Management sort of a snapshot of where we could impose cuts. And it was our view that given that we had just gone through this exercise, we really were pretty close to the bone in terms of our staffing. And he agreed with that, Pat Kennedy, the Under Secretary for Management. So we were as a bureau certainly less impacted than others around the Department, including many of the regional bureaus.

Senator AKAKA. Ms. Taglialatela, I heard in previous testimony that three of the four International Security and Nonproliferation Bureau leaders, as well as the Special Assistant, were chosen from the Arms Control Bureau by Bob Joseph, who was then the Under Secretary for Arms Control and International Security. This appears to go against the Office of Inspector General's December 2004 findings.

Why would the Under Secretary choose to eliminate leaders from the Arms Control Bureau, which has, in the words of the OIG, faced—and I am quoting—"palpable morale problems"?

Ms. TAGLIALATELA. My understanding is that at the time, if I remember correctly, Mr. Semmel, who came from the Nonproliferation Bureau, Mr. Mahley, and Mr. Record, both who came from the Arms Control Bureau, were made the Deputy Assistant Secretaries. They had all previously been Deputy Assistant Secretaries, and they continued to serve as Deputy Assistant Secretaries. Only at the time of their departures were adjustments made to the staffing of the Deputy Assistant Secretary positions.

Senator AKAKA. I understand that the Under Secretary for Management, Henrietta Fore, met in December 2005 with at least 11 individuals who had expressed concerns about the implementation of the T Bureau reorganization. Their concerns included the complete absence of career civil servants advising the panel charged with reorganization and a lack of transparency in the selection process for acting office directors.

Was any action taken to address their concerns?

Ms. TAGLIALATELA. Yes, Mr. Chairman. Based on that meeting, along with issues raised by the two employee unions, the Under Secretary, Henrietta Fore, had a conversation with then Under Secretary Joseph, and the two of them decided that it would be appropriate for a person from the Bureau of Human Resources to sit on the Senior Panel. I was asked to join the Senior Panel. I participated in many of their meetings. We talked about the assignment of employees. I focused primarily on the grades and previous jobs of the employees and where they were being crosswalked to. When it came down, again, to two individuals who had similar backgrounds and were serving in similar positions and one of them was

being reprogrammed because we did not need two, such as deputy directors or branch chiefs or division chiefs, they were the ones who made the final decisions because they knew the individuals and their specific strengths, weaknesses, their specific expertise, and they made the final decisions. I ensured that everybody was being looked at in a fair, honest way. When there were promotion opportunities, they were advertised. People were given the opportunity to compete.

So I believe that, in essence, the process was fair, and the Under Secretary for Management was very concerned and made sure that there was fair representation for the employees. She also attended a townhall meeting with them, at which Under Secretary Joseph was present, and from that time forward, we had periodic townhall meetings with all of the employees to answer their questions.

Senator AKAKA. Mr. Warren Strobel, formerly of the Knight-Ridder news service, wrote an article in which he mentioned that a half-dozen State Department employees who were very concerned about the loss of knowledgeable experts in the newly merged bureaus would only speak on condition of maintaining their anonymity because they feared retaliation.

From your perspective, do you think these employees had any reason to fear retaliation?

Ms. TAGLIALATELA. From my perspective, no, sir.

Senator AKAKA. Mr. Strobel from that news service identified Thomas Lehrman, who headed the new Office of Weapons of Mass Destruction Terrorism, as advertising for government positions, citing political loyalty to President Bush and Secretary of State Rice as a qualification. I am very troubled by this report because it clearly violates the Merit System principles. Is this story true? If so, what specific actions were taken to correct Mr. Lehrman's actions?

Ms. TAGLIALATELA. Mr. Chairman, I am sorry to say that is a true story. The individual did send out such an e-mail to a number of colleagues and associates asking if they were interested in positions. When we found out about it, we asked him and made sure that he responded and sent out a follow-up e-mail basically taking down the offer for employment. We explained to him very clearly that there is an appropriate process by which we advertise jobs at the State Department. And we told them if they wanted to go ahead and advertise jobs, that we would work with them to do so.

Senator AKAKA. Was any Department or bureau-wide training conducted to prevent this from happening again in the future?

Ms. TAGLIALATELA. No, sir. We talked specifically to the Executive Office, who is responsible for posting or advertising their vacancies. The people who were responsible for filling positions in the bureau were not aware of what this gentleman did until we saw the e-mail that went out. It was an informal job advertisement as opposed to an official advertisement from the Department. But you would have to ask someone in the bureau if senior management talked to all of their managers about this issue.

Ms. MCNERNEY. I can discuss what we do now. That obviously was an appalling action on the part of that particular officer, and he came to realize that he had obviously acted outside of his responsibility.

When we look at employment now, I make sure that any time there is a vacancy that the office director begins to talk to their Deputy Assistant Secretary, about what are the needs, what are the gaps, what kinds of employees do we want; and then we work closely with our Executive Office within the bureau to create the position description; and then we move to do that through the normal advertisement channels. So there has been reoccurrence of such an activity, and I think all of our office directors are working very closely with their Deputy Assistant Secretaries as well as the front office management to be sure that we are doing this by the book. And I certainly would not tolerate such behavior.

Senator AKAKA. Well, Ms. McNerney and Ms. Taglialatela, recently I held a hearing on the Federal hiring and recruitment process. One of our witnesses was a chief human capital officer from the Nuclear Regulatory Commission. While NRC has some unique hiring flexibilities, they have a robust and effective recruitment process that could be applied to any Federal agency. For instance, NRC has partnered with the University of Puerto Rico to hire and further train engineering students. Additionally, all the managers at NRC also serve as recruiters at conferences and meetings, and I was glad to hear you mention in your statement that you have interns that come in. These are ways of dealing with the problems we have with personnel hiring.

What similar recruitment efforts could be done at the State Department to improve the staffing needs in the scientific fields?

Ms. TAGLIALATELA. Mr. Chairman, we have a very robust recruiting program. The State Department is very concerned about the baby-boomer retirement tsunami that is beginning now. We assume we are going to lose a lot of our talent. For the last 5 years, we have been the No. 2 agency in the Federal Government for recruiting Presidential Management Fellows, some of whom are educated in the scientific and technical areas, some of whom have other job experiences in the area of arms control and nonproliferation.

We also have an active program—called Pickering and Rangel Fellows—which are predominantly geared towards the Foreign Service, but they do come on board and work in various areas, both in Washington and in our embassies overseas, again and who have scientific and interests in arms control and nuclear nonproliferation.

We have partnered very closely on the AAAS program, and as Ms. McNerney said, we use them quite frequently. They have 20 percent of our AAAS fellows in their program. And we do use intern programs to the fullest extent. We usually, particularly during the summer, as we are beginning the summer right now, we will have over a thousand interns in Washington and in our embassies overseas, again, trying to encourage people to be interested in and look to some of the career occupations that we have at the Department so that we can start interesting them in a career at the Department. So we have a very robust program that we are working on.

We have also created some additional programs. We have Jefferson Science Fellows who we bring in for a year from the academic. We usually have five to ten a year. They come in, they work in var-

ious bureaus, providing and lending support to those bureaus on various scientific, technical areas. When their year is completed, they go back to their universities, and they remain a consultant to the Department for the next 4 to 5 years. So we are looking strongly at creating that interest in the community.

We also have in our embassies overseas what we call environmental, scientific, and technical technology officers. These are people who have very specific interests in the area, and they work very closely with the people in the T Bureaus as well as in OES on these kinds of issues. They develop their expertise through the Foreign Service Institute and their experiences overseas, and we do attempt to rotate them back to Washington into bureaus like ISN, VCI, and PM.

Ms. MCNERNEY. Mr. Chairman, just following on that, I think if we really were—there are a lot of people who kind of keep looking back to 2005, and obviously any reorganization has turmoil to it. I think if we are really looking at what we have now, I think we have got the right structure, but people are really at the heart of how we can do our jobs. We have some terrific top-level managers that are reaching retirement age. In 5, 6 years, they are gone. How are we building a workforce that can go beyond? And one of the ways that we are doing it at the bottom levels is obviously the Presidential Management Fellowships. These are the entry-level talented officers, many of them Master's programs, some Ph.D.s One of my colleagues behind me is PMF, and she is about to go off to Lawrence Livermore Lab for 2 months and really develop some of that kind of expertise.

We have some of our PMFs out to embassies in Abu Dhabi, for example, where you really have the question of transshipment of proliferation-related items to Iran, and so really understanding what is going on, how they can interact.

We have sent some of our officers—one of our officers right now is doing a rotation at the National Security Council, developing really kind of that leadership expertise at the mid-level, but she was a PMF who spent time in Beijing. So there is this requirement to really give opportunities and an expansive kind of look.

Then there is the mid-career—there are just less of them because there was that period where there was less hiring. But one thing we have done is I have worked with Pat Kennedy to approve creation of a position at our UN mission to the IAEA and try to build up a rotation there where we can develop the safeguards capabilities because that is such an essential piece of what we do in terms of applying safeguards to programs like Iran, like North Korea, and so building up those kinds of rotations where they see the IAEA and how it works on the ground. But we have got to be recruiting good people.

We recently opened a position in our bureau for a PMF, and 20 percent of all PMFs applied for that one single position. So we are getting the best and the brightest, and I could not believe the resumes. I mean, just every one of them quite talented. So it is very competitive, obviously, and that is a good thing. And we are recruiting some of the best, but we need to do more. And we obviously do it within the limitations of our budgets and our personnel ceilings.

Senator AKAKA. Thank you.

Ms. Taglialatela, one of the significant barriers to Federal service for many scientists or other professionals is the student loan debt and comparatively low salary in the Federal Government compared to the private sector. Agencies have been authorized to pay back student loans for an employee up to $10,000 per year and $60,000 aggregate. In fiscal year 2006, the State Department provided loan repayments to 869 employees totaling more than $4 million.

How much do you see debt from student loans as a factor in the State Department's recruitment of scientists and professionals?

Ms. TAGLIALATELA. Mr. Chairman, thank you for that question. Student loan repayment is a significant issue with the younger generation. What we have found is that with the rising costs of education throughout the country, it is very difficult for young people to enter into the Federal Government at the salaries which we are able to offer without student loan repayment.

What we are proud of at the State Department is that we are one of the top agencies and we are a best practice across the Federal Government for student loan repayment. We have one of the most robust programs in the Federal Government. Based on the amount of money we are able to put into the program, we are able to offer individuals $4,600 or the maximum amount of their loan, because some are nearing the end of their loan, to people to pay towards their student loan repayment. It is an incredible incentive for young people.

Senator AKAKA. Can you tell me or provide for the record the number of staff in the ISN Bureau who have attended the Leadership and Management School, how many have participated or are participating in the SES candidate development program, the Council for Excellence in Government Fellow program, the Civil Service Mentoring program, the Situational Mentoring program, and the Civil Service Mid-Level Rotational program?

Ms. TAGLIALATELA. Unfortunately, sir, I do not have that information handy, but I would be more than happy to provide it for the record, sir.

INFORMATION PROVIDED FOR THE RECORD

As of March 2008, 67 out of 130 eligible employees at the GS–13, GS–14, and GS–15 levels from the International Security and Nonproliferation (ISN) Bureau have completed leadership training at the Foreign Service Institute (FSI).

One ISN employee was selected for the Department of Homeland Security's Career Development Program (an SES training program) beginning in 2007 and running into 2008. He remains an ISN employee, and the Department funded his training costs, totaling around $40,000.

The ISN Bureau has four mentees and four mentors in the 2008 Civil Service mentoring program, as well as five mentors who have volunteered as situational mentors. The ISN Bureau also has one participant in the current Civil Service Mid-Level Rotational program.

No employees from the ISN Bureau have participated in the Council for Excellence in Government program since the bureau's creation in 2006, due in part to the high cost of the program.

Ms. MCNERNEY. I might just add on that, I know we have certainly encouraged participation in many programs, but we as a bureau and as the Department have—unlike some of our agencies, we have very limited funding for things like the SES training program, which I think costs some $15,000, $20,000 for an officer to

do. When we encourage training, we encourage them to go to the Foreign Service Institute where everything is free for us as a bureau, and so that is really the mechanism by which we encourage most of our training.

There have been a couple instances where there might be some sort of fellowship training. One officer with Harvard negotiated so that he only had to pay a small amount, and they picked up a lot of it. And it is that kind of thing where if we can even get a little seed money and get our officers out, we certainly encourage that. But these things cost money. The State Department has budget constraints, and so there are limits on the kinds of things one can encourage.

Senator AKAKA. Ms. McNerney, I have heard recommendations from previous witnesses about the need for a career path that develops scientific skills within the ISN Bureau. Do you agree with this assessment? If so, where is the ISN Bureau falling short in its current training and career paths for civil servant scientists? And what do you envision the career path to include that is different?

Ms. MCNERNEY. Well, I would just sort of reiterate that a lot of the scientific training comes before an officer arrives, so we try to recruit those with a scientific background. Some of the ways that we try to encourage sort of on-the-job training is through these kinds of rotations to our labs. This position we have created at the IAEA to try to increase the understanding of safeguards and how they are applied through training opportunities at the Foreign Service Institute, through the recruitment of these AAAS fellows where you bring in those with some science background that can basically be on the staff, and it is a resource for other officers who may not have quite that same background. And sometimes someone with the real hard-core science background does not necessarily know how to integrate it into the policy discussions. And so that can be a resource where you have people who understand the policy ramifications more that can tap into some of that scientific expertise.

We also work closely with the Department of Energy, the Department of Defense, others that—they obviously bring—as well as our intelligence community many times to augment a delegation to support U.S. interests. We will look to some of those experts around the government. We do not limit ourselves simply to what is on the State Department manifest. And so there are really a range of ways, but, again, I would get to the point of recruitment and some of these younger officers, getting them in. Our current front office structure at the senior levels, we have one officer with a Ph.D., one with a M.D,, another with a Master's, and myself with a law degree. So we have kind of covered the range of alphabet soup of degrees out there, and I think having that blend and that mix is really part of the effort as well.

Senator AKAKA. Ms. McNerney, what positions at the ambassadorial level are reserved for Civil Service substantive experts?

Ms. MCNERNEY. That is one of the areas, I think, where there is—obviously within the Foreign Service they guard closely their ability to maintain the ambassadorial rank positions. And so we are somewhat limited, really, in having those. We do have the Ambassador to the Conference on Disarmament who reports to our bu-

reau. We also have the Ambassador to the Organization for the Prevention of Chemical Weapons (OPCW). Again, that is a direct report to our bureau. And we have on staff now—both have retired this year, actually. They have kind of tapped out, but Ambassador Don Mahley and Ambassador Mike Guhin, what we have done is retained them and their expertise through contract to continue doing work for us even as they have retired. And that is an important aspect of maintaining some of the expertise we have spent so many years developing as well.

Senator AKAKA. Ms. McNerney, I notice that few of your senior leaders—that is, office director and above—are female career civil servants or Foreign Service officers. What is your plan to develop women and minorities for senior leadership roles in the ISN Bureau?

Ms. MCNERNEY. Well, actually, things have changed a bit. People are kind of joking that I am turning it into an all-female staff. But in our front office, myself and Mary Alice Hayward are two of the senior officers. We have additionally two male officers, one of them who is Acting Deputy Assistant Secretary, also of minority descent—Asian American. And when you look down to our office directors, we now have Ambassador Rita Ragsdale, who is one of the Ambassadors, one of the office directors, as well as an additional Foreign Service officer who heads our Export Control Office, as well as another female officer who runs our missile technology regime.

Then if you look down another layer, the women really—a number of them are deputies, and a number of officers as well that we are really kind of bringing up the ranks.

So, some of this is generational as kind of the development process happens. But I certainly think if you look really across the bureau at both the leadership, the emerging leadership of women, and the sort of mid-level as well as the entry level, you see a lot of very capable women, strong women, and I think also we try to—obviously want to attract across the board not only from the female standpoint but all minorities, and try to really attract and have a talented but diverse workforce. And I think we are succeeding there.

Senator AKAKA. Now that you have used the word "minorities," let me ask you, what are your plans to develop, bringing in what we call a diverse group of personnel, into your Department and to diversify the personnel there?

Ms. MCNERNEY. Obviously, we do all our hiring through the legal processes that are put before us. But, I think, all things considered, we are doing a pretty good job of attracting a pretty diverse workforce. The Department traditionally was sort of the white man's group, and I think Secretary Rice likes to look back at the last 12 years, and it certainly has been a different face at the top, which also sends a very strong message for recruitment as well. And I think certainly one of the things I have tried to look at not only looking at those with the top credentials, but seeing if there are some talented young officers that maybe did not have the opportunities for schooling or for education, but they look like they are bright and they want to work hard, look at ways we can really help them integrate into our workforce and to ensure through legal

methods that we have the kind of workforce that one would expect at the State Department.

Senator AKAKA. Ms. Taglialatela, would you care to make comments on this question that I just asked?

Ms. TAGLIALATELA. It has been the policy of the Department and our goal to have a diverse workforce. Particularly when you look at what our role is, we want to be the face of America, in our embassies overseas, and here in Washington as well. And this is where we have relied very heavily on the Presidential Management Fellows. We have a very engaged career entry program for recent college graduates, and we also rely very heavily on our internship program to attract a diverse population.

The State Department has 17 diplomats in residence who are all career Foreign Service officers, many of whom have served as Ambassadors, located at universities throughout the United States. While they are assigned to a particular university, they actually cover regions, and they deal with particularly diverse populations where they seek out and try to make young people aware of what the State Department is, what we do, what are the opportunities there for you, and encourage them to consider the State Department as an internship.

We find that many young people who have no idea what the State Department is or truly what we do, once they come to an internship for a summer as a sophomore or a junior, many get hooked on what we do and start to think about it as a career for the future. So we really rely very heavily on our diplomats in residence and other individuals who travel around the United States to encourage young people to consider it as an occupation.

Senator AKAKA. I will have two more questions for both of you. In previous testimony, it was suggested that the Foreign Service creates few incentives for Foreign Service officers to obtain the knowledge for leadership positions in nonproliferation and arms control. How would you develop a career path for FSOs in these areas?

Ms. MCNERNEY. Well, one of the challenges we really do have as a bureau is attracting Foreign Service officers. And I think that the reason for that is in terms of if you are looking at a career track as a Foreign Service officer, spending a couple years at a bureau, a functional bureau, really does not build the kind of relationships out to the embassies, because the regional bureaus control the hiring out at those embassies. And so it has been a perennial challenge for us to really attract good officers. And those that work the issues out in a post, we work with very closely. There is usually a political-military officer who does the range of nonproliferation and security issues out at an embassy, and that individual builds those relationships with us back here, but when they come back to Washington, tend to want to go to the regional bureaus. And the best and the brightest—the ones you want to attract, obviously—are obviously going to be looking at their career and their future and trying to build that.

So it really has been a challenge for us to be able to get the top Foreign Service officers. In fact, many of our postings for vacancies just go unfilled. And so what we do instead is try to convert those for short-term hiring and at least get an ability to bring in some

talented people to do the work that is required, because we do need to be meeting our requirements regardless of whether we can attract the Foreign Service.

I have talked to the Director General about this, and I just have really encouraged him to think about how he can seriously take a look at attracting good Foreign Service officers through incentives. And if there isn't a mechanism or if it is decided that they would like to keep the status quo, then we need to seriously consider switching those to Civil Service positions, because certainly the workload is not going away just because a Foreign Service officer does not bid on a post. But, I think certainly, if we are talking about building the expertise of the Foreign Service in these areas—and these are great challenges of the day, obviously—a tour in one of our bureaus certainly would be an ideal way to develop that kind of capability.

Senator AKAKA. Would you care to make a comment on that, Ms. Taglialatela?

Ms. TAGLIALATELA. Yes. The Director General is fully aware of the problems we have recruiting people to the non-traditional Foreign Service bureaus, the functional bureaus in particular. And I think we are always encouraging officers to do a tour in a bureau that is not traditional to his or her occupational series or career track.

What we have done for the Foreign Service officers is create a career development plan that says before you can move from the Foreign Service into the Senior Foreign Service, you have to have done a number of things. And based on the individual cones, we encourage officers to serve out of their particular career track. We encourage them to serve in bureaus other than regional bureaus. But along with that, we encourage them to learn more than one language, serve in several different bureaus in several different regions when they are overseas. We are attempting to stimulate them to become true generalists, have broader backgrounds, and hopefully this way we will encourage them to look at these opportunities.

Right now, because of the demands on Iraq, Afghanistan, Pakistan, China, India, and the fact that we have not gotten additional Foreign Service officers, unfortunately we have a shortage of Foreign Service officers, particularly at the mid-levels, to fill positions. We have asked in our 2009 budget for additional resources. We are working with Congress as they look at our 2009 budget to see if, in fact, we can get additional resources. But as long as there are more jobs than there are people, obviously they are going to pick the jobs that they find to be more career enhancing in their perspective.

Senator AKAKA. Do you have any recommendations for improving the organizational structure and staffing for the T Bureau? If so, what are your top three?

Ms. MCNERNEY. Well, I guess I have read the transcripts from the last hearing. The one thing I would recommend highly that we do not try to do is re-create a separate agency. I would bet some money that if you went around and polled the employees and asked them, "Do you want to work at the State Department or a separate agency?" you would hear overwhelmingly that these officers are

proud to be working at the State Department. They feel they are integrated into the policy structure, and that is where they certainly would like to stay.

I think an area for encouragement, sort of my second point, would be if you are going to continue to encourage officers to stay with it, move up the chain, you have got to have incentives for movement up to the SES level. There has been a reduction across the government, I believe—Linda can get into that—in the number of SES slots. And so there is limited sort of ceilings for people as they are moving up the chain. And so looking at whether you cannot create a few more of these kinds of incentives to young officers that see a career path that is not going to stop at a GS–14 or GS–15 is obviously essential to continuing that kind of movement.

And then I think the third recommendation might be to look at whether there isn't a way to hire a little bit uniquely for some of this expertise that we need to attract. The hiring processes are cumbersome, and you have requirements about how you go about attracting good people. We, as I say, do it by the book, but it is pretty difficult to find someone with some of the background and capability using sort of the typical processes unless you are going to start sort of young, as I discussed, and kind of train them and groom them. And then, of course, any officer for any sorts of reasons can decide they want to move to another agency, move to another bureau within the Department, quit government and move somewhere else, take a break from working for a period of time. All those things through all of it, nothing is sort of fail-safe as you develop these kinds of incentives. But I think to the degree that we sort of see long-term ability to move up the chain and to have some of the rank and position, that is a great incentive for Civil Service officers.

Senator AKAKA. Ms. Taglialatela.

Ms. TAGLIALATELA. Thank you, sir. One of the things we did 2 years ago was we created our Civil Service Mid-Level Rotation program. This program allows a number of Civil Service employees to apply, and once selected, swap jobs so that there is no vacant job, but they all move to a different bureau. Most of them have analytical reporting, writing, advocacy kinds of training backgrounds so that at the GS–12/GS–13, they are actually learning to use their skills in a different substantive area.

Sometimes it is more difficult to do it in highly technical areas such as the T Bureau family, but one of the things we could consider to give them greater experience is to allow them—or set up something within just the T family where they rotate amongst the bureaus there and develop different perspectives of the same sort of subject matter.

As far as the SES program goes, the State Department has implemented a SES candidate program. We are in the process of selecting the candidates. We have 98 candidates applying for five to six candidate positions. We will be interviewing candidates in the next month. There are highly qualified candidates from throughout the Department, but including the T family.

Another thing we probably need to look at in greater detail is opportunities for either training or developmental assignments for individuals. I think one of the things that is very frustrating across

the State Department is the fact that we do run two personnel systems. Civil Service employees tend to get in a position and stay in them for a very long time, very traditional to all the other Federal agencies. Unfortunately, we have Foreign Service officers who rotate every 2 to 3 years in Washington and overseas, and I think people get the lust to move on, do different things, have greater experiences because they see their colleagues who are sitting right next to them doing just that.

So it has presented a problem to the Department which we are looking at, such as through the Civil Service Mid-Level program and other kinds of training programs and developmental assignments to help the Civil Service get greater flexibility in being able to move around the Department.

Senator AKAKA. I would like to thank both of you for your testimony and your responses. However, I am concerned that the arms control, counterproliferation, and nonproliferation bureaucracy has been crippled by the 2005 bureau reorganization as well as by the ACDA merger with the State Department in 1999. I am not convinced this bureaucracy in its current state has the human capital and organizational structures in place to respond to future challenges. This Subcommittee will continue to focus on reforms to critical aspects of our national security. Over the next few months, we will examine the foreign assistance and public diplomacy bureaucracies and processes.

I will also be looking at transition planning. There will be a new President next January and new leadership at the State Department. We must take every step to ensure continuity in key positions at the Department, especially in light of the high rate of retirements within the Foreign and Civil Service ranks.

Before we adjourn, I want to acknowledge a large group of students from California who I understand are in this audience. Is that correct? Yes. Well, welcome. I am glad you are here, and I want to express the hope that you have paid attention to the opportunities for public service in the State Department. And I hope you would look with interest in taking up some of those opportunities. And I want to welcome you from California to this hearing.

The hearing record will be open for one week for additional statements or questions other Members may have.

This hearing is adjourned.

[Whereupon, at 3:38 p.m., the Subcommittee was adjourned.]

APPENDIX

1

A Return to Arms Control and Non-Proliferation Process

Ambassador Thomas Graham, Jr.

Before the Subcommittee on Oversight of Government Management,

the Federal Workforce, and the District of Columbia

Committee on Homeland Security and Government Organization

United States Senate

May 15, 2008

On April 1, 1999, a mainstay of United States national security policy since 1961, the U.S. Arms Control and Disarmament Agency (ACDA) went out of business. As part of a reorganization of foreign affairs agencies, the main functions of ACDA were absorbed by the State Department.

Was this a wise decision? Are America and the world safer with the arms control portfolio integrated into the range of foreign policy concerns that occupies State, rather than constituting the sole responsibility of a specialized agency?

Why ACDA Was Born

When President John F. Kennedy signed the legislation creating the Arms Control and Disarmament Agency in September 1961, the time was ripe for the establishment of such a body. John J. McCloy, the administration's sponsor of the legislation, said in effect in his Senate testimony that arms control and disarmament is too important a subject to be "buried in the State Department." Instead, a new agency should be created with a director who would have direct access to the President.

Previously, in the Eisenhower administration, the responsibility for arms control had been placed in the White House under former governor and frequent presidential

candidate Harold Stassen, but this had not worked well. There were serious conflicts with the State Department and Secretary of State John Foster Dulles.

By 1961, arms control had become a major national security issue for the United States. In the 1950s, the Soviet Union had developed its nuclear weapons and nuclear weapon delivery systems to such a degree that a nuclear arms race was in full swing. John F. Kennedy, during the 1960 presidential campaign, had warned of a possible "missile gap." As a result of these developments, Kennedy decided to establish a separate executive branch agency for arms control and disarmament.

Kennedy's Secretary of State, Dean Rusk, supported the draft legislation. Rusk testified, "Disarmament is a unique problem in the field of foreign affairs. It entails not only a complex of political issues, but involves a wealth of technical, scientific, and military problems which in many respects are outside the Department's formal concerns and, in many instances, reach beyond the operational functions the Department is designed to handle." The legislation received strong support from foreign policy leaders in both the Senate and the House. They understood the argument that arms control is just one of the tools of national security policy but, nevertheless, a separate and distinct arena. It is not an end in itself but it represents one of several alternative paths toward solution of national security problems.

The fundamental rationale for not subordinating the agency within State was that the pursuit of arms control and disarmament goals will often conflict with the primary mission of the Department of State, which is to foster good relations with other countries. For example, to press Pakistan on nuclear non-proliferation issues or criticize Russia for perceived arms control treaty violations can be contrary to pursuing improved relations with those countries and will often be opposed by the regional State Department bureau

responsible for relations with the country in question. Most often, in the competition of ideas within State, interests of improved short-term bilateral relations will prevail over arms control, disarmament and non-proliferation interests.

A Brilliant Beginning

The early years of the agency in the 1960s were prosperous and successful, as Secretary Rusk believed in and supported the role of ACDA. ACDA was effectively led by Director William Foster, a former Deputy Secretary of Defense, Deputy Director Adrian Fisher, a former State Department Legal Advisor, and General Counsel George Bunn, the drafter of the Arms Control and Disarmament Act.

Over strong opposition by State—which was pressing for the establishment of a multilateral nuclear force with our NATO allies in Europe—ACDA successfully pressed for the Nuclear Non-Proliferation Treaty (NPT), which is now considered a centerpiece of international security. ACDA almost single-handedly advocated this proposal within the U.S. executive branch and went on to play the leading U.S. role in the complex multi-party negotiations in Geneva. Indeed, if it had not been for an independent ACDA, this important agreement might never have come into being.

Over the years that followed, the post of ACDA director was filled by a series of distinguished public servants, and the agency had a number of significant accomplishments. Among the highlights: negotiation of the SALT I agreements by Director Gerard Smith; the negotiation of the Chemical Weapons Convention under Director Ron Lehman; the extension of the nuclear weapon test moratorium in 1993 (initially and for a long time advocated by ACDA alone), and the indefinite extension of the NPT along with the negotiation of the Comprehensive Test Ban Treaty (CTBT) under ACDA's last director, John Holum. (Holum, for many years a key staffer for Sen. George

McGovern, D-S.D., had also been on the policy planning staff at State.) These successes all depended to an important degree on the existence of an independent arms control agency, with a director who could take controversial issues directly to the President and the National Security Advisor.

More Controversy Per Capita

But there was another side to this history. I often used to say that on a per capita basis (ACDA was always very small) ACDA was the most controversial government agency in the history of the world. In the wake of criticism by Sen. Henry Jackson (D-Wash.) of the SALT I agreements, the Nixon White House in 1973 cut the ACDA budget by 30 percent and reduced it to, in the words of White House press spokesperson at that time, Ron Ziegler, "a research and staffing agency."

Director Fred Iklé effectively restored the agency in the middle 1970s but there were many other attempts to reduce or eliminate ACDA's authority over the years. But, for many years, the Congress, regarding ACDA as its creation, served as the agency's defender. Gradually, over time, this support began to cool.

In 1993, when there was great controversy within the executive branch as to whether ACDA should be terminated and its assets acquired by State, the support for ACDA in the Congress was not as strong as in prior years.

Why the decrease in congressional support? Many factors undoubtedly took their toll, including the end of the Cold War (hence less attention to the nuclear threat), and a Congress generally less interested in international issues.

Fortunately for ACDA in 1993, there remained substantial support in other government agencies. In an interagency exercise on the issue, the White House, the Central Intelligence Agency and the Office of the Joint Chiefs of Staff expressed

benevolent neutrality, and the Office of the Secretary of Defense and the Department of Energy supported the independence and strengthening of ACDA, with only the Department of State dissenting.

But even this changed after the 1994 elections. The attitude in the new Republican-led Congress toward the independence of ACDA switched from widespread neutrality with pockets of strong support to outright opposition. Sen. Jesse Helms (R-N.C.), the Chairman of the Senate Foreign Relations Committee, pressed for legislation that would eliminate at least two and preferably all three independent foreign policy agencies—ACDA, the Agency for International Development and the U.S. Information Agency—and merge them into State. Director John Holum fended off this effort for ACDA in 1995, with support from the President and Vice President.

However, in 1996, a new factor entered the equation—the Chemical Weapons Convention. The U.S. felt a pressing need to get the CWC ratified by early 1997: this was necessary if the U.S. was to be an original party to the convention and thus have maximum influence in shaping the treaty's verification regime. This gave Chairman Helms a significant bargaining chip, as he could hold up approval of the CWC. Action on the CWC was thus linked, among other things, to merger of the three independent foreign policy agencies into State.

Negotiate or Fight?

So in December 1996, ACDA Director Holum was informed by the White House that the ACDA "independent box" had to disappear. At the same time, senior State officials as well as some long-time congressional supporters of the agency told Holum that the political situation could no longer support an independent ACDA. Accordingly, he called his closest advisors at the Agency into his office and asked whether ACDA

should "negotiate or fight." All of those officials supported the concept of negotiating the best arrangement possible, given the strategic situation: opposition in Congress, no support in the White House or elsewhere in the executive branch, and limited interest in the non-governmental community. The ACDA position was further weakened by the fact that all four assistant ACDA directors had left by early 1997 and there was no prospect of getting replacements named and confirmed given Senator Helms as Chairman of the Senate Foreign Relations Committee.

An opening position was prepared based an analysis of the 1961 Senate Bill which led to the Arms Control and Disarmament Act. (Unlike the House version which eventually prevailed, the Senate bill would have established an independent arms control agency within State.) Holum's Executive Assistant did the nuts and bolts negotiations, with Director Holum setting overall policy and, advised by other key senior officials weighing in as needed with Secretary of State Madeleine Albright, Deputy Secretary Strobe Talbott, National Security Advisor Sandy Berger, and other officials.

Laying Out the Options

The ultimate decision was to be presented to the President in an options paper. ACDA officials knew that one option in the paper would be to retain an independent ACDA, which meant that if a suitable arrangement could not be negotiated with State, a last-ditch stand was still possible. With that alternative protected, ACDA set out to work with State to make the merger option as attractive as possible. The intent was to capitalize on what was favorable in the negotiating environment—especially Secretary Albright's longstanding commitment to arms control, and her strong interest in presenting a consensus recommendation to the President.

The key ACDA officials involved in these discussions all had concluded that

certain things were absolutely essential to the independent arms control process if it was to be preserved. A central concern was that the responsible official in State—to be called the Under Secretary for Arms Control and International Security—had to have the right to attend all National Security Council meetings in any way connected with arms control, non-proliferation and disarmament, and to have the right to a vote independent of that of the Secretary of State. That is, his or her lack of consensus alone would be sufficient to send an issue to the President. Also, he or she must have the right to communicate directly with the President.

These steps, which Secretary Albright and Director Holum resolved positively at the very end of the negotiations meant that it would be possible to preserve within the State Department the independent advocacy role which, as in 1961, most studies had singled out as the main reason why a separate agency made sense. Additionally, it was concluded that all arms control non-proliferation and disarmament functions anywhere in the department should come under the Under Secretary's authority: there could be no competition elsewhere in State. ACDA's unique responsibilities for verification judgments and reporting had to be preserved as well, as did its special legal competence for arms control treaties and related issues.

And ACDA officials were determined that the new State Department, bolstered by the Agency's expert personnel resources, should have an enhanced interagency policy role. Thus it was argued that the interagency leadership of arms control as well as non-proliferation should be taken from the White House and put in the hands of the Under Secretary. Almost all of the above objectives were achieved during the negotiation which lasted until April 18, 1997, but their formal inclusion in the official government decision documents took a long time.

There had been strong resistance from the NSC to moving the interagency chairs of the arms control and the non-proliferation interagency working groups from the NSC to the Under Secretary. In an arduous negotiation early in April 1997, this was fought out. A compromise was achieved: The Non-Proliferation interagency working group would go to State, but the Arms Control working group would remain at NSC. However, it was agreed that the Under Secretary would share with the NSC chair the right to call a meeting and begin interagency consideration of a specific arms control issue.

A Presidential Decision Directive

The question of the Under Secretary's right to communicate with the President was very difficult. No State Department official, other than the Secretary, has this right. However, it was correctly regarded as essential to the independence of the arms control process. A compromise procedure was fashioned: the Under Secretary could communicate directly with the President through the Secretary of State, who must forward the Under Secretary's memorandum but may append his or her views. This right is implicit in the full title of the Under Secretary that was contemplated, namely, "Under Secretary of State for Arms Control and International Security Affairs/Senior Advisor to the President and Secretary of State for Arms Control, Nonproliferation and Disarmament."

After the agreement on the Agency's future, ACDA pressed to have the central elements of it memorialized in a Presidential Decision Directive (PDD). The White House replied asking why an announcement by the President, which had been made, was not sufficient. But it was believed to the extent possible this arrangement should be established not just for the Clinton administration, but for future administrations as well. After a long debate, this was accomplished in PDD/NSC-65 issued on June 23, 1998. It

provided inter alia that the Under Secretary "shall be invited to attend all National Security Council meetings concerning matters pertaining to arms control, non-proliferation and disarmament" and makes identical arrangements for all NSC Principals Committee meetings, as well as NSC Deputies Committee meetings.

The presidential directive also provides that the interagency working groups on non-proliferation shall be chaired at the assistant secretary level in the Department of State and that the NSC chair of the arms control working group shall convene a meeting of the group at the request of the Department of State. This means that the Office of the Under Secretary shared with the NSC the authority to introduce an issue into the interagency process—an important right.

However, a serious dispute broke out over conventional arms control in Europe. The agreement reached between the Secretary and the ACDA Director provided that all arms control functions in the Department of State, wherever they had been located before, would come under the authority of the Under Secretary. But State's European Bureau (EUR) strongly resisted including the talks on the ongoing implementation and modification of the Conventional Armed Forces in Europe Treaty (CFE) in this understanding, because of the close association of the ongoing CFE Treaty adaptation process and NATO enlargement.

Eventually, after long negotiations, it was agreed that an exception would be made for CFE adaptation and directly related issues: EUR would continue to lead under the Under Secretary's overall authority until 1999. That year, there was to be a review "with a view to consolidating the lead (for CFE) in the new functional bureau under the Under Secretary at the earliest practicable date." In other words, the lead on CFE Treaty issues was to be transferred to the Office of the Under Secretary.

Another hard-fought issue was protecting the independence and integrity of ACDA's Verification and Compliance staff. That staff had resided, appropriately, in a separate bureau at ACDA for the previous 16 years. This setup reinforced one of ACDA's strengths—its independent take on verification and compliance questions. These questions have often been hotly argued, not only with foreign powers but also as domestic political issues.

But a separate bureau in State for verification and compliance in the merged entity appeared impossible to achieve in the negotiations. The end result was three bureaus reporting to the Under Secretary: Arms Control, Non-Proliferation and Political Military. So it was decided to insist on an Office for Verification and Compliance to be attached directly to the Under Secretary, a solution eventually included in the final report on State's reorganization plan. Under subsequent pressure from the Congress, however, this office was converted into a fourth bureau reporting to the Under Secretary.

On the question of maintaining a separate legal office for the Under Secretary, the effort was less successful. What was eventually achieved was that ACDA's General Counsel would become an associate legal advisor dedicated to arms control and non-proliferation issues under the jurisdiction of the Under Secretary. The Under Secretary would be able to draw on the views of the Associate Legal Advisor even when he or she disagreed with the State Legal Advisor.

Finally, the official State Department Reorganization Plan and Report set out guidelines for the Office of Under Secretary emphasizing the objective of pressing for the independence of the arms control, non-proliferation and disarmament process.

- The new Under Secretary will have a "unique role" reflecting authorities transferred from ACDA.

- The new structure within State is to "ensure that unique arms control and non-proliferation perspectives will continue to be available at the highest levels of the U.S. government, including the President."
- An entity will provide "independent arms control and non-proliferation verification and compliant assessments."
- The new Under Secretary will "provide oversight to State's new interagency leadership role in non-proliferation."

This report, which implements the law that authorizes the ACDA merger, is authoritative and was not to be modified without further legislation. Combined with PDD/NSC-65, the report sets forth as U.S. government policy that the independence of the arms control, non-proliferation and disarmament process is to be strengthened and preserved. The intent was that the arms control/non-proliferation alternative in policy debates on national security issues would continually be made available at the highest levels of the government, including the President, as was the case when there was an independent ACDA Director.

With these understandings and agreements it was believed that a reasonable job had been done in preserving an independent bureaucratic structure for arms control within the U.S. government in the hostile environment that existed at that time.

The effectiveness of the Director of ACDA over the years always depended on personalities and personal relationships. The relationships of the Director with the President, the national security advisor and the Secretary of State have been important to the reality of operating as an effective independent agency.

This personal dimension will always to be important. This new arrangement might have worked well if NSC and State had respected the authority of the Under

Secretary for arms control and international security, and if the current administration had appointed individuals for whom arms control and non-proliferation policies were truly important and to which they were dedicated.

But now, however, there was a difference. Previously, if an independent ACDA was marginalized, the structure was solidly in place; and the agency could be brought back, as Director Fred Iklé demonstrated. But if this new arrangement did not work properly, and, as a result, arms control, non-proliferation and disarmament considerations became buried in the Department of State bureaucracy—or disappeared entirely—it might be very difficult future to resuscitate an independent voice for arms control.

The Bush administration chose not to appoint officials to the arms control/non-proliferation structure who were committed to the success of arms control/non-proliferation policies. During the first few years of the new administration: The Anti-Ballistic Missile Treaty, referred to in the Final Document of NPT 2000 Review Conference as the "cornerstone of strategic stability" was rejected by the United States; the effort to create a viable verification system for the Biological Weapons Convention was destroyed by the United States; the second Strategic Arms Reduction Treaty signed by the first President Bush was abandoned; the Under Secretary indicated that—contrary to the pledges made in 1995 by the NPT nuclear weapon states in connection with NPT indefinite extension—United States' policy under certain circumstances would be, if necessary, to use nuclear weapons against NPT non-nuclear weapon states; a Strategic Offensive Arms Reduction Treaty was agreed with Russia which called for no reductions and the taking of a number of weapons off alert status ten years in the future; suggestions were made that the first Strategic Arms Reduction Treaty would be allowed to expire in 2009; and it was announced that Comprehensive Test Ban Treaty (CTBT) ratification

would not be pursued. As a result of those and other similar policies the NPT was gravely weakened, made clear by the unprecedented complete failure of the 2005 NPT Review Conference.

And, on top of all this, in 2004 Secretary Powell proposed and on July 29, 2005, Secretary Rice announced, the implementation of a Department of State reorganization eviscerated the compromise solution of 1998 described above. The Arms Control and Non-proliferation Bureaus were eliminated and their functions merged into a new Bureau for International Security and Non-proliferation. The Verification Bureau remained separate. This decision subjugated and virtually eliminated arms control and mixed in non-proliferation policy development with other national security policy imperatives, thus making it less effective. Needless to say, there was no interest in a separate seat at the National Security Council or direct access to the President for the Under Secretary on arms control/non-proliferation issues, as little interest remained in the administration in such policies.

If the Congress hopes for a rekindling of interest in arms control/non-proliferation policies in the next administration, it is essential that a bureaucratic structure be re-established that is capable of carrying out such policies. For example, if the new administration intends to pursue CTBT ratification next year, it is not immediately clear from a procedural point of view where the policies to accomplish such an objective would be formulated and implemented in an effective manner.

New legislation needs to be adopted by the Congress, with the support of the new administration, either to:

re-establish an independent agency for arms control and non-proliferation—the best solution, or

enforce the terms of the 1998 compromise solution, specifically to mandate:

-- the restoration of separate bureaus for arms control and non-proliferation

-- the restoration of interagency leadership for these bureaus, and

-- the restoration of the right of the Under Secretary to have a separate seat at the NSC for meetings on arms control/non-proliferation policy as well as direct access to the President.

And finally the Congress should insist in the future that only individuals thoroughly familiar with and supportive of arms control/non-proliferation policies be nominated and confirmed to either the head of the independent agency or the under secretary position, depending on the course chosen.

It is of the highest priority that the United States return to its traditional role of pursuing a world order built on rules and international treaties designed to enlarge international security and lead the world to a safer and more stable future. Only with a workable bureaucratic structure in place to support sound arms control/non-proliferation policies and agreements can this be accomplished.

REPORT

ON

SECURING THE NONPROLIFERATION CAPABILITY OF THE DEPARTMENT OF STATE

SUBMITTED BY
AMBASSADOR NORMAN A. WULF

TO THE HEARING ON

NATIONAL SECURITY BUREAUCRACY FOR ARMS CONTROL, COUNTERPROLIFERATION, AND NONPROLIFERATON PART I: THE ROLE OF THE DEPARTMENT OF STATE

BY THE

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA

OF THE

U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

MAY 15, 2008

FOREWORD

This report was prepared by a volunteer task force. The task force solicited views from participants through two general meetings and from contributors via written comments.

These two groups included many former U.S. officials most with decades of experience in nonproliferation or arms control who graciously gave of their time to this project. They are named below—a short biography of each appears in the annex.

This report contains a general consensus that the Administration taking office in January 2009 should strengthen the organizational capacity of the State Department to meet critical nonproliferation and arms control challenges. Participants and contributors endorse the general thrust of this report though not necessarily every finding and suggestion.

Christopher Mitchell of the Institute for Conflict Analysis and Resolution (ICAR) of George Mason University served as convener of the two meetings that were held. Norman Wulf led those discussions and along with Dean Rust and Barclay Ward drafted the discussion papers and this report.

The task force also included Linda Gallini, Fred McGoldrick, and Sharon Squassoni.

Participants in at least one of the two meetings included members of the task force and Vic Alessi, Kevin Avruch, Joseph M. DeThomas, James E. Goodby, Allan Krass, Frances Omori, Randy Rydell and Andy Semmel.

Among those commenting upon various drafts of the paper were William Burns, Ralph Earle II, Mark Fitzpatrick, Bob Gallucci, John Holum, Edward Ifft and John Rhinelander.

No funds were made available to the task force other than by ICAR for use of their new retreat and conference center located on Mason Neck in Northern Virginia and for refreshments at the two meetings. Special appreciation is expressed to Gina Cerasani and Aneela Shamshad, and Saira Yamin, graduate students at ICAR, who served as volunteer note-takers at the two meetings.

EXECUTIVE SUMMARY

All three major presidential candidates have endorsed (i.) maintaining and strengthening the nuclear nonproliferation regime and (ii.) pursuing nuclear arms control measures with Russia and others. Regrettably, the State Department, which will bear the brunt of the work on nonproliferation and arms control, has lost significant capability—critical personnel have left, the arms control bureau has been abolished, and the bureau whose mandate includes nonproliferation is burdened with tasks outside its traditional purview that dilute its mission. Moreover, the State Department is simply not organized to ensure continued access and accountability to the Secretary of State and President on these critical issues.

Following the election, the President-elect should appoint a high-caliber individual to head up a task force charged with laying out detailed priorities in nonproliferation and arms control and recommending structural changes needed within the executive branch to achieve those priorities. The White House and National Security Council will need to be well-organized to serve the President, but the task force should direct its primary attention to the Department of State. Restoring focus at State will require creating a bureau focused on arms control, removing non-core tasks from the bureau whose responsibilities include nonproliferation, and limiting the activities of the verification and compliance bureau to those required by law. If there are substantial obstacles to near-term creation of an arms control-focused bureau, then those functions should be consolidated in the verification and compliance bureau effectively making it the arms control and verification bureau while seeking a long-term structure. Aggressive steps must be taken to redress the loss of expert staff. For the civil service, this means rehiring, recruiting, and strengthening career paths for personnel, including physical scientists, with expertise in nonproliferation and arms control. For the foreign service, this means providing training in these topics and career paths that reward those working on these functional issues.

Particular attention should be focused on ensuring that nonproliferation and arms control views get to the Secretary of State and the President. Both not only need advice but someone accountable in these areas. Existing law makes provision for such advice but it has proven difficult to implement those provisions effectively. Relying on personal relationships can work up to a point, but as personalities change, other priorities intrude, and administrations change, a more enduring channel and focus not dependent upon personal relationships is needed.

Decisions on these structural issues are critical in the transition period so the new administration can hit the ground running. Iran and North Korea, among others, will not delay their proliferation progress while a new administration organizes itself. Delaying decisions until after the inauguration risks subordinating structural questions to the crisis of the day or decisions being thwarted by "turf" issues as political appointees are put into place. A variety of alternatives should be considered ranging from creating a special office attached to the Secretary, or creating a separate agency within the State Department or an independent agency.

ENSURING THE U.S. GOVERNMENT HAS THE CAPACITY T0 MEET CRITICAL NONPROLIFERATION AND ARMS CONTROL CHALLENGES

This short Report which is the result of meetings and discussions between a number of experts focuses on improving the Nation's capacity for dealing with the increasingly complex issues associated with nonproliferation and arms control. It lays out a number of alternative strategies for improving the Government's currently attenuated capacities for effective nonproliferation and arms control action.

I. Introduction

All three major presidential candidates have endorsed the following objectives: (i.) maintaining and strengthening the nuclear nonproliferation regime and (ii.) pursuing nuclear arms control measures with Russia and others. Regrettably, what the next President will find is a diminished capability within the Executive Branch to achieve either objective.

The historical leadership role of the United States in nonproliferation and arms control has been severely downgraded and the nonproliferation regime significantly weakened. Along with this overall decline, there has been a loss of valuable expertise and bureaucratic structure diminishing the capacity of the United States to pursue nonproliferation and arms control measures.

Restoring U.S. leadership in these areas will require a personal commitment by the new President. Within the Executive Branch, there will need to be a strong organization to execute policies and be accountable to the White House. This paper looks at key organizational issues that must be met, particularly in the State Department, if the new administration is to meet its nonproliferation and arms control objectives.[1]

II. Critical Proliferation Challenges

The 1968 Nuclear Non-Proliferation Treaty (NPT) is the foundation for global cooperation in this area. Its primary goal is to decrease the risk of nuclear war by preventing the spread of nuclear weapons. It also obligates the five states which the NPT recognizes as possessing nuclear weapons -- U.S., Russia, UK, France and China -- to work toward nuclear disarmament The urgency of dealing with the threat posed by nuclear weapons has been highlighted recently by former senior officials of both political parties -- Secretaries of State Kissinger and Shultz, Secretary of Defense Perry, and Senator Nunn -- who have called for renewed efforts to work towards a nuclear weapon free world, arguing that "the world is now on a precipice of a new and dangerous nuclear era." [2] Their agenda, known as the Hoover plan after the Stanford institute where the group meets, is built around the NPT and focuses on U.S.-Russian nuclear arms control as well as on specific nonproliferation measures. No vision of a nuclear weapon free world or major progress toward that goal can be achieved without an intensive focus on both nonproliferation and arms control.

The three major candidates for the Presidency have called for strengthening the NPT and other elements of the nonproliferation regime and for reducing the nuclear arsenals of the United States and other nuclear powers; two have endorsed specific portions of the Hoover plan.[3] Any new administration will likely focus on a wide variety of other nuclear-related challenges as well, e.g., Iran and North Korea; protecting against the theft

or diversion of nuclear material; strengthening export control and interdiction activities; and developing nuclear fuel cycle strategies to reduce the spread of sensitive nuclear facilities. It may reconsider the Comprehensive Test Ban Treaty, which the Senate failed to endorse in 1999, and give higher priority to U.S-Russian cooperation on strategic nuclear and missile defense issues and to a fissile material cutoff treaty. The new administration will have to continue specific measures to prevent terrorists from acquiring nuclear, radiological, chemical and biological weapons.

III. Structural Factors

The first year of a new administration offers a unique opportunity for progress. Grasping that opportunity requires diligent preparations during the transition period. To prepare, the President–elect should establish a task force to identify key substantive goals and devise a plan for the creation of nonproliferation and arms control structures to achieve those goals. The task force should be led by an individual of stature who is directly accountable to the President-elect and well-known to the Congress. The task force could continue beyond the inauguration but should not be permanent. After the inauguration, the task force leader might be directly attached to the White House with the assignment of ensuring that substantive and structural goals are achieved. .

As cabinet departments with equities in nonproliferation and arms control have appointees put into place, a senior official in each department should be identified to work with the relevant White House and NSC officials. The NSC structure must include interagency groups responsible for integrating the activities and resources of each department, promoting transparency and information flow among agencies, and ensuring the input of the intelligence community. The appointment of a Deputy National Security Adviser for Nonproliferation and Arms Control would demonstrate the priority attached to these issues and allow for greater coordination of interagency activities.

The task force must pay special attention to the organizational structure under the Secretary of State, as State will bear the brunt of the work. State must be capable of performing a wide range of daily activities such as monitoring information, crafting and implementing policy initiatives, anticipating problems, advising high-level political officials, coordinating with other agencies, consulting with Congress, informing the public, and most importantly engaging in extensive diplomacy to maintain and strengthen the nonproliferation regime. Effective nonproliferation can only be achieved if the U.S. works closely with others.

A good organizational structure will help to set priorities, allocate resources, maintain the quality and morale of staff, and get issues to decision-makers in a timely manner.[4] Among the key determinants of an effective structure are: (i) enough senior policy officials and supporting bureaus to focus attention on the full range of issues; (ii) an experienced multi-disciplinary career staff with a high percentage of civil servants including physical science officers; and (iii) high-level channels for getting views to the Secretary of State and President.

As shown below in Section IV, the current structure, which reflects the priorities and approach of this Administration, is entirely inadequate for pursuit of a more comprehensive approach by the new administration. The suggestions offered in Section IV do not require legislation but should lead to near-term improvements in State's

capacity. Even though not required, the administration and Congress may decide that it would be beneficial to codify some of these Section IV changes to ensure that the United States maintains over the long term a high level of capability in these critical areas.

Section V looks at other possible legislative approaches that would create either a semi-autonomous agency within the State Department or a separate agency for nonproliferation and arms control with an independence similar to that possessed by the former Arms Control and Disarmament Agency (ACDA), which was merged with the State Department in 1999.[5]

If not already decided by campaign commitments, the President-elect should decide during the transition whether to pursue a separate agency or limit structural reforms to near-term changes that do not require legislation. Even if the President decides on a separate agency, some improvements in the State structure will still be desirable while awaiting the necessary legislative action. Thorough consultations with the Congress should occur regardless of which direction is chosen.

IV. Suggested Changes to the Current State Department Organizational Structure

A. Bureaus and Special Representatives

At the outset of this Administration, three separate bureaus in State dealt with nonproliferation, arms control, and verification and compliance. The arms control bureau was abolished in 2005. Some of the arms control functions, e.g., START, were taken over by the verification and compliance bureau but that bureau's duties remain largely verification and compliance as prescribed by law. Other arms control duties were transferred to the former nonproliferation bureau, now renamed International Security and Nonproliferation. A quick inventory of this bureau's jurisdiction includes: six treaties, five export control regimes, three international organizations that specialize in nonproliferation or arms control topics, conventional arms proliferation, missile proliferation, missile defense, the Proliferation Security Initiative, implementation of several UN Security Council resolutions and negotiation of resolutions in the UN General Assembly, combating nuclear terrorism, country strategies, cooperative threat reduction in the former USSR, and securing and disposing of fissile material.

Diluting the focus of the bureau charged with nonproliferation by adding such areas as missile defense and General Assembly resolutions makes it much more difficult to achieve priority nonproliferation objectives. Abolishing the arms control focus and scattering its remains renders it unlikely that a renewed arms control agenda as proposed in the Hoover plan can be successfully pursued. Finally, while verification and compliance remain important, the need for U.S. global engagement on nonproliferation and arms control measures should have higher priority and greater focus.

Suggestions

1. Establish a bureau focused solely on nonproliferation by shifting all non-core duties,

such as missile defense and General Assembly resolutions, to a bureau with an arms control focus.

2. Revitalize the organizational structure for arms control by bringing back a bureau solely focused on arms control. Given the difference in priorities in 2005 and what will exist in 2009, new priorities can best be met by creating such a single-focus bureau.

3. Through administrative action, limit the activities of the verification and compliance bureau to the minimum necessary to fulfill its statutory duties. The goal should be to eliminate bureaucratic infighting and free up staff from this bureau for high priority nonproliferation and arms control activities. [6]

4. If there are substantial obstacles to near-term creation of an arms control focused bureau, then consolidate those functions in the verification and compliance bureau effectively making it the arms control and verification bureau while seeking a long-term structure. This approach should include clearly defining the verification role as suggested above.

5. Utilize existing statutory authority to appoint "Special Representatives of the President" at the ambassadorial level, with at least one dedicated to nonproliferation treaties and related activities; and another to the reemerging arms control agenda. They would work with the assistant secretaries for nonproliferation and arms control and be responsible for negotiations, conferences, and consulting with other governments.

B. Staffing

The State Department should have skills and experience relevant to bilateral and multilateral diplomacy and negotiations; the development, testing and manufacture of nuclear, chemical, biological weapons and their delivery systems; the civil nuclear fuel cycle; and to the implementation of interdiction measures, export controls, treaties and international organizations. An interdisciplinary group of civil servants from the physical and social sciences is needed along with foreign service officers (FSOs) and detailees from the military services. This mix has worked well in the past.

Unfortunately, there has been a significant loss of civil servants from the State Department in recent years, and recruiting physical scientists in particular faces strong competitive pressures outside the government. Moreover, with the elimination of ACDA, it has become more difficult to sustain civil service career patterns up through the office director position. Within the relevant bureaus, the State Department has reduced the number of senior executive service positions (SES) for civil servants and several office director positions have gone to FSOs. Such officers have much to offer, including in some cases as office directors or other senior positions. But FSOs must meet the qualifications of the positions, and in most leadership positions, including office directors; the qualifications require a high level of expertise in the field. Regrettably, the foreign service creates few incentives for FSOs to obtain the requisite knowledge for leadership positions in nonproliferation and arms control.

Suggestions

1. Halt any further "bleeding" of the career nonproliferation and arms control staff. Encourage those who transferred out of these jobs in recent years to return. Promote a civil service career path leading to office director positions, including at the SES level. Launch a recruiting program to hire the next generation of civil service specialists, including in relevant scientific and technical fields. Seek special hiring authority, if necessary, to recruit individuals with technical competence and to tap the skills of those officers who have retired from State.

2. Develop the technical competence of FSOs by creating a career path for nonproliferation and arms control with a protocol of training and assignments in these areas. For all FSOs, regardless of their career path, at least one assignment in nonproliferation and arms control or other functional bureaus should be a factor in promotion decisions to mid or senior level FSO positions. Such assignments could reduce some cultural barriers that exist between the regional and functional areas.

C. Advising the Secretary of State and the President

Competing interests are a fact of life at the highest political levels and it is important that those advocating on behalf of controlling nuclear weapons be heard. The Under Secretary of State for Arms Control and International Security ("the Under Secretary") is the most senior State official with clearly defined responsibilities for nonproliferation and arms control, although that position's mandate covers other issues including security assistance and conventional arms. This official is subordinate to the Deputy Secretary of State, is one of six under secretaries and ranks below the Under Secretary for Political Affairs who oversees the powerful regional bureaus. This senior level structure is further complicated by policy officials attached directly to the Office of the Secretary of State for diverse areas, such as reconstruction and stabilization, foreign assistance, development aid, counter-terrorism, and global AIDS programs.

Seeking to ensure that nonproliferation and arms control were not lost among the competing interests, the legislation merging ACDA into State authorized the Under Secretary to assume the former ACDA Director's role of senior adviser to the Secretary *and the President* on arms control and nonproliferation and *to attend NSC meetings at the President's direction* (22 U.S.C. Sec. 2651 a. (b) (2)) (*emphasis added*). Use of this authority, however, was not embraced by the current Administration.

It has long been clear that the State Department structure tends to favor regional interests. This tendency is reflected in the fact that the under secretary to whom the regional bureaus report is the third ranking official in the department. This does not mean that functional interests must give way to regional interests but it does mean that a Secretary of State or a President must ensure that functional priorities are clearly understood and always given appropriate weight. For that to happen, a mechanism must be found to ensure that nonproliferation and arms control equities are represented.

Different approaches -- with varying degrees of success -- have been taken by different administrations. Some administrations have relied upon the personal relationships among the relevant assistant secretaries, under secretaries, the Deputy Secretary and the

Secretary to ensure that nonproliferation and arms control are accorded adequate priority. Others have created various additional mechanisms such as an ambassador-at-large to obtain this result. Of course, up to 1999, the ACDA Director had the rank of Deputy Secretary of State and the authority to advise the Secretary and the President.

Relying solely on personal relationships places at risk over time the capability to sustain the attention of the Secretary of State as personalities change and the inevitable crush of foreign policy issues competes for the Secretary's attention. Continuity of attention to these critical issues could be enhanced by having a structure not dependent upon personalities. Set forth in the suggestions immediately below, which would not require new legislation, and in Section V, which would require new legislation, are various alternatives that should be considered. They could supplement any NSC or White House structural components set up to advise the President. As noted earlier, decisions with respect to these issues should be taken during the transition—delaying those decisions until after the inauguration risks critical substantive issues crowding out attention to structural questions and "turf" mentalities developing that hamper organizational change.

Suggestions

1. Establish procedures to implement the Under Secretary's already existing statutory role as senior adviser to the Secretary and the President on nonproliferation and arms control matters. This would allow the Under Secretary to weigh in on major policy questions, including with the President. It would elevate this position in relation to the other under secretaries. Implementing such an approach would work only if understood and accepted up front by all involved, including the President. Actual use of this authority by the Under Secretary with the President is likely to be rare, in any event, given this person's subordinate position to the Secretary.

2. Establish a position in the Secretary's office such as Coordinator, Ambassador-at-Large, or Special Adviser to the Secretary of State and President, that would focus on nuclear policy or nonproliferation. The mandate could be limited to a few critical topics, e.g. Iran, North Korea, anti-nuclear terrorism, and/or elements of the Hoover plan, or could be broad enough to focus on all aspects of nuclear proliferation. This would elevate nuclear issues to the highest level in State and permit more focus than the Under Secretary, whose mandate is far broader. This sort of arrangement was used with varying degrees of success during the Carter, Reagan and Bush I administrations. It would require a high degree of coordination between the Under Secretary and the new position, as well as with the relevant assistant secretaries. It would not create any clearer path to the President for views that are contrary to the Secretary's.

V. Separate Agency

State and ACDA working in tandem over nearly three decades were able to sustain a high level of U.S. global leadership in nonproliferation and arms control. This was in large part due to ACDA's exclusive focus on the mission, its status as an independent sub-cabinet agency with statutory authority to advise the Secretary of State and the President, and a strong cadre of civil service experts. The ten years since ACDA's demise has seen a decline in U.S. diplomacy in this area. That said, there seems little doubt that ACDA-like resources and strengths will be needed for the foreseeable future. The question is

will a strengthened State structure as suggested above in Section IV be adequate to the task over the long run or should the new Administration seek legislation to transfer the nonproliferation and arms control functions to a separate agency? Two different approaches to a separate agency are set forth below.

A. Separate Agency, But Part of State[7]

A semi-autonomous agency within State would be similar to the concept of the National Nuclear Security Administration within the Department of Energy. The agency's Director would be the nonproliferation and arms control adviser to the Secretary, and have a rank equivalent to the Deputy Secretary of State. The Director would also have the right to communicate directly with the President. The agency would work closely with State regional bureaus and related functional bureaus, but there would be no need for additional nonproliferation and arms control offices elsewhere in State since this agency would represent the coordinated view of the State Department on these issues.

This approach would ensure optimal access to the Secretary. The agency's unique identity and mission should improve the recruitment and retention of the diverse professional staff needed, including scientists and other technical experts. The elevation of nonproliferation and arms control within State will make clear to other governments the importance placed on these topics by the United States and lead to regular consultations with friends and allies. A separate agency is the best way to promote an enduring focus on nonproliferation and arms control policy, in contrast to embedding it in the Department's traditional structure with the vast array of competing interests and predominant focus on country and regional factors. On the other hand, establishing a separate agency would require legislation and presently Congress is focusing on structural issues relevant to post-conflict stabilization and reconstruction, development aid, and foreign assistance. Some argue that a separate agency is not needed; and that State can be structured so that these issues get the attention they deserve and the Secretary gets the necessary advice.

B. Independent Agency

The principal difference from alternative A would be the agency's independence from State. The agency's director would have a seat at NSC meetings dealing with relevant issues, and the agency would participate as a separate entity in interagency deliberations. The agency would have a status similar to that of the former ACDA, which would imply a return to a pre-1999 situation where State had its own nonproliferation and arms control offices. The duties and structure of the new agency, however, would have to reflect the priorities and threats of today. Many of the arguments in alternative A are also applicable here.

In addition, this approach is the only one guaranteed to ensure that the President could hear the nonproliferation and arms control perspective even when the Secretary of State has a different view. Equally important, having an independent agency would make certain that unfiltered nonproliferation and arms control views are considered at all levels of interagency policy formulation, a situation that gave ACDA influence. On the other hand, as experience with ACDA demonstrated, the option of going to the President in

opposition to the Secretary of State can be more theoretical than real, and might rarely be exercised. An independent agency would result in State creating its own nonproliferation and arms control officials and they would have more influence on the Secretary on a day-to-day basis than would a separate agency. Some in Congress would also not be receptive to creating a new agency, believing that more than a decade is needed to determine whether State can effectively do the job on its own.

VI. Conclusion

The above suggestions are, we feel, both practical and necessary although which approach to advising the Secretary of State and the President is actually taken up by a new administration remains a topic for debate and discussion, which we hope will occur over the coming months. These suggestions are offered not as firm conclusions but as alternative ways of improving the country's capacities for planning and implementing a coordinated and flexible, but above all effective, strategy for dealing with nonproliferation and arms control issues.

END NOTES

1 - Structural reforms on other U.S. "soft" power functions (e.g. foreign aid, public diplomacy) have been discussed in recent months. See (i) "Send the State Department to War", Max Boot, NY Times, November 14, 2007; (ii) "Embassies Grapple to Guide Foreign Aid", Staff Report to the Senate Foreign Relations Committee, November 16, 2007; (iii) Speech by Secretary of Defense Robert Gates, Manhattan, Kansas, November 26, 2007; (iv) Commission on Smart Power: A Smarter, More Secure America, Center for Strategic and International Studies (CSIS), Washington D.C., Pre-Publication Draft, December 2007; (v) "Integrating 21st Century Development and Security Assistance", Task Force Report, CSIS, Washington D.C., December 2007; (vi) "Beyond Assistance: Report of the Commission on Helping to Enhance the Livelihood of People (HELP) Around the Globe", Commission created by Congress, December 2007; (vii) Secretary of State's Advisory Committee on Transformational Diplomacy, January 2008.

2 - See essays in the Wall Street Journal of January 4, 2007 and January 15, 2008.

3 - For Senators McCain and Clinton, see Foreign Affairs, Nov-Dec 2007; and for Senator Obama, see Foreign Affairs, July/August 2007. Also see Senator McCain's speech of March 26, 2008.

4 - These points are borrowed from John Holum's article on arms control reorganization that appeared in the June 2005 issue of "Arms Control Today." Holum was the last Director of the Arms Control and Disarmament Agency serving from 1993-1999. He later served as Under Secretary of State for Arms Control and International Security.

5 - ACDA was established in 1961 to provide the United States with a specialized capability to pursue diplomacy to reduce the risk of nuclear war and other arms control measures. A decision was made in 1997 to abolish the Agency and merge its mission into the State Department; this decision was made by the Administration in a deal with then-Senator Helms, Chairman of the Senate Foreign Relations Committee, who had been

seeking ACDA's elimination (along with AID and USIA). Helms, in turn, agreed to allow the Chemical Weapons Convention to come to the Senate floor for a ratification vote. The Convention was ratified by the Senate on April 24, 1997. The merger legislation did not pass until late 1998 and became effective on April 1, 1999.

6 - The position of Assistant Secretary for Verification and Compliance was created by law in 2000; this bureau has far more resources than is needed to carry out its legal mandate. Its statutory responsibilities could be handled by a 10-15 person office reporting to the Under Secretary, but such a transfer of function would require legislation.

7 - Some of the reports, studies and recommendations referred to in footnote 1 suggest the creation of separate agencies - some independent and some within State. The HELP Commission proposed the creation of sub-cabinet agencies within the State Department for post-conflict stabilization and another for public diplomacy. The Smart Power Commission recommended a new cabinet level department for global development and a quasi-independent organization on public diplomacy that would report directly to the Secretary of State. The Advisory Committee on Transformational Diplomacy recommended a semi-autonomous agency on public diplomacy reporting to the Secretary. One rationale for separate agencies found in some of these proposals is to ensure that the function in question is not diluted by the strong regional orientation of the State Department. This is a long-standing critique. In 1999, a Commission chaired by former CIA Director John Deutch released a report on organizing the U.S. government to combat proliferation which argued that the historical dominance of bilateral relations in the State Department comes at the expense of functional issues such as nonproliferation.

ANNEX

Brief Background on Participants and Contributors

ACDA - Arms Control and Disarmament Agency
DOD - Department of Defense
DOE - Department of Energy
IAEA - International Atomic Energy Agency
ICAR - Institute for Conflict Analysis and Resolution
NPT - Nuclear Non-Proliferation Treaty

Dr. Victor Alessi is a physicist with over 30 years experience in nonproliferation & arms control in ACDA, DOE and the private sector. In ACDA, he served as Chief of the Strategic Affairs Division and Executive Assistant to the Director; in DOE, he led the Office of Arms Control & Nonproliferation. From 1999-2006, Dr. Alessi was President/CEO of U.S. Industry Coalition, a non-profit association that facilitates technology commercialization with personnel from the former USSR's strategic programs. Currently, he is the U.S. Representative on the Governing Board of the International Science and Technology Center in Moscow.

Dr. Kevin Avruch is the Associate Director of ICAR and Professor of Conflict Resolution and Anthropology at George Mason University (GMU). He has served on the faculties of the University of California at San Diego, the University of Illinois at Chicago, and at GMU since 1980. Among Dr. Avruch's current projects are the role of human rights and truth and reconciliation commissions in postconflict peacebuilding, and cultural aspects of complex humanitarian and peacekeeping operations.

Major General William F. Burns retired from the Army to serve as ACDA Director from 1988-89. He also served as the first U.S. special envoy to denuclearization negotiations with countries of the former Soviet Union under the Nunn-Lugar cooperative threat reduction program. General Burns negotiated the agreement that called for the conversion to peaceful uses of 500 tons of nuclear material from dismantled Russian nuclear weapons. His wide-ranging experience also includes commanding nuclear weapon units in Europe and serving as Deputy Assistant Secretary of the Political-Military Affairs bureau in the State Department. He is a distinguished fellow at the Army War College.

Ambassador Joseph DeThomas entered the foreign service in 1977; he served overseas in Iran, Mexico, Ethiopia, Austria and Germany. Much of his career involved efforts to prevent the spread of nuclear weapons, including as the Principal Deputy Assistant Secretary of State in the Nonproliferation Bureau. He was Ambassador to Estonia from 2001-2004. Currently he is the Director of Nonproliferation Programs at the U.S. Civilian Research and Development Foundation.

Ambassador Ralph Earle II was Director of ACDA in 1980-81 and Deputy Director from 1994-1999. He was the Alternate U.S. Representative to Vice President Gore at the 1995 NPT Conference, which took the historic decision of extending the NPT indefinitely. Ambassador Earle was the chief U.S. negotiator of the Strategic Arms Limitation Talks (SALT) II Treaty from 1978-80 and before that was the ACDA representative on the U.S. SALT delegation. Earlier in his career, he served at DOD as Principal Deputy Assistant Secretary for International Security

Affairs.

Mark Fitzpatrick is a senior fellow for nonproliferation at the International Institute for Strategic Studies. Prior to that he served 26 years in the foreign service, including in the Nonproliferation Bureau as Deputy Assistant Secretary of State and head of the Regional Affairs Office. In those positions he dealt with proliferation issues in Iran, North Korea, Libya, Iraq and South Asia. Mr. Fitzpatrick also served for four years at the U.S. mission in Vienna dealing with the IAEA, including as counselor for nuclear policy.

Dr. Linda Gallini has over 30 years experience on nuclear nonproliferation, including as head of government offices dealing with the IAEA and NPT. She served in ACDA from 1976-84, and the State Department from 1984 to 2006. Dr. Gallini was Special Assistant to Ambassadors Richard Kennedy and Nelson Sievering while each served as U.S. Representative to the IAEA Board of Governors. Currently she is a consultant for Brookhaven National Laboratory.

Dr. Robert Gallucci is Dean of the Edmund A.Walsh School of Foreign Service at Georgetown University. His prior service at the Department of State spanned more than 20 years including as Ambassador-at-Large and Special Envoy dealing with proliferation and negotiating the 1994 Agreed Framework with North Korea, Assistant Secretary of State for Political-Military Affairs, and as coordinator for nonproliferation and nuclear safety issues in the former Soviet Union. Prior to that, Dr. Gallucci was the deputy executive chairman of the UN Special Commission overseeing the disarmament of Iraq.

Ambassador James Goodby has over 50 years experience in foreign and national security policy. He was in the foreign service until 1989, having served as Deputy and Head of U.S. delegations negotiating on conventional and nuclear weapons, and later as Ambassador to Finland. Thereafter, he was appointed to several senior government positions in arms control & nonproliferation. From 1993-1996, Ambassador Goodby was chief negotiator on nuclear threat reduction and Special Representative of the President on nuclear weapons security and dismantlement. Currently, he is a research fellow at Stanford's Hoover Institution and a non-resident senior fellow at the Brookings Institution.

Under Secretary John Holum served as Director of the Arms Control and Disarmament Agency from 1993 until its merger with the State Department in 1999. For the remainder of the Clinton Administration, he was Under Secretary of State for Arms Control and International Security and Senior Adviser to the Secretary of State and President. From 1981-1993, he practiced law in Washington. From 1979-81, he served on the Policy Planning Staff at the State Department working on arms control and legal issues. From 1965-1979, Mr. Holum was on Senator's McGovern's staff, including as legislative director.

Dr. Edward Ifft is a physicist who occupied senior positions at the State Department in nuclear arms control to include negotiations on the SALT Treaty, on the Strategic Arms Reduction Treaty (START), and the Comprehensive Nuclear Test Ban Treaty (CTBT). Dr. Ifft served as a Deputy Director of the On-Site Inspection Agency and as a senior adviser to the Defense Threat Reduction Agency. Currently, he is an adjunct professor in the security studies program of the School of Foreign Service at Georgetown University.

Dr. Allan Krass is a physicist who held faculty positions at the University of Iowa, U. of California at Santa Barbara, Princeton University, and for 20 years was Professor of Physics and Science Policy at Hampshire College in Amherst, Mass. From 1995-2005, he served as a physical science officer in the nonproliferation bureaus of ACDA and of the State Department.

Dr. Krass was adjunct professor from 1999-2006 in Georgetown University's program on Science, Technology and International Affairs.

Dr. Fred McGoldrick has over 30 years experience in nuclear nonproliferation. He served first in DOE and its predecessors and then in the Department of State from 1982-1998, becoming Director of Non-Proliferation and Export Policy and later Acting Deputy Assistant Secretary. Dr. McGoldrick was Minister-Counselor in the U.S. Mission to the IAEA for three years. Currently, he is a principal and manager of a consulting firm, Bengelsdorf, McGoldrick and Associates.

Dr. Christopher Mitchell has worked on conflict resolution for four decades, beginning in London and at the University of Southern California, Brigham Young University, University of Maryland, and at George Mason University's ICAR for 17 years, including 4 years as Director. Dr. Mitchell has been involved in many "track two" interventions including between Greek and Turkish Cypriots and diverse Liberian factions. Currently he is Professor Emeritus of Conflict Analysis and Resolution at ICAR.

Frances Omori retired from the U.S. Navy as a Commander. She has many years of experience in counterterrorism, counterproliferation, WMD, arms control and war gaming. Commander Omori held branch and section chief positions at the Defense Intelligence Agency, Defense Threat Reduction Agency, and for the Chief of Naval Operations, and served as military assistant to the ACDA Deputy Director. Currently, she is a PhD candidate at George Mason University, ICAR.

John Rhinelander has been a leading expert on international law and arms control-related topics for more than 35 years. He was a Deputy Legal Adviser in the Department of State in the early 1970's and served on the U.S. delegation that negotiated the 1972 US-USSR SALT Treaty and the Anti-Ballistic Missile Treaty. Mr. Rhinelander has taught at both Virginia Law School and Georgetown University. Currently he is a senior counsel at the law firm of Pillsbury, Winthrop, Shaw, & Pittman.

Dean Rust served over 35 years with ACDA and the Department of State, 29 years of which focused on nuclear nonproliferation. He served as a deputy in several offices. His areas of expertise include the Atomic Energy Act, export controls and the NPT. He was instrumental in the success of the 1995 NPT Extension Conference and was a key negotiator at the 2000 NPT Review Conference. Currently, he is a consultant for Brookhaven National Laboratory.

Dr. Randy Rydell has over 25 years of experience in nuclear nonproliferation at Lawrence Livermore Laboratory, the U.S. Senate, and at the United Nations. He worked for Senator John Glenn of Ohio from 1987-1998 on the professional staff of the Committee on Governmental Affairs. In 2005-06, Dr. Rydell served as Senior Counselor and Report Director for the Blix Commission on Weapons of Mass Destruction. Currently, he is Senior Political Affairs Officer in the UN's Office of the High Representative for Disarmament Affairs.

Dr. Andrew Semmel has over 25 years of foreign policy experience with the Congress and the Executive branch. He served in DOD and later spent 14 years (1987-2001) on the personal staff of Senator Richard Lugar, becoming senior legislative assistant for foreign policy. Dr. Semmel was Executive Director of the U.S.-China Security Review Commission from 2001-2003. He was Deputy Assistant Secretary of State for Nuclear Nonproliferation from 2003-2007. Currently, he is a private consultant.

Sharon Squassoni has over 15 years of experience with nuclear nonproliferation and related issues. She was in the Executive branch for nine years, beginning as a nuclear safeguards expert in ACDA and ending as director of policy coordination in State's Nonproliferation Bureau. Ms. Squassoni worked for Newsweek in 2001 and was a nonproliferation specialist for the Congressional Research Service from 2002-2007. Currently, she is a Senior Associate at the Carnegie Endowment.

Dr. Barclay Ward was in the foreign service from 1961-1975 including assignments in Canada, Poland and Washington. He was a member of the political science faculty at the University of the South (Sewanee) from 1975-2006, including as Department Chairman. Dr. Ward taught international studies for Vanderbilt University for 16 summers in London. He was a consultant specializing in NPT matters for ACDA and State for 25 years.

Ambassador Norman Wulf served over 38 years in the U.S. Navy, State Department, and ACDA. He was active in State on law of the sea issues and later was ACDA's Deputy General Counsel. From 1985-1999, he was Deputy Assistant Director for Nonproliferation in ACDA, and from 1999-2002 served as Special Representative of the President for Nuclear Non-Proliferation and as a Deputy Assistant Secretary of State in the Nonproliferation Bureau. Ambassador Wulf served as the Alternate Representative to Secretary of State Albright at the 2000 NPT Review Conference. Currently, he is a private consultant.

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"National Security Bureaucracy for Arms Control, Counterproliferation, and Nonproliferation
Part I: The Role of the Department of State"
Before
Senate Subcommittee on Oversight of Government Management, the Federal
Workforce, and the District of Colombia
May 15, 2008

Andrew K. Semmel
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INTRODUCTION

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to discuss management and organizational issues in the T-cluster of bureaus in the Department of State. I will focus my remarks on the Bureau of International Security and Nonproliferation (ISN), the organizational unit that was created in 2005 following the merger of the Arms Control and the Nonproliferation bureaus and offer some suggestions for improving the conduct of our nonproliferation and arms control policy.

The ISN bureau has the principal responsibility in the Department of State for managing our arms control and nonproliferation policy. As such, the bureau has the lead, or has a leading role, in the Department for managing major U.S. nonproliferation issues, including Iran and the DPRK nuclear programs, the Indian civil nuclear cooperation initiative, redirection or former weapon scientists, interdiction policy, nuclear smuggling, and our participation in nonproliferation and disarmament treaties and in international organizations, among others.

Mr. Chairman, this hearing is timely. Many observers, inside and outside the U.S. Government, believe we may be a critical juncture, some say a tipping point, in global efforts to prevent the spread of weapons of mass destruction and missiles and the materials, technology and expertise associated with them. While much progress and innovation has taken place over the past few years, the trend lines are not very promising and we may be falling behind where we need to be. The next administration will be tested the first day it takes office. It will need to prepare itself for the long haul with a policy agenda, an organizational structure, skilled leadership and adequate staffing to rally our country and our friends and allies to the cause -- if they hope to reverse this trend.

LEADERSHIP VOLATILITY

Mr. Chairman, I served as the Deputy Assistant Secretary of State from the spring of 2003 thru December 2007. My primary responsibilities included nuclear nonproliferation,

nuclear energy, our participation in relevant international treaties and institutions, and the Department's role in the cooperative threat reduction program, known sometimes as the Nunn-Lugar program. This was a broad policy umbrella which covered a host of front-line issues for which I had a measure of responsibility.

Before taking the position in the State Department, I spent most of my government career here in the United States Senate. When I began my State Department tenure in the former Bureau of Nonproliferation, I was one of just two Deputy Assistant Secretaries of State; when I left the Department, I was one of three Acting Deputy Assistant Secretaries in the Bureau of International Security and Nonproliferation (ISN). Both my rank and title changed after the 2005 merger that created the International Security and Nonproliferation bureau.

During my tenure, I served under five different Assistant Secretaries, or about one Assistant Secretary, on average, every 11 months. Three served in an Acting capacity, only two, including the current occupant, were confirmed by the Senate. The current occupant has taken on duties of the Under Secretary for Arms Control and International Security, a slot that is technically vacant. When I left the Department in December, all four occupants in the Front Office of the International Security and Nonproliferation bureau held Acting or temporary positions, and three were political appointees.

Some of this volatility amounts to normal organizational change but much of what occurred in the ISN bureau exceeded normality. There is a price to pay with leadership instability and frequent change. Repeated leadership transitions make formulating and implementing our arms control and nonproliferation policies more difficult at home and abroad. It weakens the bureau's voice in the Department and in inter-agency fora; it creates confusion and uncertainty among the permanent staff whose expertise and experience are vital for continuity and clarity; and it does little to strengthen our posture in negotiations with counterparts from other countries.

This also meant that it was not always easy to get the attention of senior Department and White House officials, though we had some successes; it was difficult to battle on all fronts in inter-agency fora since we were frequently out-gunned or, in some cases, deemed out of the policy mainstream, though again we won some policy battles; it was difficult to negotiate with foreign counterparts with U.S. lead negotiators in Acting rather than permanent or Senate-confirmed positions, though we prevailed on many of these skirmishes. It was also difficult to secure the funding needed to manage our programs, or to obtain the authority to staff adequately our key offices to carry out our nonproliferation mission. On this, I believe we rarely prevailed in the internal deliberations of the Department and the inter-agency. Many of the ISN offices with direct responsibility for our nonproliferation activities were compelled to recruit and rely on temporary help, interns, short-term scholars, Foreign Service and Civil

Service retirees, and others. This is not the optimal strategy for managing an issue-area that ranks among the most important and acute foreign policy and national security threats to the United States. I should add that, in many respects, the Congress was often more receptive and responsive to our needs than were the inner workings of the administration.

ARMS CONTROL AND (AC) AND NONPROLIFERATION (NP) Merger

Mr. Chairman, I was directly involved in the merger of the Arms Control and Nonproliferation bureaus that took place between 2004 and 2005. I was a member of the Senior Management Panel appointed by the Under Secretary for Arms Control and International Security in September 2005 that was tasked with recommending decisions on implementing the reorganization. I recall at the time that virtually no one in the ranks of the Nonproliferation bureau – Front Office and staff members, Foreign Service and Civil Service -- wanted this merger to take place. I was told by senior members of the Arms Control bureau that they, too, did not seek or desire the merger. It's true that the functions of the two bureaus overlapped in many ways and that other countries had combined these two policy functions into a single organizational unit. A case could be made, and was made, for the merger on these grounds of minimizing duplication and redundancy, and on the benefits of streamlining and cost-savings. A case was also made that the Department had to be realigned to address the security demands of post 9/11 world.

Many believe, as I did then and now, that once the State Department Office of Inspector General began its investigation and before it reported its findings and recommendations that the outcome was predetermined. Once the decision was made to combine the two bureaus in 2005, the task was to insure that the new bureau was going to be, at minimum, no worse or preferably better, than the organizational structures it was designed to replace. Many of us counseled that we ought to follow a basic Boy Scout camping motto: when you leave a campsite, be sure that it is no worse than when you found it or better than when you first arrived. Through the first two years of the merger, there is doubt that we measured up to that standard.

There were a number of anomalies resulting from the merger that have a bearing on the efficacy of current organization. Let me mention a few of these:

- The combined workforce size of the new ISN bureau resulted in substantially fewer full time equivalent (FTE) personnel (about 16% less) than the combined workforce of the two bureaus prior to the merger. This happened despite the fact that the new bureau took on added responsibilities by creating two new line offices to deal with WMD terrorism and interdiction policy. Several offices were severely truncated in size and remain under-staffed; one office has been cut nearly in half even though its nominal

responsibilities increased. Paradoxically, ISN's sister bureau, the newly named Verification, Compliance and Implementation (VCI) which had received a critical review by the Office of the Inspector General and a recommendation to be severely reduced in its FTEs and responsibilities was, nonetheless, expanded in size and function.

- Despite the fact that the Office of the Inspector General reported that the Nonproliferation bureau was over-worked and well-led, and the Arms Control bureau was under-employed and had low morale, the leadership on the new ISN bureau was drawn almost exclusively from the Arms Control bureau; three of the four ISN Front Office leaders -- and the Special Assistant -- were chosen from the AC bureau by the then Under Secretary for Arms Control and International Security to lead the bureau. In that process, the function of arms control was deflated while the role of the Arms Control leadership was elevated.
- While staff within the two bureaus (VCI staff was invited as well) was offered the opportunity to change their current jobs and seek new positions and responsibilities within the newly configured ISN bureau, one of the results was staff flight through early retirement, employment outside the bureau, and through other means, thereby depriving the bureau and the Department of a rich lode of experience and expertise, particularly in multilateral diplomacy.
- The Senior Management Panel appointed by the Under Secretary for Arms Control and International Security and tasked to make recommendations on implementing the decision to merge the two bureaus, was composed (initially) of four political appointees with limited experience with Foreign Service and Civil Service personnel rules and procedures, was compelled to operate in near secrecy, and was required to function without the direct benefit of the Department's human resources expertise. The exclusion of career personnel deepened perceptions of partisanship. This management approach was inconsistent with the Inspector General's recommendation.

A more comprehensive description of the dynamics and presumed motives behind the merger and the steps that were taken to implement the merger can be found in an article by Dean Rust published in the June 2006 issue of Arms Control Today. It provides a detailed account of the merger.

The bottom line is that the 2005 merger of the Arms Control and the Nonproliferation bureaus did little, thus far, to strengthen the voice of the Department on nonproliferation and arms control issues.

WHAT TO DO?

Over the past several years, the Department and the Administration have accomplished much to be proud of in preventing the spread of WMD and much that advances and protects

our security and national interests. It has done so during a particularly stressful time following the tragedy of 9/11, now during two simultaneous wars, and under serious budget and staffing constraints. It accomplished this progress in good part because of the quality, experience and professionalism of the personnel serving in the bureau.

So, how might the conduct of our nonproliferation and arms control policy be improved? There is no easy solution, to set formula, and no panacea. Much depends on the clarity and coherence of the policies espoused by the leadership and their mind set. Much also will be shaped, over time, by the organizational structure constructed to carry out that policy. For this reason, the Subcommittee may wish to explore several avenues for improving the conduct of nonproliferation and arms control policy. There are several broad approaches worth exploring, including:

CULTURAL CHANGE. It is axiomatic that the State Department has a strong preference for service in the geographic bureaus and foreign country posts; contrariwise, it deems service in functional or transnational bureaus and international organizations with less favor. The Department's regional bureaus are not always well staffed to manage the technical issues involved in nonproliferation and arms control negotiations. Our foreign country posts are not often manned with officers knowledgeable or experienced in arms control and nonproliferation issues. Finally, it is fair to say that the Department and the Foreign Service harbors a strong preference for conducting U.S. diplomacy through bilateral, rather than through multilateral channels which are often viewed with disfavor, or seen as feckless. This attitude has been especially pronounced in recent years, but it has been a cultural attribute of the Department for years.

Partly because of this, the Department's personnel systems are tilted in favor of rewarding service in regional and country mission assignments. This makes it difficult to entice Foreign Service Officers to serve parts of their entire career in functional bureaus such as ISN. Foreign Service Officers who serve repeated assignments in functional bureaus are generally not promoted as rapidly and frequently opt to terminate their careers early, thus depriving the Foreign Service and the Department and the United States government of the expertise and experience they have accumulated over the years. In my few years in the Department, I have seen several high quality FSOs prematurely leave the Department because of this skewed reward structure.

Changing these cultural biases is very difficult -- but worth doing -- and would take a long time to implement because they are part of the core make-up of the Department. There have been some attempts to rectify this imbalance but none that I have seen have been sustained or particularly effective. The Foreign Service Institute has introduced some training courses in multilateral diplomacy and some courses on nonproliferation policy. The

Department's T-Group set up separate internal Task Forces on the Foreign Service and on the Civil Service to address these and related personnel issues, but it remains to be seen how serious their effort are taken by senior policy and management personnel in the Department.

SEPARATE ENTITY. If changing the cultural biases of the Department is difficult to achieve, a more risky, but potentially more rewarding option, would involve a fundamental change in organizational structure. Some observers believe that reducing the gap between our high priority nonproliferation and arms control goals and our current organization for advancing those goals can best be achieved with a separate independent or semi-independent entity—inside or outside the Department --that is guarantees a seat at the table in important decisions. A separate agency, modeled perhaps after the former Arms Control and Disarmament Agency (ACDA), would work in tandem with the State Department but possibly report directly to the Secretary of State and the President, with inter-agency coordination managed by a senior member of the National Security Council. This type of re-structuring would elevate the role of the agency and its head above the Under Secretary or Assistant Secretary, and could give the agency more clout in inter-agency and international negotiations. Some proponents argue that an independent agency would help bring balance to the conduct of diplomacy by giving more weight to multilateral diplomacy and that it would yield greater influence over its funding needs.

There have been two major reorganizations involving the structure and management of arms control and nonproliferation policy in the State Department in the past ten years. Each was heralded as necessary. One can clearly argue that realigning our organizational structure to meet the security demands of the post-9/11 world is needed and that structural change is, in any event, inevitable and necessary, even if disruptive and time-consuming. However, the next administration will want to weigh carefully the possible costs of undertaking a third major realignment, whatever its intrinsic merits, as it begins to organize itself for the future. There is only so much carrying capacity that any new administration can handle.

If the new Administration's nonproliferation and arms control policy goals are ambitious and if it seeks a fundamental shift in U.S. policy, it faces a difficult paradox: creating a new entity to manage the nonproliferation agenda may be necessary to further a bold agenda, but the time and energy that would be required to bring about this change would likely divert the time and energy necessary to implement the ambitious agenda it seeks to advance. On the other hand, it will be difficult to achieve new and ambitious goals if the current organization for dealing with nonproliferation and arms control arrangement is not strengthened.

ORGANIZATIONAL REFORM. A less risky and less arduous option for improving the conduct of our nonproliferation and arms control diplomacy is to implement smaller-scale organizational, personnel and process-related changes. The Congress took one such step last

year when it created a full-time senior-level position in the White House to undertake sole responsibility for weapons of mass destruction and terrorism so that what must be done gets done. This position has not been filled to date but it illustrates the kind of reform that could have significant impact. It further demonstrates that any change, legislative or otherwise, will only be as effective as the senior leadership want it to be.

I have already alluded to the kinds of organizational and personnel changes that could improve the conduct of our nonproliferation and arms control policy. These include:

(1) More programmatic funding to enable the bureau and the Department's T-Group address a broader array of proliferation-related issues abroad. Current spending for nonproliferation and arms control in the 150 NADR account amounts to less than one percent of the Department overall state budget.

(2) Increasing funding would be meaningless with staff augmentation to design and implement programs efficiently. The ISN bureau needs authorization for additional permanent or Full Time Equivalent (FTEs) personnel and fewer temporary or part time staff to manage key issue-areas. In at least one office, and perhaps others, the number of part-time, contract, and TDY persons out-number the combined number of career Foreign Service and Civil Service officers.

(3) The FSI should add more courses on multilateral diplomacy and on nonproliferation and arms control to its training curriculum.

(4) Difficult as it may be, there should be a serious and sustained attempt to alter the reward structure of the Foreign Service. The Foreign Service should require the Foreign Service to include assignment(s) in functional bureaus a necessary part of the Foreign Service career path.

(5) The Department should consider resurrecting the Foreign Service Reserve Officer program, or something similar, to recruit specialists for skills difficult to fill. Physical and natural scientists – physicists, biologists, engineers, and chemists -- have skills and expertise needed to tackle the complexities of nuclear, chemical and biological proliferation and arms control.

(6) On a larger scale, consideration could be given to re-writing the mission statement of the Under-Secretary for Arms Control and International Security to place him/her on a par with the Under Secretary of State for Political Affairs in order to strengthen the internal trade-offs involving the nonproliferation/arms control agenda.

These types of incremental changes, and others, have considerable merit and should be considered, but some caution is in order. It would be a mistake, in my judgment, to assume

that perfecting an organization structure or smoothing a decisional process or devising a flawless personnel system, will in and of themselves be a panacea for good policy. They can help, often in significant ways, but rearranging the deck chairs on the Titanic will not stop the ship from sinking. Getting the attention of the Secretary or the President, having a seat at the decision table, or implementing a fair and balanced personnel system can improve the policy process and policy itself, but it cannot be a substitute for good policy.

POLICY PRIORITY. Most decision theory claims that well-crafted and tidy organizational structures and smooth and effective policy processes are more likely to generate good quality decision outcomes than are poorly organized or managed structures and capricious decision processes. There is something to this linkage. It is especially valid when decisions are developed inductively up through organizational chains, or if there is a vacuum in leadership or policy direction. But there is nothing inevitable about it. More likely, it is not the organization structures alone that are responsible for a record of successes or failures, as important as they can be, but the policy preferences, style, and policy mind-sets of the senior leaders. The next administration will have to first determine its nonproliferation and arms control agenda, then shape the structure and chose the personnel to implement it.

Organizational change, institutional reform, and improvements in personnel policies are important and can improve the conduct of nonproliferation and arms control polices but it is the policy and the management of policy by senior leadership that shape organizational behavior, not the other way around. As statisticians might put it: most of the variability in success or failure of policy lies with the quality of the policy itself. But, it doesn't account for all variability. Congress can play a constructive role by focusing its oversight attention on our nonproliferation and arms control policy, as well as giving careful consideration to the organizational structure and personnel policies that underlie it.

CONCLUSION

Mr. Chairman, this panel has laid out a number of changes for improving the conduct of our nonproliferation and arms control policy, some large and some incremental, some that would require legislation and some that can be accomplished under existing authorities. If the next administration wishes to re-direct and strengthen the U.S. nonproliferation and arms control policy agenda, as I believe it should, it would do well to elevate the status and role of the organization(s) responsible for conducting our policy by ensuring that they are amply resourced, appropriately organized and led, and staffed with quality and experienced personnel with the right skills. This will require greater support from the Secretary of State and the President – and from the Congress -- and may entail the creation of a more independent or separate entity devoted to nonproliferation and arms control. More modest institutional

changes, some of which are mentioned in my statement, can help improve policy development and implementation and should be seriously considered.

Sorting through the maze of options is a difficult chore. It would be wise to create a bipartisan blue ribbon task force to think through and make recommendations on what our nonproliferation and arms control policy agenda should be, and how that agenda should be structured and managed to optimize chances of successful implementation. This should be done as soon as possible so that its findings and recommendations are available for consideration by the incoming administration.

President Bush, Secretary Rice, Secretary Gates, and virtually all foreign policy and national security observers agree that the danger of WMD and missiles falling into the wrong hands poses a grave threat to the United States. This threat will continue into the future. It will likely grow. We must do everything we can to prevent this from happening. U.S. diplomacy and U.S. diplomats man the front lines and constitute our first line of defense for gaining the cooperation of other countries and international organizations essential in this effort. When they are successful, more drastic policy options can be avoided; if they fail, resort to more coercive and costly options are more likely. Our first line of defense needs to be strengthened.

Thank you very much.

PRINCIPAL DEPUTY ASSISTANT SECRETARY
PATRICIA A. MCNERNEY'S APPEARANCE BEFORE THE SENATE SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA TO TESTIFY ON THE "NATIONAL SECURITY BUREAUCRACY FOR ARMS CONTROL, COUNTERPROLIFERATION, AND NONPROLIFERATION PART II: THE ROLE OF THE DEPARTMENT OF STATE"
FRIDAY, JUNE 6, 2008 AT 2:00 PM

Mr. Chairman, distinguished Members of the Committee, thank you for this opportunity to discuss our role in protecting U.S. national security and ensuring that we are responding appropriately to today's nonproliferation and international security challenges.

When Secretary Rice began her tenure, she called on the Department of State to transform the way we think about diplomacy and to consider how we might best use our diplomatic tools to meet today's threats and prevent tomorrow's problems. Thanks to the vision of Secretary Rice, we reshaped our structure, moving away from a system designed to address the challenges presented by the Cold War toward a structure more capable of countering today's nonproliferation and international security challenges including the potential use of weapons of mass destruction (WMD) by terrorists. By creating a robust Bureau of International Security and Nonproliferation (ISN), which incorporates a strong arms control component, strengthening the Bureau of Political-Military Affairs,

and expanding the Bureau of Verification and Compliance's mandate to include treaty implementation, Secretary Rice not only effectively enabled the Department to better respond to the challenges of the post-9/11 world, but strengthened our commitment and ability to support the nonproliferation and arms control regimes already in place.

The former Bureau of Verification and Compliance, now the Bureau of Verification Compliance and Implementation (VCI) has enhanced our ability to foster the achievement of treaty requirements: implementation; effective verification; and full compliance. VCI leads the U.S. Government effort to verify compliance with arms control, nonproliferation and disarmament agreements or commitments – including those which may not involve detailed, written agreements. In addition, as a result of the reorganization, VCI assumed responsibility for the implementation and verification of important treaties that protect our security, such as the Conventional Armed Forces in Europe (CFE) Treaty, the Intermediate Range Nuclear Forces (INF) Treaty, the Moscow Treaty, the Open Skies Treaty, the OSCE Vienna Document, and the Strategic Arms Reduction (START) Treaty. At the time, Secretary Rice judged that implementation of existing agreements logically fit with the work of the then Verification and Compliance Bureau and thus in July 2005

announced that its mandate would be expanded to include implementation and its name would also reflect that additional responsibility.

The Bureau of Political-Military Affairs (PM), as a member of the T Family, received a few additional slots but was largely unaffected by the reorganization of the T Family Bureau in 2005. The Bureau of Political-Military Affairs (PM) is the Department of State's principal link to the Department of Defense. The PM Bureau provides a strategic focus on the growing conventional weapon proliferation challenge, and provides policy on security assistance, military operations, defense strategy and plans, and defense trade. PM also maintains the Office of Weapons Removal and Abatement which is responsible for humanitarian demining, mine action, and small arms/light weapons initiatives. Given the nature of the work where PM leads, during the reorganization the Foreign Consequence Management (FCM) program, which leads U.S. government coordination for an overseas WMD event, was moved into the WMD Terrorism Office within ISN. In doing so the FCM Office is able to more directly coordinate and receive support from the WMD expertise within ISN and take advantage of the relationships being formed within the international community to combat WMD.

The evolution of the "T Family" of Bureaus, and the development of ISN's role as the Department of State's lead on international security and nonproliferation

efforts, have been driven not only by changing times, but also by the essential need for a single, integrated Bureau empowered to engage the international community on the United States' behalf. By merging two Bureaus of the Department, and removing the redundancies lingering from the 1999 merger of the Arms Control and Disarmament Agency into the Department of State, the Bureau of International Security and Nonproliferation is able to perform that vital role.

As a Bureau that covers both traditional and non-traditional security threats, I believe we have thoroughly and effectively enabled each office to examine and monitor the multifaceted elements of nonproliferation and arms control. Our offices not only focus on conventional, nuclear, missile, chemical and biological threat reduction; WMD terrorism; but also on the nexus between WMD and terrorism, and on complex regional affairs and their affect on nonproliferation and international security. By placing a greater focus on counter proliferation and global cooperative threat reduction in addition to multilateral and bilateral engagement, we have enhanced our national ability to engage on issues of proliferation concern.

As part of the reorganization, some offices were merged to remove redundancies, but other offices were created and still others expanded in response to today's national security challenges. For example, two offices responsible for

chemical and biological policy and export control efforts were combined into an office of Chemical and Biological Weapons Threat Reduction. New offices were created that are responsible for WMD Terrorism and for Counterproliferation Initiatives. We added the Office of Strategic Planning and Outreach to lead the Executive Directorate for the Secretary of State's International and Security Advisory board, as well as to maintain our national security policymaking planning and development. We brought into our Bureau the Office of Missile Defense and Space Policy, in order to integrate those efforts more closely into our efforts to combat WMD. As a result of these and other changes, we have three Deputy Assistant Secretaries and thirteen offices focused on advancing U.S. nonproliferation and security objectives. This enables us to have a clear, efficient and effective path forward to achieve U.S. national security goals.

We have transformed our internal organization to better address proliferation interdiction and conventional weapons detection and destruction, improve engagement and employment for scientists, technicians and engineers with WMD related expertise in areas of concern, and enhance our ability to detect and counter WMD smuggling. At the same time, our ability to develop effective policies and guide action related to "traditional" arms control responsibilities has been strengthened. Whenever possible, we have sought to build upon the substantial

nonproliferation foundation already laid before us. We have also focused substantial effort on working within the G-8 to expand multilateral efforts to counter the WMD threat posed by terrorists and proliferant states.

Tasked with engaging our colleagues within the interagency as well as our partners internationally to overcome both the emerging and traditional nonproliferation and security challenges, ISN has devoted its efforts to the successful resolution of complex problems such as dismantling the A.Q. Khan network and helping Libya fully implement its commitments to eliminating its WMD programs. Countering Iran and North Korea's efforts to acquire WMD and ballistic missile systems of increasingly longer range and greater payload through the use of multilateral, bilateral, and unilateral efforts has also been a key focus. As a Bureau, we continue to vigorously support the Nuclear Nonproliferation Treaty, the Biological Weapons Convention, the Chemical Weapons Convention, and the four multilateral export control regimes – as a critical part of our mandate. We see these as important tools to limit the spread of WMD in the Twenty First Century and continue with our international partners to look for ways to strengthen the nonproliferation regime. I am proud of the work that the ISN Bureau and its highly skilled Civil Service and Foreign Service Officers have done in leading the U.S. Government's nonproliferation and security efforts.

With an engaged and active workforce, we continue to seek to address today's nonproliferation and security challenges. For example, the Office of WMD Terrorism, one of the offices newly created in the 2005 merger, directly confronts the nexus between terrorism and WMD. One of the many efforts of that office has been to spearhead the Global Initiative to Combat Nuclear Terrorism, which now has 71 partners.

Our Office of Regional Affairs plays a central role on key issues such as countering the nuclear weapons ambitions of North Korea and Iran, and promoting nonproliferation and international security dialogues with key friends and allies, such as the pending civil nuclear agreement with India, and other bilateral and multilateral aspects of our efforts to combat WMD. The Regional Affairs office is a leader in the Department's efforts, in conjunction with our friends and allies, to change Tehran's assessment of the costs and benefits for continuing with prohibited nuclear activities which would give Iran the ability to produce fissile material for nuclear weapons. Moreover, Regional Affairs, in coordination with EAP and VCI, also helps lead the Department's efforts – now actively underway – to achieve the complete, verifiable, and irreversible elimination of North Korea's nuclear weapons and nuclear programs.

We have also expanded the mission of some offices. The office of Cooperative Threat Reduction works on both highly technical and highly important policy issues. Cooperative Threat Reduction includes a great mixture of civil and foreign service personnel and technical experts – in this case 8 physical scientists. The office was refashioned under the reorganization to lead USG redirection of WMD scientist around the world, efforts to expand the Global Partnership, and bio-security and chemical security engagement efforts.

ISN's offices also actively support our Under Secretary's participation in meetings of the National Security Council (NSC) and in his role as Senior Advisor to the President and Secretary of State on Arms Control and Nonproliferation matters. Examples can be found in the policy development and implementation of our nonproliferation and security goals in the East Asia and Middle East regions, specifically on matters related to the curtailment and dismantlement of North Korea and Iran's nuclear weapons program.

Since each of our thirteen offices has a clearly defined mission that contributes directly to advancing U.S. national security objectives, we have been able to attract and retain exceptionally qualified and motivated individuals. With

more than 180 Civil Service employees and Foreign Service Officers, we feel confident that the quality of work produced by our Bureau reflects positively on the caliber of its employees and the quality of our work environment. All ISN employees have been strongly encouraged to take training courses at the Foreign Service Institute and other outlets to continue to enhance their skills and expertise. A new T Family Award for Excellence in International Security Affairs was also created to recognize outstanding Foreign and Civil Service employees in the ISN Bureau. Tasked to work on some of the most pressing national security issues of our time, ISN provides its employees with a vibrant, stimulating, challenging, and professionally rewarding work environment.

We have been able to maintain and attract a large number of highly-trained personnel from the nation's top universities with graduate degrees in both technical and policy areas who have played an integral role in shaping the State Department's policy. We continue to engage our colleagues in Human Resources on matching skill sets with open positions and have found that our Bureau's reputation and responsibilities attracts a broad selection of candidates for our job openings and disagree with the claim that we operate with skills gap. When a slot recently opened for a mid-level career entry position, more than eighty prospective candidates applied. When we advertised an opening at the Presidential

Management Fellows Career Fair, we were heartened that over 110 talented individuals -- approximately 20 percent of the entire Fellowship pool -- applied for just one of our positions. ISN continues to attract professional technical experts from the several prestigious Science and Academic Fellowship programs including: the Jefferson Science Fellowship, Foster Fellowship, and the Association for the Advancement for Science (AAAS) Science and Technology Policy Fellowship. This year 25% of the total AAAS diplomacy fellows serving at the State Department chose positions in the ISN Bureau, a clear indication of where some of the best and brightest technical experts are choosing to make their contribution to government.

We pride ourselves on our ability to attract, retain, and promote personnel. An example of this commitment to the Bureau can be found in a former Office Director in AC, who after joining the intelligence community found that he missed the dynamism of ISN, being at the epicenter of nonproliferation policy, as well as the camaraderie in the Bureau. One year later we were able to re-hire him, not only because of his valuable expertise and experience, but also because he was eager to return to ISN's vital work. He now serves as a Senior Advisor in the Bureau. Since his return, he led the first U.S.-North Korea experts' discussion on disablement at the 2007 Denuclearization Working Group Meeting in Shenyang,

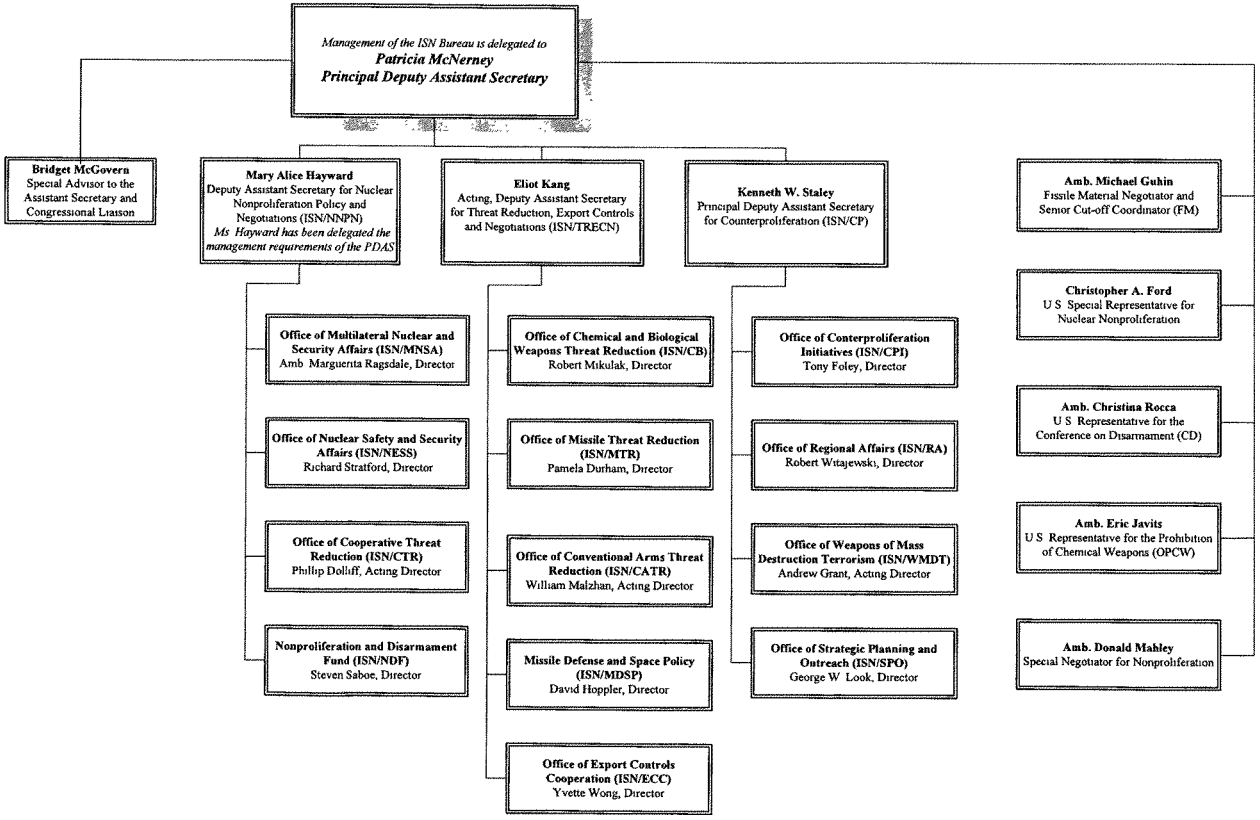
China and was a member of the first U.S. team of experts in the Six-Party process to visit and assess the DPRK's Yongbyon nuclear complex. Not only is this a success story for our Bureau, but it demonstrates our commitment and ability to attracting experienced professionals in the international security field.

This is but one example, and while we acknowledge that there are people who did leave during or after the merger, we would also like to note that there are many others who have joined, who have returned, or who have turned down offers by other agencies and bureaus because they value the vital role they are able to play in security issues in ISN. The men and women of ISN value our Bureau's mission and the extraordinary work they are a part of every day. As the PDAS leading the ISN Bureau, I am proud of the men and women of the ISN Bureau and their dedication to nonproliferation, arms control, and enhancing international security.

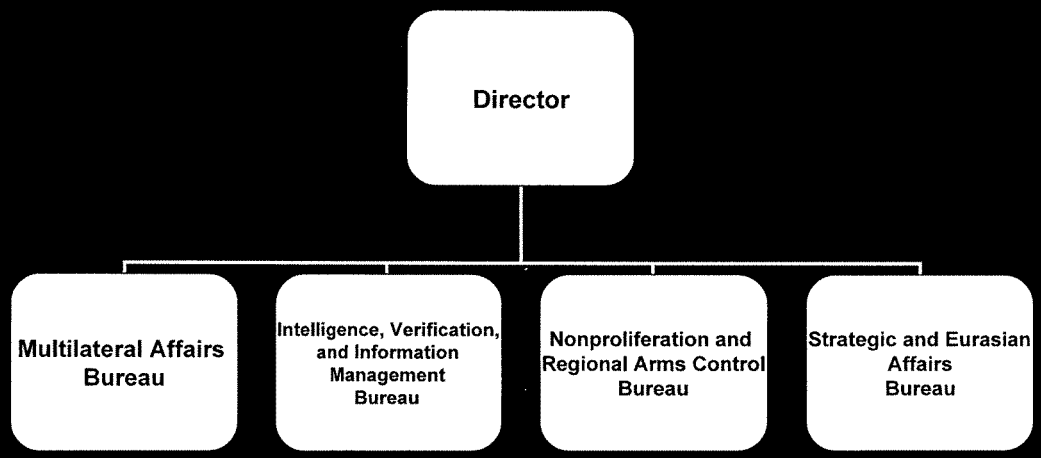
As Senator Lugar noted when he participated in the announcement of the reorganization by Secretary Rice in 2005, the changes made by Secretary Rice to enhance our counterproliferation, counterterrorism and threat reduction efforts "are important reforms that will both streamline governmental action and provide greater safety for all Americans." We have worked hard to achieve success

internationally as well as domestically, through implementing the Secretary's and the President's vision in creating a workforce prepared to meet the challenges of the 21st Century. I look forward to any questions you might have for me and would like to thank you for your time.

BUREAU INTERNATIONAL SECURITY AND NONPROLIFERATION



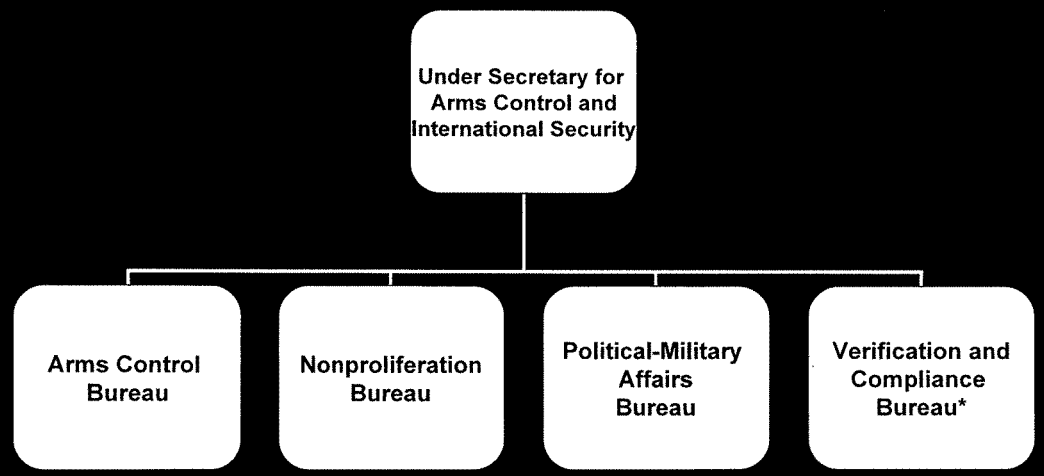
Arms Control and Disarmament Agency Disestablished in 1999



The Arms Control and Disarmament Agency was an independent agency whose director reported to the President

State Department T Bureau

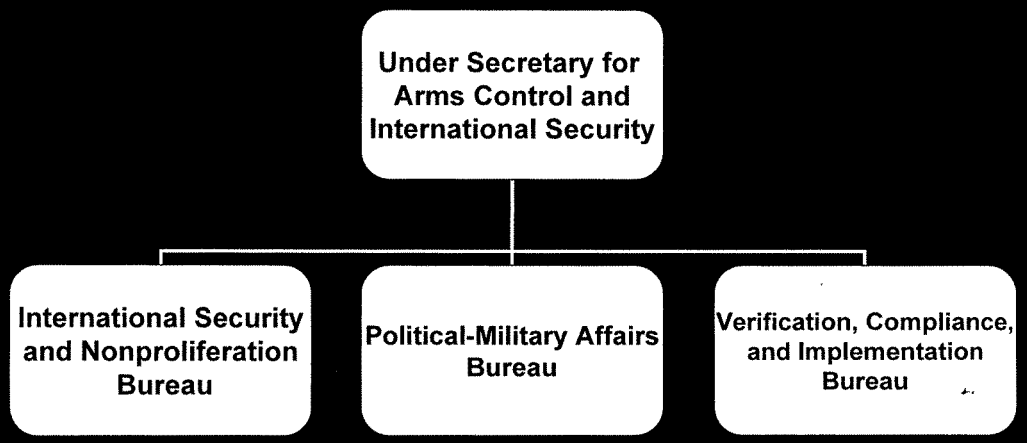
1999 – 2005 Reorganization



*Established in 2000

State Department T Bureau

2005 Reorganization - Present



- Merger of Arms Control and Nonproliferation Bureaus

- Some personnel from Arms Control and Nonproliferation Bureau merger transferred here

-Assumed START, INF, and other arms control responsibilities

BACKGROUND
NATIONAL SECURITY BUREAUCRACY FOR ARMS CONTROL, COUNTERPROLIFERATION, AND NONPROLIFERATION PART I: THE ROLE OF THE DEPARTMENT OF STATE
MAY 15, 2008

Background

The advent of nuclear weapons at the close of World War II brought about an age of superpowers that could deter each other's actions through guaranteed annihilation. During the course of the Cold War, other non-superpower nations began to develop their own nuclear programs. The growing threat of additional nuclear weapons states led to the negotiation of the Nuclear Nonproliferation Treaty (NPT) in the late 1960's.[1] Since then, chemical and biological weapons, as well as missile technology, have been brought under international nonproliferation and arms control regimes.

In his December 2002 *National Strategy to Combat Weapons of Mass Destruction*, President George W. Bush identified counterproliferation and nonproliferation as two pillars in this new strategy. Counterproliferation refers to the roles played by the U.S. military and certain civilian agencies to deter and defend against the employment of Weapons of Mass Destruction (WMD). It is supported by "interdiction", "deterrence", and "defense and mitigation" efforts. Nonproliferation is the effort to prevent nation states and non-state actors from acquiring WMD and missile technology. It relies on "diplomacy", "multilateral regimes", "threat reduction cooperation", "controls on nuclear material", "export controls", and "nonproliferation sanctions".[2]

The problem of proliferation has continued, and in some cases, worsened. Countries and individuals continue to strive for and spread nuclear capabilities. North Korea withdrew from the NPT in 2003 and tested a nuclear weapon in 2006. Pakistan and India tested nuclear explosive devises in 1998. Pakistan's A.Q Khan led a black market network of nuclear technology that was uncovered in 2003.[3] Most ominously, Osama bin Laden issued a statement to his followers, calling the acquisition of WMD a "religious duty."[4]

State's Arms Control, Counterproliferation, and Nonproliferation Bureaucracy

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[1] CRS Report for Congress, *Proliferation Control Regimes: Background and Status,* January 31, 2008.
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[4] *Interview with Bin Laden: "World's Most Wanted Terrorist,"* ABC News. Accessed May 2, 2008 at http://www.islamistwatch.org/blogger/localstories/05-06-03/ABCInterview.html .

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The Bureau of International Security and Nonproliferation (ISN) primarily focuses on four central areas: promoting international consensus on WMD proliferation through diplomacy, addressing WMD proliferation threats posed by non-state actors and terrorist groups, working with international institutions to ultimately eliminate the threat of WMD, and supporting foreign partners as they manage the WMD threat.[5]

The Bureau of Verification, Compliance, and Implementation (VCI) oversees all matters of verification and compliance related to international arms control, nonproliferation, and disarmament treaties. The VCI bureau has three assigned missions. It ensures that appropriate verification requirements and capabilities are addressed in treaties and other commitments, verifies other nations' compliance with treaties, and works as the principal verification and compliance liaison to the Intelligence Community.[6]

Finally, the Bureau of Political-Military Affairs (PM) works with the Department of Defense for matters of trade, strategy, security assistance, and international security. The Bureau's efforts in regulating the U.S. arms trade and countering the threat of conventional weapons such as landmines and man-portable air defense systems (MANPADS) are its central arms control responsibilities.[7]

The State Department was not always the lead agency for arms control, counterproliferation, and nonproliferation. The Arms Control and Disarmament Agency (ACDA) was established in 1961 to address the growing international security threat of nuclear weapons and the perception of a "missile gap" between the U.S. and Soviet Union. This agency was independent of the State Department and led by a director who could take issues directly to the President. For almost four decades, this agency was the centerpiece in the U.S. arms control effort.[8]

In the 1990's, under the auspices of improving government, Vice President Al Gore sought the placement of ACDA within the State Department to "confront the new and pressing challenges of the post-Cold War period."[9] Former Senator Jesse Helms (R-N.C.), who was at that time the Chairman of the Senate Foreign Relations Committee, also advocated the merger of ACDA, plus the U.S. Information Agency and the U.S. Agency for International Development, into the State Department. Since the Clinton administration desired to be an original signatory to the Chemical Weapons Convention, Senator Helms was able to hold back his support for the treaty until he

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[5] Accessed April 29, 2008 at http://www.state.gov/t/isn .
[6] Accessed April 29, 2008 at http://www.state.gov/t/vci .
[7] Accessed April 29, 2008 at http://www.state.gov/t/pm .
[8] Ambassador Thomas Graham, Jr., *A Farewell to ACDA,* Foreign Service Journal, September 1999.
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could ensure these transfers would occur.[10] With the passage of the Foreign Affairs Consolidation Act of 1998, the mergers were given a statutory basis.[11] The Arms Control, Nonproliferation, and Security Act of 1999 further clarified the role of the newly-transferred arms control organization by mandating the creation of an Assistant Secretary of State for Verification and Compliance.[12]

The next significant period of change for the arms control, counterproliferation, and nonproliferation bureaucracy came in July 2005. Secretary of State Condoleezza Rice, acting on a national need to take on a changed threat posed by WMD, reorganized the bureaus supporting the Under Secretary of State for Arms Control and International Security. The Arms Control (AC) and Nonproliferation (NP) Bureaus were merged into the new ISN bureau. The Verifications and Compliance (VC) Bureau was assigned broader responsibilities to include the START, INF, Open Skies, and additional arms control treaties. The PM bureau received additional personnel from the AC-NP merger to support arms export controls efforts and to counter the threat posed by MANPADS.[13]

Organizational Challenges Identified: The ACDA/State Department Merger

The official State Department Reorganization Plan and Report and Presidential Decision Directive/National Security Council (NSC) 65, which was released June 23, 1998, implemented the Foreign Affairs Consolidation Act and clarified the role of the Under Secretary for Arms Control and International Security. Specifically, the Under Secretary was assigned responsibilities to communicate with the President through the Secretary of State, when necessary; participate in meetings of the National Security Council on arms control, nonproliferation, and disarmament; attend all NSC Principals and Deputies Committees meetings concerning the same issues; a leadership role in the interagency process on nonproliferation policy with an enhanced role in the interagency process on arms control policy; oversee three bureaus (AC/NP/PM); and a Special Adviser for verification and compliance issues reporting directly to him.[14]

In 1999 the Congressionally-appointed "Deutch Commission", which examined the government's organization to combat the proliferation of WMD, presented its findings. It supported the ACDA merger with the State Department since it would be able to address long-term WMD challenges. The Deutch Commission proposed four recommendations for the State

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[10] Wendy S. Ross, *Clinton Administration Announces Foreign Affairs Reorganization,* April 18, 1997. Accessed May 12, 2008 at http://www.fas.org/news/usa/1997/04/bmd970423i.htm .

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[14] Accessed May 6, 2008 at http://www.globalsecurity.org/wmd/library/news/usa/1998/98123003_tlt.html and http://www.fas.org/irp/offdocs/pdd/pdd-65.htm .

Department. One recommendation expressed the need for an organizational and resource review to determine the most efficient way to distribute nonproliferation resources.[15]

Ambassador Thomas Graham, who was then the Special Representative for the President for Arms Control, Nonproliferation, and Disarmament and part of the ACDA transition team, identified some likely challenges of having ACDA merged into the State Department. First, he believed that ACDA, set up as an independent agency rather than as a bureau in the State Department, would ensure that a knowledgeable workforce would stay solidly in place whether or not an Administration considered nonproliferation and arms control a priority. This allowed ACDA to quickly come back to life even if it had been neglected by a previous Administration. Second, he believed it probable that ACDA could become buried within the Department's bureaucracy and then fail to respond to an Administration's needs. This challenge seemed especially acute since the State Department had inherent tensions between functional and regional foreign policy issues. A functional area, such as nonproliferation, may suffer if regional issues are continually given precedence.[16]

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The State Department's Office of Inspector issued four Reports of Investigation prior to Secretary Rice's reorganization announcement in July 2005. The AC, NP, VC, and PM bureaus were examined by the OIG to determine their effectiveness of interaction and the outcomes of the 1999 ACDA merger. In general, the OIG found that the bureau structure under the Under Secretary of Arms Control and International Security was ineffective; there was a lack of clarity about roles, with an accompanying imbalance in workload; the AC and NP bureaus should be merged; VC should be an entity other than a bureau; and shortcomings in staffing procedures existed.[17]

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In his 2006 article about the State Department's July 2005 reorganization, Dean Rust, a 35-year civil servant who served in ACDA and in the NP bureau, wrote about the weakening of the department's arms control and nonproliferation structure. In addition to pointing out the

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[16] Graham, September 1999.
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[18] John Holum, *Looking Back: Arms Control Reorganization, Then and Now,* Accessed on April 30, 2008 on http://www.armscontrol.org/act/2005_06/LB_Holum.asp .

deleterious impact of subcabinet-level political appointees on the future of the organization, he mentioned the elimination of civil service positions, the departure of experienced career staff, the increased management opportunities for foreign service officers relative to civil servants, the overburdening of the nonproliferation and VCI workforce, and the bifurcated management of arms control as major concerns.[19]

Conclusion

Broadly speaking, the ability to implement policy can be limited by organizational structure. Countering the threat of WMD proliferation continues to be identified by senior Administration officials as a key U.S. concern. Attempts to reorganize the bureaucracy to meet the challenges of the 21st century proliferation threat have been made. Additional changes to the State Department's arms control, counterproliferation, and nonproliferation bureaucracy may be required in light of emerging new challenges to American security.

[19] Dean Rust, *Reorganization Run Amok: State Department's WMD Effort Weakened,* Accessed on April 30, 2008 on http://www.armscontrol.org/act/2006_06/ReorgRunAmok.asp .

BACKGROUND
NATIONAL SECURITY BUREAURCRACY FOR ARMS CONTROL, COUNTERPROLIFERATION, AND NONPROLIFERATION PART II: THE ROLE OF THE DEPARTMENT OF STATE
June 6, 2008

Background

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[19] Dean Rust, *Reorganization Run Amok: State Department's WMD Effort Weakened,* Accessed on April 30, 2008 on http://www.armscontrol.org/act/2006_06/ReorgRunAmok.asp .

"National Security for Arms Control, Counterproliferation, and Nonproliferation Part I: The Role of the Department of State"

Post-Hearing Answers for the Record Submitted by Ambassador Thomas Graham to Senator Daniel K. Akaka for Post-Hearing Questions

Q1: Ambassador Wulf proposed ways to better organize the arms control and nonproliferation bureaus. He recommended, for example, a bureau dedicated strictly to nonproliferation, a bureau focused on arms control, and limiting the actions of the existing Verification, Compliance, and Arms Control bureau to the minimum necessary to fulfill its statutory duties. In many ways, this seems like a reversion to the pre-2005 organization.

Do you believe that his proposal would be an improvement over the pre-2005 organizational structures? Why or why not?

A: I believe that Ambassador Wulf's proposal would be an improvement as it would limit the Verification Bureau to its statutory duties which was the intention in 1999. However, the arms control/nonproliferation policy making apparatus would still be located within the Department of State thereby representing an inherent of conflict of interest.

Q2: One of the significant barriers to federal service for many scientists or other professionals in the student loan debt and comparatively low salary versus the private sector. Agencies have been authorized to pay back student loans for an employee up to $10,000 per year and $60,000 aggregate. In fiscal year 2006, the Department of State provided loan repayments to 869 employees totaling more than 4 million dollars.

How much do you see debt from student loans as a factor in the recruitment of scientists and professionals?

A: Student loans play a significant factor in the recruitment of young professionals who have recently received their degrees. Considering the high cost of tuition at Universities for both undergraduate and graduate programs, it is a major factor in employment decisions for students sought after for government service to be offered loan reimbursement.

Q3: I have heard recommendations from witnesses about the need for a career path that develops scientific skills within the T Bureau.

Where is the T Bureau falling short in its current training and career paths for civil servant scientists and what do you envision the career path to include that's different?

A: The most important thing with respect to technical experts working on arms control and nonproliferation issues is longevity on the job in order to develop the necessary expertise which is vital for effective arms control and nonproliferation policy formulation. Thus, the bureaucratic culture in place needs to encourage the retention of technical and scientific expertise which presently it does not.

Q4: Mr. Semmel described the concept of the Foreign Service Reserve Officer Program which would help in the recruitment of specialist who have skills that are difficult to find.

Could you please comment on this?

A: This is a useful concept which could contribute to arms control and nonproliferation policy development by the hiring and retaining of individuals with high qualifications, knowledge, experience and significant skills.

Q5: Would the Under Secretary for Arms Control and International Security be likely to cast a vote different than that of the Secretary of State in the interagency process? Why?

A: It depends on who is the Secretary of State and whether he or she actually encourages the presentation of different views on arms control and nonproliferation as charged by statute. In the past, for example Pakistani nuclear weapon program was a policy issue where the vote of the independent Arms Control and Disarmament Agency (ACDA) Director and the Secretary of State often differed. But cracking down on the Pakistani program in order to try to inhibit the proliferation of nuclear weapons to Pakistan is in conflict with good relations with Pakistan. Hence the different positions of the Secretary of State and the ACDA Director in the past. If a Secretary of State should encourage that type of independent thinking today with respect to the Under Secretary there could be such a result on future issues. However, any future Secretary of State is most unlikely to encourage a subordinate to in effect nullify his or her vote in the interagency process.

Q6: How often did the Director of Arms Control and Disarmament (ACDA) have a different view than that of the Secretary of State in the past regarding arms control and nonproliferation issues? Please give some examples of when this was done when ACDA was independent.

A: The Director differed from the Secretary with some frequency, although this was never done lightly. For example, in the 1960's, the Secretary of State backed the idea of a multilateral nuclear force in Europe whereas the ACDA Director opposed this policy because it would have made the conclusion of a nuclear nonproliferation treaty impossible. The Director of ACDA

favored the negotiation of a zero yield Comprehensive Nuclear Test Ban Treaty (CTBT) where initially the Secretary of State did not in 1993. Further, in the interagency discussions on the subject of a test ban in 1993 and in particular the nuclear test moratorium, the continuation of the moratorium was advocated by the ACDA Director and opposed by the Secretary of State, along with the Secretary of Defense. The Pakistan issue I have mentioned above.

Q7: What are your recommendations for preserving, training, and recruiting experts on nuclear arms control and nonproliferation negotiations? Can this be done adequately within the department of State?

A: It is of the highest priority that the United States return to its traditional role of pursuing a world order built on rules and international treaties designed to enlarge international security and lead the world to a safer and more stable future. Only with a workable bureaucratic structure in place with individuals thoroughly familiar with and supportive of arms control/non-proliferation policies can this be accomplished. This can best be achieved through an independent agency for which the recruitment of such experts is one of its highest priorities. Because of its many other interests and responsibilities probably this can never be the case in the Department of State.

Post-Hearing Answers to Questions for the Record
From Ambassador Norman A. Wulf

National Security Bureaucracy for Arms Control, Counterproliferation, and Nonproliferation Part I: The Role of the Department of State
May 15, 2008

1. You proposed ways to better organize the arms control and nonproliferation bureaus. You recommended, for example, a bureau dedicated strictly to nonproliferation, a bureau focused on arms control, and limiting the actions of the existing Verification, Compliance and Implementation bureau to the minimum necessary to fulfill its statutory duties.

In many ways, this seems like a reversion to the pre-2005 organizational structure? Why or why not?

The Report I presented on "Ensuring the U.S. Government has the Capability to Meet Critical Nonproliferation and Arms Control Challenges" does not prejudge the issue of organizational structure but instead suggests several options, including improvements to the current bureau structure within the Department of State.

If improving the current bureau structure were the option chosen, our recommended approach would result in a structure similar to that which existed prior to the poorly conceived and even more poorly executed 2005 reorganization. But, it would strengthen that prior structure and would in any event be far superior to State's existing capacity in arms control and nonproliferation.

The re-creation of the arms control bureau would allow for a dedicated focus on subjects that the presumptive Presidential nominees of the two major parties have highlighted in their campaign statements. Moreover, it would allow the current nonproliferation bureau to focus solely on nonproliferation by moving such issues as missile defense and the Conference on Disarmament to the arms control bureau. The Verification, Compliance and Implementation bureau (VCI) would be limited to those activities required by statute freeing up some additional resources for nonproliferation and arms control. There are many talented people in VCI so freeing up some of them to work in the bureaus devoted to nonproliferation and arms control

would be significant. These and other organizational suggestions in the Report would strengthen civil and foreign service staffing and improve nonproliferation and arms control advocacy to the Secretary of State and the President. The overall result would be a significant increase in the capacity of the U.S. Government in these critical areas. These changes could be implemented without legislation.

However, if legislation were to be pursued, footnote 6 of the report states that VCI could be abolished and its duties performed by a small office of specialists attached directly to the Under Secretary's office. Some background would be useful in understanding this approach.

Everyone agrees that verification and compliance are integral to effective nonproliferation and arms control. The question is whether those activities should be built into the responsibilities of the two bureaus devoted to nonproliferation and arms control or whether an outside bureau is necessary to perform these functions. Experience has demonstrated that a verification and compliance bureau with a broad mandate inherently leads to never-ending bureaucratic conflict with no compensating gain. Abolishing VCI would result in a return to the structure recommended in the 1999 merger plan—no separate bureau but rather a small independent office reporting to the Under Secretary tasked with compliance and verification issues. The 2004 OIG report, in one of its few positive observations, arrived at a similar conclusion.

If legislation were to be proposed to abolish VCI, that legislation should also dictate a structural approach to nonproliferation and arms control. John Holum pointed out in a 2005 article printed in *Arms Control Today* that when ACDA was merged into State the desire within State was for only one bureau in addition to the existing Political-Military Affairs bureau (PM) and there was tremendous resistance to creating two—one for nonproliferation (formerly NP and now ISN) and one for arms control. Holum's approach, however, prevailed and these two bureaus were created in 1999 and along with PM became the T family of bureaus. The following year Congress passed legislation creating a fourth bureau in the T family, this one devoted to verification and compliance (formerly VC and now VCI).

Those in State who sought only one bureau in 1999 helped push the decision in the 2005 reorganization to abolish the arms control bureau and reduce the T family of bureaus to three. A recent study for the Secretary of State on

transformational diplomacy recommends reducing by half the existing twelve functional bureaus which, if implemented, might mean only one bureau (PM) in the T family as was the case in State prior to the elimination of ACDA. At a minimum, the transformational diplomacy report would likely mean combining ISN and VCI. Given the foreseeable nonproliferation and arms control agenda of the next administration and beyond, two bureaus with one devoted to nonproliferation and one to arms control are clearly required. Should Congress enact legislation that abolishes VCI and establishes an office for verification and compliance, it should specify the creation and maintenance of a nonproliferation bureau and an arms control bureau. Even if the next administration establishes these bureaus by administrative action, legislation requiring these two bureaus would be desirable since it is foreseeable that the State Department, left to its own devices, would at some future point merge these two disparate, but important, functions.

Lest it be thought that the Report merely advocates a simple resurrection of the prior structure, it needs to be highlighted that non-proliferation has taken on some new dimensions, such as the diffusion of enrichment technology by the Khan network and the need for more vigorous counter proliferation programs. The structure of the nonproliferation bureau needs to reflect these new security concerns. To ensure that the new bureau structure reflects the President-elect's priorities, the Report recommends creation of a task force to work during the transition that would examine priorities and identify structures to achieve them.

2. One of the significant barriers to federal service for many scientists or other professionals is the student loan debt and comparatively low salary versus the private sector. Agencies have been authorized to pay back student loans for an employee up to $10,000 per year and $60,000 aggregate. In fiscal year 2006, the Department of State provided loan repayments to 869 employees totaling more than 4 million dollars.

How much do you see debt from student loans as a factor in the recruitment of scientists and professionals?

Loan debt may be an important factor in civil service recruitment in general, and the ability to pay back student loans could be an important recruitment incentive. However, the chief impediment to the recruitment

of scientists into the Department of State as civil servants is the scarcity of permanent positions into which they can be placed.

The T bureaus have some excepted appointing authorities that allow them to bring in professionals with expertise while avoiding the prolonged competitive process. It does not, however, shorten the period required to obtain a clearance. Use of excepted appointing authority has its own problems because there is no career ladder--if you are brought in at the GS-13 level, to get "promoted" to GS-14 or GS-15 you have to be selected to a position rated at that level.

Would the introduction of a scholarship program for certain scientific fields be helpful in addressing this issue?

It might. An additional approach that should be considered is expansion of the various fellowship programs.

There are three main dedicated scientific fellowship programs in the Department of State: Foster, AAAS, and Jefferson Fellowships. Of the three dedicated fellowships, the Foster Fellowship Program is the only one dedicated to serving the needs of the T Bureaus. Fellows from the other programs have diverse backgrounds and are spread throughout the Department.

In addition, there is the Presidential Management Fellows program that is not dedicated solely to scientists but can include them. Another route for bringing in scientists on a temporary basis is the Intergovernmental Personnel Act (IPA) which has been used in cooperation with some state universities.

A scientist in one or another of these programs will generally stay for a year or two. During that period, the individual will be trained and will make a contribution. Many scientists with these temporary appointments will return to academia or private sector after their service but many more would stay if positions were available. Since they already would have a clearance, use of T's excepted appointment authority would allow them to be brought on board fairly quickly.

3. Recruitment is only part of the challenge. What do you see as other barriers to the hiring process that could prevent talented scientists and other candidates from even applying for jobs within the T bureaus?

To bring someone in through the competitive process is long and undoubtedly discourages many potential applicants. Obtaining a security clearance, even though there have been some improvements, still takes a long time. A recent graduate, therefore, could wait over a year before learning whether a position will be offered. Few scientists or other applicants are willing or have the means that would allow them to wait that long.

Another factor is that more and more offices within the T structure have Foreign Service Officers (FSOs) as office directors. They rotate every two or three years and do not have technical background or expertise. The lack of background combined with frequent rotation could discourage scientists because their day-to-day supervisor lacks understanding of core scientific issues and there is little permanence.

Another factor that could discourage scientists from applying is the overall reputation of the T bureaus. If they are seen as overly politicized, in constant turmoil, and not well-regarded by the rest of the Department, many scientists would look elsewhere.

4. I have heard recommendations from witnesses about the need for a career path that develops scientific skills within the T bureaus.

Where are the T bureaus falling short in their current training and career paths for civil servant scientists and what do you envision the career path to include that's different?

Some of the issues raised in response to previous questions are germane here as well. In addition, the reduction in the number of SES positions within the T bureaus limits promotion potential. Moreover, many office director positions once held by Civil Service are now held by FSOs further limiting career paths. Finally, there is little encouragement for scientists to participate in professional meetings that could broaden their knowledge and keep them aware of recent scientific advances.

The tendency is for hired scientists to remain in the Department. However, the IAEA desperately needs trained scientists—Departmental scientists should be actively encouraged to work for the IAEA for a limited period or to serve a tour at the US Mission to the IAEA. Similar opportunities may be available at the OPCW or perhaps even at UN Headquarters. A cooperative program could be developed with the Department of Energy that would result in State scientists serving for a period at one of the national labs and perhaps lab scientists serving at State.

5. The overall culture of the State Department seems to value the contributions of the Foreign Service Officers over the work of civil servants. This could be a significant deterrent to retaining scientists or other professionals working as civil servants at the State Department.

How would you describe the culture in the T bureaus relating to the treatment of civil servants and Foreign Service Officers?

The dominant culture in the T bureaus, created by the present leadership, seems driven more by "political acceptability" than concerns about the distinction between Civil Service and Foreign Service.

Without question, the Department as a whole has not succeeded in fully integrating Civil Service and Foreign Service personnel, or in coordinating the activities of regional and functional bureaus. The perception is that FSOs have greater career opportunities than the civil servants. Leadership positions heavily favor the Senior Foreign Service, and, as noted earlier, many office director positions in the T bureaus that were rated for SES have gone to the Foreign Service.

6. In your testimony, you stated that the Foreign Service creates few incentives for Foreign Service Officers to obtain the knowledge for leadership positions in nonproliferation and arms control.

a. How would you develop a career path for these FSOs?

Sound personnel management requires leadership that is committed to the personnel task, wise in planning and execution, and attentive to inter-personal relations. For the past three plus years, these qualities have all been lacking in most of the T bureaus.

Even with better leadership, it is always a struggle for functional bureaus to attract good FSOs. Management has to devote considerable personal attention to the effort. FSO recruitment will be enhanced if the State Department personnel management system can find ways to give incentives for the acquisition of the special expertise needed to work in non-proliferation and arms control. In recent years, the FSO personnel system, through its promotion guidelines, has instead given far greater emphasis to management and broad-ranging experience, while penalizing those officers who spend "too much" of their careers developing special expertise.

Finding and maintaining the optimal balance of Foreign and Civil Service will be crucial. The Civil Service provides continuity and in many cases necessary scientific and technical capabilities. Nonproliferation and arms control issues do not exist in a vacuum but are usually linked to political and economic situations throughout the world. FSO's, with language capabilities, experience abroad, and negotiating experience can make important contributions to our nonproliferation and arms control objectives, but only if they are qualified and dedicated to the work in the area.

Training obviously is important. Possibilities include assignments to university training, courses at the Foreign Service Institute, and various workshops available at the national laboratories.

The first step towards better integration of Foreign Service and Civil Service in nonproliferation and arms control is for the State Department to assess the various nonproliferation and arms control positions in the Department and abroad to determine those to which FSOs could be assigned and, at the same time, determine which positions should be reserved as permanent Civil Service positions. Within the Department, FSO positions could be identified in most of the T bureaus, Policy Planning Council, Secretariat, and INR, as well as regional bureaus. Outside the Department, such assignments might include US Mission to the UN in New York, US Mission to the UN in Vienna (IAEA), US Mission to the Conference on Disarmament in Geneva, and embassies in key NPT states. Designated positions should have explicit, clear and appropriate requirements for the assignments. Positions should not simply be designated as Foreign Service positions leaving personnel specialists to fill those positions with officers who are at the right grade level but have no specific qualifications to do the work.

Once the Department knows how many FSOs will be needed at various levels it should develop a plan for recruiting FSOs who would be interested in a career that would include at least several assignments in this area.

If FSOs are to be assigned to nonproliferation and arms control positions, assignments to these positions should be, and should be seen as, integral to their careers, much as an Africanist or East Asian specialist would regard assignments in Africa and East Asia. This means that working in nonproliferation and arms control should be rewarding and should be as valuable for promotion as political or economic reporting. For some time, the perception and probably the reality is that working in nonproliferation and arms control does not get an FSO promoted.

b. What obstacles do you see preventing a program like this from starting?

There are two major obstacles to developing such a career path for FSOs in the State Department. The first is the many demands facing the Department of State. The competition for scarce resources includes not only competition for FSOs themselves but also for specialists in myriad areas, most recently development assistance, democracy and human rights promotion and public diplomacy.

Confounding the ability of the Department to identify and maintain priorities are the ever changing political realities and the Department's lengthy tradition of favoring the generalist. Like other large institutions such as the military, the inbred philosophy of the Foreign Service is that any officer can serve in virtually any position. The resulting institutional resistance to specialization combined with an ever-changing political debate over priorities leads to a default position that favors generalists over specialists.

7. Mr. Semmel described the concept of the Foreign Service Reserve Officer program which would help in the recruitment of specialists with skills that are difficult to find.

Could you please comment on this?

When I first came to the Department in 1978, I was in the Foreign Service Reserve but that appointing authority was abolished in 1980. My

recollection was that a person with an FSR appointment was eligible for Foreign Service retirement, not Civil Service, with the years required before eligibility for retirement being less for Foreign Service. Use of FSR appointments also gave the Department some relief from government-wide limits on the number of slots available at the GS-15 and higher level.

I believe it provided some relief from the competitive hiring process but it certainly did not shorten the time required to obtain a security clearance. So, the FSR suggestion may be somewhat helpful in recruiting scientists or technical experts, but it is unclear to me how much more helpful that would be than use of existing excepted authority.

8. What are your recommendations for preserving, training, and recruiting experts on nuclear arms control and nonproliferation negotiations? Can this be done adequately within the Department of State?

Answers to previous questions, suggest that the State Department could take the steps necessary to preserve, train and recruit experts on nuclear arms control and nonproliferation negotiations but it is doubtful they would.

As already discussed, there has been some fall off in the number of scientists and technical experts in the T family of bureaus. Moreover, when I first came to the Department of State, there were science counselors in all our major embassies, now there are none. The personnel assigned to the US Mission in Vienna which supports U.S. involvement in the IAEA consisted more of scientists and technical experts than Foreign Service, now this is totally reversed with only one or two scientists or technical experts.

I believe the conclusion is inescapable that the State Department is not an environment that nourishes or rewards those with a high degree of technical or scientific expertise nor those who have long-term institutional knowledge of narrow subject areas. Generalists with regional knowledge remain the dominant culture. This was true in the 1960s when President Kennedy decided that the only way to move forward on nonproliferation and arms control was by creating an independent agency populated with technical and scientific expertise and that valued long-term knowledge of narrow subject areas. It remains true today.

Post-Hearing Questions for the Record
Submitted to Mr. Andrew Semmel
From Senator Daniel K. Akaka

"National Security Bureaucracy for Arms Control, Counterproliferation, and Nonproliferation Part I: The Role of the Department of State"
May 15, 2008

1. Ambassador Wulf proposed ways to better organize the arms control and nonproliferation bureaus. He recommended, for example, a bureau dedicated strictly to nonproliferation, a bureau focused on arms control, and limiting the actions of the existing Verification, Compliance, and Arms Control bureau to the minimum necessary to fulfill its statutory duties. In many ways, this seems like a reversion to the pre-2005 organization.

   Do you believe that his proposal would be an improvement over the pre-2005 organizational structures? Why or why not?

Response: The pre-2005 organizational structure worked reasonably well and could work reasonably well again if it was the intention of senior leadership to make it work effectively by allocating greater responsibilities to a separate Arms Control bureau, and assigning a separate Nonproliferation bureau primary responsibility for nonproliferation and counter-proliferation. I agree with the State Department OIG report that the VCI bureau should have been truncated in size and its responsibilities more clearly defined and limited. This would help free up personnel and other resources to strengthen the nonproliferation and counter-proliferation effort. As it stands now, organizational lines are confused. Amb. Wulf's proposal would more clearly delineate organizational lines of responsibility.

2. Of the anomalies you cited concerning the 2005 bureau merger, which one had the most pronounced effect on the ability of the remaining bureaus to carry out their responsibilities?

Response: The reduction of personnel or Full time Equivalents (FTEs) in the merged ISN bureau impaired the functioning of the bureau at a time when the bureau added two new offices and additional responsibilities. There was a discernible disconnect between the enhancement of responsibilities and the reduction in FTEs to manage those responsibilities.

3. Given the State Department's general preference for regional over functional concerns, do you believe it is possible for the Under Secretary of State for Arms Control and International Affairs to be given equal footing with the Under Secretary of State for Political Affairs?

Response: I think it would be desirable to elevate the responsibilities of the U/S for Arms Control and International Affairs and to more clearly identify the overlaps in responsibilities and allocation of responsibilities. There are natural overlaps when a proliferation issue is also a major regional issue. Sorting this out is often an ad hoc matter that lacks clarity. If the senior leadership wants it to be done, it can be done, but I am skeptical that the senior leadership will promote any dramatic change.

4. You stated that, in many respects, the Congress was often more receptive and responsive to nonproliferation needs than the inner workings of the Administration.

   Can you elaborate on this?

Response: Internal requests for additional funding and additional FTEs to conduct nonproliferation and arms control functions were annually submitted and annually denied in the executive branch, including by the OMB as pressures for fiscal management took precedence. My contacts with both House and Senate Members and staffs suggest that there is considerably more support for such increases than was evident in the administration. Because of the nature of executive-legislative relations and the need to adhere to the President's budget request, administration witnesses before the relevant committees must defend the lower levels of request in the President's budget and swallow their better judgment about priorities. This is a dilemma inherent in much of the overall budget process.

5. One of the significant barriers to federal service for many scientists or other professionals is the student loan debt and comparatively low salary versus the private sector. Agencies have been authorized to pay back student loans for an employee up to $10,000 per year and $60,000 aggregate. In fiscal year 2006, the Department of State provided loan repayments to 869 employees totaling more than 4 million dollars.

   How much do you see debt from student loans as a factor in the recruitment of scientists and professionals?

Response: I am not very familiar with this program but believe that it would be a helpful incentive for physical and natural scientists to lend their expertise to public service. If these payments were coupled with a serious effort to re-energize the joy and privilege of working in the public sector as a public good, I believe recruitment would be made easier. At the end of the day, there will have to be available positions to fill and there are too few of these.

6. Recently I held a hearing on the Federal hiring and recruitment process. One of our witnesses was the Chief Human Capital Officer from the Nuclear Regulatory Commission (NRC). While NRC has some unique hiring flexibility, they have a robust and effective recruitment process that could be applied to any Federal

agency. For instance, NRC has partnered with the University of Puerto Rico to hire and further train engineering students. Also, all the managers at NRC also serve as recruiters at conferences and meetings.

What similar recruitment efforts could be done at the State Department to improve the staffing needs in the scientific fields?

Response: We first have to make employment in the public sector an attractive and worthy pursuit. The Department needs to invest in recruitment at professional meetings, enhance the various fellowship programs, encourage institutions of higher learning – college, universities, corporations and think tanks – to develop and expand programs on arms control and nonproliferation to help create a wider and deeper pool of skilled and interested practitioners.

7. Recruitment is only part of the challenge. What do you see as other barriers to the hiring process that could prevent talented scientists and other candidates from even applying for jobs within the T Bureau?

Response: The Bureau's reputation can be an asset or a liability. Fair and unbiased personnel policies and practices and attentive leadership help create a positive reputation and act as a magnet for talent, both to attract and to retain. Hiring qualified candidates, nurturing them with training programs, attractive career assignments, and reasonable promotion prospects help to create a positive reputation.

8. I have heard recommendations from witnesses about the need for a career path that develops scientific skills within the T Bureau.

   Where is the T bureau falling short in its current training and career paths for civil servant scientists and what do you envision the career path to include that's different?

Response: The T Group does a reasonable job in encouraging training opportunities. It must do more to recruit Foreign Service Officers and can do so more convincingly by assisting FSOs in finding attractive follow-on positions so that working in the T-group is not seen as a liability. Consideration should be given to expose career persons to short term work in the Department of Energy as well as at relevant international organizations such as the IAEA or the Conference on Disarmament. In suggesting the latter, it would not work if the work was seen as a career liability.

9. The overall culture of the State Department seems to value the contributions of Foreign Service Officers over the work of civil servants. This could be a significant deterrent to retaining scientists or other professionals working as civil servants at the State Department.

   How would you describe the culture in the T Bureau relating to the treatment of civil servants and Foreign Service Officers?

Response: The T-Group has not been able to attract very many FSOs, although many who have worked in the area have been outstanding officers. Civil Servants who aspire to senior management level positions, e.g. Office Directors, are often stymied if the Office Director slot is pegged only for an FSO. Failure to advance to more senior level positions motivates many civil servants to seek opportunity elsewhere where they can move up to management positions.

10. You began to describe the concept of the Foreign Service Reserve Officer program to recruit specialists that have skills that are difficult to find.

    a. How would you go about implementing this program?

    b. What obstacles do you believe would stand in your way?

Response: I would first review the FSRO program as it was set-up and implemented in the past and the reason(s) why it was discontinued. The Department uses its excepted authority to bring in special skills but a more clearly defined career option could well attract more specially skilled professionals to the Department. One obstacle might be that an additional professional track – addition to the Civil Service and the Foreign Service – might create management complications for HR and management.

11. I am deeply disturbed by your statement that the office responsible for nonproliferation had to rely on temporary help, interns, short-term scholars, and retirees. This is shocking.

    Why did the President, who counts nonproliferation among his top priorities, let this happen?

Response: I, too, was disappointed in the Department's reliance on temporary or special hires. While many special hires bring unique skills and experiences to the work force that are otherwise difficult to recruit, I must presume that the major motivation was personnel cost savings.

12. What are your recommendations for preserving, training, and recruiting experts on nuclear arms control and nonproliferation negotiations? Can this be done adequately within the Department of State?

Response: There are several avenues that should be pursued, including: more substantive and technical training courses at the Foreign Service Institute; working with and encouraging of colleges and universities to develop and expand their curriculum on the practicum of arms control, nonproliferation, forensics, verification; greater exchanges between the Department and the relevant private sectors; a meaningful shift in the "culture" of the Department and the Foreign Service which now relegates service in functional bureaus below service and career paths in geographic and regional bureaus; more rigorous recruitment of recent graduates to government service; opening up of certain senior management positions to SES eligibility.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Carl Levin (#1)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

The December 2004 State Inspector General's report found that the functions of the Bureau of Arms Control, the Bureau of Nonproliferation, and the Bureau of Verification and Compliance had never been spelled out in the Foreign Affairs Manual. One consequence of this absence of clearly delineated bureaucratic functions, the report found, was "the lack of an authoritative arbiter to resolve turf issues among these bureaus." Have the functions of the current State Department bureaus – the Bureau of International Security and Nonproliferation and the Bureau of Verification, Compliance and Implementation – been delineated in the Foreign Affairs Manual since the 2005 restructuring?

In your written statement, Ms. McNerney, you state, "Since each of our thirteen offices [within ISN] has a clearly defined mission that contributes directly to advancing U.S. national security objectives, we have been able to attract and retain exceptionally qualified and motivated individuals." Are the missions of the thirteen offices within the Bureau of International Security and Nonproliferation delineated in the Foreign Affairs Manual? If not, where are these missions clearly defined?

Answer:

The duties and responsibilities of the Under Secretary for Arms Control are delineated in the Foreign Affairs Manual (1 FAM 043.1). The FAM (1 FAM 043.2) also outlines the bureaus that report to the Under Secretary for Arms Control, including the Bureau for Political-Military Affairs (PM), the Bureau of International Security and Nonproliferation (ISN) and the Bureau of Verification, Compliance and Implementation (VCI). Additional FAM updates are in process now.

The missions of the PM, ISN, and VCI bureaus are encapsulated in their Bureau Strategic Plans, internal planning documents that outline the bureau's goals and resource needs for future years.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Carl Levin (#2)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

OIG Recommendation on Career Paths for Civil Service Employees and Foreign Service Officers

The December 2004 State Inspector General's report found a need to strike a better balance within the functional bureaus between Civil Service and Foreign Service staff. The report found that the bureaus lacked a "strategic plan" for how to best use personnel -- whether Civil Service or Foreign Service – to fill the bureaus' current needs. Consistent with this recommendation, have the Bureau of International Security and Nonproliferation and the Bureau of Verification, Compliance and Implementation – in coordination with the Bureau of Human Resources – developed and implemented a recruitment strategy to achieve a better balance of Civil Service and Foreign Service personnel? If so, please describe that strategy and provide copies of relevant documentation.

Answer:

Throughout their existence, the International Security and Nonproliferation (ISN) and the Verification, Compliance, and Implementation (VCI) Bureaus, along with their predecessor organizations in the Arms Control and Disarmament Agency, have been staffed mainly by civil service personnel. In 2006, then Under Secretary for Arms Control and International Security, Robert Joseph, formed civil service and foreign service working groups to examine the specific needs of each

group in the three T Bureaus – ISN, VCI, and Political-Military Affairs (PM). Both groups looked at ways to improve career development for employees in the three bureaus. The Foreign Service Working Group also examined ways in which to attract more Foreign Service personnel to the Bureaus and to improve overall understanding of T bureau issues within the Foreign Service.

The formation of these working groups has resulted in more systematic recruitment and outreach efforts, including orientation programs and open house events to increase Foreign Service awareness of the T Bureaus' professional opportunities, as well as the issues covered by the three bureaus. At the recommendation of the working groups, the Department also established an annual Under Secretary's award to recognize outstanding contributions by foreign service and civil service personnel to policy formulation, negotiation, and implementation on nonproliferation, arms control, political-military, and verification and compliance issues.

In keeping with the recommendations of the Foreign Service Working Group, the ISN and VCI Bureaus have made attempts to boost their Foreign Service recruitment, through building increased awareness and support. In the past year, for example, VCI added a senior Foreign Service Officer (FSO) to its front

office to manage the Bureau's compliance diplomacy strategy and a mid-level FSO to its Office of Chemical and Conventional Weapons Affairs. However, competing Department priorities to place more officers in Iraq and Afghanistan, have led to a reduction in the number of positions for Foreign Service Officers in the T Bureaus.

In reference to the part of the question that refers to the OIG's concern that "the bureaus lacked a 'strategic plan' for how best to use personnel – whether Civil Service or Foreign Service – to fill the bureau's current needs," it should be noted that each year, all bureaus in the Department develop a Bureau Strategic Plan (BSP) that identifies their priorities for future years in keeping with the Department's overall strategic goals. This plan identifies Bureau goals to meet Department objectives and indicators to evaluate performance, as well as describes actions that have been achieved. With updates prepared each year, Bureaus have an ongoing means to document plans for keeping pace with changing priorities and new challenges. As part of this process, each Bureau identifies new personnel requirements to meet plan objectives.

The T Bureaus utilize the broad range of personnel mechanisms to draw on the widest possible pool of expertise to meets its mission requirements. This

includes Foreign and Civil Service career staff, part-time experts and consultants with renown technical expertise in a range of science and engineering disciplines; individuals detailed from the national laboratories and the military to address specific issues; short-term fellows who bring current state-of-the-art thinking from the academic community; and the use of Presidential Management Fellows and student interns for succession planning.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Carl Levin (#3)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

Independent Advocate for Arms Control and Nonproliferation

At this Subcommittee's hearing on May 15th, Ambassador Thomas Graham, former Acting Director of the Arms Control and Disarmament Agency (ACDA), argued for the establishment of an independent agency to advocate for arms control and nonproliferation. He stated that the main reason for establishing such an agency outside State's bureaucratic structure was because "the pursuit of arms control and disarmament goals will often conflict with the primary mission of the Department of State, which is to foster good relations with other countries."

Under the reorganization, the Under Secretary of State for Arms Control and International Security has the authority to appeal to the President on matters within the Under Secretary's purview, even if his or her position is contrary to the Secretary of State. Are you aware of any instance since ACDA was merged into the State Department in 1999, in which the Under Secretary of State for Arms Control and International Security has gone to the President to advocate a different position than the Secretary of State? If so, please provide approximate dates and describe the circumstances.

Answer:

The Under Secretary of State for Arms Control and International Security has never had the need to appeal to the President to advocate a different position than the Secretary of State. The Under Secretary has found his advice to be fully considered by the Secretary and we are fully satisfied that the current organizational structure allows for advocacy on nonproliferation and international security issues.

Questions for the Record Submitted to
Deputy Assistant Secretary Linda Taglialatela
and Ms. Patricia McNerney by
Senator Daniel K. Akaka (#1)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

How does the International Security and Nonproliferation Bureau attrition rate since the reorganization in 2005 compare to that of the Arms Control and Nonproliferation Bureaus from 1999 to 2005?

Answer:

A comparison of the International Security and Nonproliferation (ISN) Bureau's career Civil Service attrition rate with the Arms Control (AC) and Nonproliferation (NP) Bureaus indicates a rise in FY2006, followed by a leveling off at historically consistent rates.

Arms Control (AC) and Nonproliferation (NP) Attrition

FY00 - 26%
FY01 - 18.8%
FY02 - 12.6%
FY03 - 10.6%
FY04 - 8.6%
FY05 - 15%

International Security and Nonproliferation (ISN) Attrition

FY06 - 23.8%
FY07 - 12%
FY08 - 12.8% (includes October 2007 thru June 2008)

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#2)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

In a December 2005 response to the American Foreign Service Association letter, then Under Secretary for Management Henrietta Fore stated that both you and the Office of the Legal Adviser actively monitored the reorganization to ensure that all steps were taken in accordance with the law.

Can you explain how you came to this conclusion, citing specifically your concerns about meeting the requirements of the Foreign Service Act and labor relations agreements?

Could you provide the Subcommittee all relevant documentation that substantiates your adherence to legal and human resources requirements regarding this reorganization?

Answer:

Under section 1 of the State Department Basic Authorities Act of 1956, 22 U.S.C. 2651a, the Secretary of State is responsible for the supervision and administration of the Department. As set forth in 1 FAM 014, this function includes the organizational control and assignment of functions in the Department of State. In addition, the Secretary of State is specifically charged with administering and directing the Foreign Service under section 201 of the Foreign Service Act of 1980 (22 U.S.C. 3921).

The reorganization of the Department bureaus that report to the Under Secretary of State for Arms Control and International Security was guided by organizational planning policies and objectives set forth in 1 FAM 014 (attached). These include organizing bureaus and offices so as to achieve a proper balance among mission needs, efficiency of operations, and effective utilization of employees. See 1 FAM 014.1. As indicated in the Congressional Notification (CN) that was sent to Congress by letters dated July 29, 2005 pursuant to section 605 of the FY 05 Commerce, Justice, State, the Judiciary, and Related Agencies Appropriations Act (P.L. 108-447, Div. B) and section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2706), the reorganization sought to address post-9/11 challenges through better organizational focus, decrease bureaucratic inefficiencies by reducing areas of substantial overlap and grouping functionally compatible offices, and improve the personnel structure. See, e.g., Letter from Acting Assistant Secretary for Legislative Affairs Matthew A. Reynolds to Chairman Richard J. Lugar (July 29, 2005) (attached). In connection with the notification, the Department also briefed Congressional committee staff.

Under federal law, internal agency reorganizations are not subject to negotiation with either the Civil Service or Foreign Service labor union.

Section 7106 of Title 5, United States Code, which applies to the Civil Service, and section 1005 of the Foreign Service Act of 1980 (22 U.S.C. 4105) both recognize as a management right, inter alia, the Department's discretion to determine the mission, budget, organization, and number of individuals in the Department, as well as the personnel by which the operations of the Department shall be conducted. Both the American Foreign Service Association (AFSA) and the American Federation of Government Employees (AFGE) had notice of the reorganization and an opportunity to provide impact and implementation proposals. While recognizing that there was criticism of the proposed reorganization and its implementation, the Department did take a number of steps to increase transparency, including sharing the "crosswalk" and inviting AFSA to attend several open forums and a meeting of the panel overseeing the reorganization. Further, in response to employee input, representatives of the Bureau of Human Resources, the Legal Adviser's Office and the T Bureau's Executive Office advised the panel in its deliberations.

In connection with the reorganization, there was no reduction in force and, therefore, OPM regulations at 5 C.F.R. Part 351 did not apply. Moreover, no employee suffered a reduction in grade or salary, and we are not aware of any grievances arising out the reorganization that were filed with either the Merit System Protection Board or the Foreign Service Grievance Board.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#3)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

A previous witness described the concept of the Foreign Service Reserve Officer program which would help in the recruitment of specialists with skills that are difficult to find.

Do you see any value in having a Foreign Service Reserve Officer program?

Answer:

The Foreign Service Reserve Officer program was abolished with the Foreign Service Act of 1980. Employees with specialized or technical skills do work and are recruited to work on various projects or portfolios within the Department. They are hired through existing mechanisms, including Temporary, Limited Term, and Part-Time Intermittent appointments.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#3a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

In your testimony, you identified ways that the ISN Bureau has relied on temporary support such as AAAS Fellows and a recently retired Ambassador. However, to build enduring human capital, the ISN Bureau should also be developing and retaining staff that may not be available after one or two years. What are you doing to build human capital that is permanently assigned to the ISN Bureau?

Answer:

A number of past participants in the American Association for the Advancement of Science (AAAS) Diplomacy Fellows program, as well as other experts that have been brought in on a temporary basis have found the ISN Bureau's issues dynamic and working as a public servant rewarding. As some of these experts have approached the end of their temporary detail, the ISN Bureau has been able to attract them to permanent positions. In addition, the ISN Bureau has a team of individuals in career appointments that bring a wealth of knowledge and experience to the work of the Bureau. Through the Presidential Management Fellowship (PMF) program, we are able to attract highly talented officers entering the U.S. government after graduate school. The ISN bureau is one of the most

sought-after bureaus by PMF employees, and we have been fortunate to recruit a new generation of talented individuals. We continue to develop their skills by placing a strong emphasis on training and encourage all of our employees to avail themselves of external training to maintain and enhance their skills. Furthermore, we continue to examine ways to improve career development. The T Family of Bureaus also maintains a very active awards program to recognize the outstanding performance of our employees.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#4)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

What is the number of staff in the ISN Bureau who have attended the Leadership and Management School, how many have participated or are participating in the Senior Executive Service Candidate Development Program, the Council for Excellence in Government Fellow Program, the Civil Service Mentoring Program, the Situational Mentoring Program, and the Civil Service Mid-Level Rotational Program?

Answer:

As of March 2008, 67 out of 130 eligible employees at the GS-13, GS-14, and GS-15 levels from the International Security and Nonproliferation (ISN) Bureau have completed leadership training at the Foreign Service Institute (FSI).

One ISN employee was selected for the Department of Homeland Security's Candidate Development Program (an SES preparation program) beginning in 2007 and running into 2008. He remains an ISN employee, and the Department funded his training costs, totaling around $40,000.

The ISN Bureau has 4 mentees and 4 mentors in the 2008 Civil Service mentoring program, as well as 5 mentors who have volunteered as situational mentors. The ISN Bureau also has one participant in the current Civil Service Mid-Level Rotational program.

No employees from the ISN Bureau have participated in the Council for Excellence in Government program since the bureau's creation in 2006, due in part to the high cost of the program.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#4a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

You mentioned that the State Department has moved a number of your full-time equivalents from your offices in the ISN Bureau to augment staff that is dealing with the Middle East and Iran. How many FTEs have currently been assigned these duties? What percentage of your total ISN Bureau workforce is this?

Answer:

We refined the staffing pattern by shifting four FTEs from ISN offices to ISN/Regional Affairs and ISN/Counterproliferation Initiatives to augment staff working the Middle East and Iran.

Currently, 20 of the 206 direct-hire ISN personnel focus at least 50% or more of their duty hours on issues associated with the Middle East and Iran. There are a significant number of other officers in the ISN Bureau who focus a smaller fraction of their duty hours on issues associated with the Middle East and Iran.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#5)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

Recruitment is only part of the challenge. Do you see other potential barriers to the hiring process that could prevent talented scientists and other candidates from even applying for jobs within the T Bureau?

Answer:

While compensation appears to be a major factor in deterring some talented scientists and other candidates from applying for jobs within the T family of Bureaus, the T family of Bureaus has had success in recruiting scientists interested in working to advance U.S. national security and scientific policy. The State Department cannot compete with the private sector's salaries and benefits. We use excepted hiring authorities to the maximum extent permitted. However, this does not afford candidates a permanent career appointment, which most desire. As recognized by numerous studies, the Federal Civil Service hiring process is cumbersome and can discourage some high quality candidates. Working within government-wide regulations, the State Department makes use of available flexibilities to attract and retain quality candidates.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#5a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

You have indicated your focus on reducing the costs related to contract employees. How many contract employees are currently supporting the ISN Bureau? Do you have a plan to replace these contractors with civil servants? If so, please describe it.

Answer:

The ISN Bureau currently employs 41 contractor employees on either a part-time or on a full-time basis. Most of these contractor positions are supported by program funds to carry out ISN-led foreign assistance programs. These contractors perform professional (versus administrative) functions. In the past year, ISN eliminated 5 contract positions performing administrative functions. The funds supporting these positions were redirected in order to allow the bureau to continue operations under constrained budgets.

Currently, there are no plans to convert these contract employees to permanent Civil Services employees. These contractors support specific programs that are funded on a year-to-year basis. The need for their services is not

permanent at this time and depends on year-to-year funding. The Department does not currently have available FTEs to hire them and cannot purchase FTEs with NADR program money.

In its FY 2008 and 2009 Foreign Relations Authorization bill requests that were submitted to Congress, the Department sought authority to establish a pilot program that would enable it to hire Department-wide up to 200 personal services contractors for service in the United States. If enacted into law, such authority would help the Department respond to emergencies and personnel shortfalls, as well as protect scarce financial resources by avoiding overhead payments to commercial contractors.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#6)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

The overall culture of the State Department seems to value the contributions of Foreign Service Officers over the work of civil servants. This could be a significant deterrent to retaining scientists or other professionals working as civil servants at the State Department. How would you describe the culture in the ISN Bureau relating to the treatment of civil servants and Foreign Service Officers?

Answer:

The ISN Bureau treats its Civil Service and Foreign Service Officers equally. We consider ourselves to be part of one team with one united mission.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#7)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

Do you believe that the American Foreign Service Association, an organization which represents FSOs, was fully consulted regarding the changes to the conditions of employment of its members before the reorganization?

Answer:

The American Foreign Service Association (AFSA) was appropriately consulted regarding the reorganization of the T family of bureaus. Management officials met with affected employees in a series of town hall meetings to discuss the changes. We also shared staffing patterns with AFSA and kept them advised of the status of Foreign Service positions in the T family.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#7a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

How will the decision to abolish the Arms Control Bureau affect the ability of the next administration to pursue a renewed arms control agenda, especially as both leading Presidential candidates have stated that they favor legally-binding, verifiable arms reductions?

Answer:

The decision to abolish the Arms Control Bureau has had no effect on the ability of the ISN and VCI Bureaus and the Department to pursue a robust and effective arms control and nonproliferation agenda. In fact, the functions of the Arms Control Bureau are part of the core competencies of both the ISN and VCI Bureaus. The ISN and VCI Bureaus maintain the expertise and knowledge base of the former Arms Control Bureau, but with more of an effective ability to counter today's threats.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#8)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

Would you say it is common for an FS-02 level employee – two steps below the Senior Foreign Service level – employee to be appointed to a Senior Foreign Service level Office Director position?

Answer:

Stretch assignments for FS-02 level officers to Senior Foreign Service positions are permitted, though uncommon.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#9)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

Does it seem appropriate that an FS-02 would be selected for this type of Office Director position over an experienced member of the Senior Executive Service? If so, why?

Answer:

An FS-02 Officer could be the best candidate to fill a Senior Foreign Service Office Director position. Senior Executive Service employees are eligible to bid on Foreign Service positions only if there are no qualified Foreign Service bidders. The appropriateness would depend on the specific qualifications of the individuals applying for the position and would be determined by the relevant bureau.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#9a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

What can be done by the T Bureaus to attract more civil servants with experience relevant to bilateral and multilateral diplomacy and negotiations, the testing and manufacture of WMD and their delivery systems, the nuclear fuel cycle, and export controls?

Answer:

Although Question 13 focuses on diversity recruitment, that same outreach and marketing strategy increases awareness of the State Department mission and opportunities among those in the academic world with the technical expertise we require. We also host a number of student interns throughout the year, of which many eventually apply for permanent positions in our bureaus. The State Department as a whole is one of the largest participants in the Presidential Management Fellows (PMF) program and we attend the placement "job fairs" organized by Office of Personnel Management (OPM) to identify candidates for our bureaus.

The T Family of Bureaus also actively participates in a number of fellowship programs designed to bring individuals with this type of expertise into the Department. The William C. Foster Fellows Visiting Scholars Program is administered by the T family to give specialists in the physical sciences and other disciplines an opportunity for active participation in the arms control, nonproliferation, and disarmament activities of the Department of State and to enable the Department to gain the perspective and expertise such persons can offer. The American Association for the Advancement of Science (AAAS) Diplomacy Fellows Program fosters a positive exchange between scientists and federal policymakers and provides scientific expertise and analysis to support decision-makers confronting increasingly complex scientific and technical issues. Jefferson Science Fellows are tenured faculty members in the sciences and engineering at American colleges and universities who are interested in applying their senior-level technical expertise and professional experience to real world problems in foreign affairs and development. Although these fellowships are intended to be temporary experiences, many of these scientific professionals find they enjoy the challenges of our work and the spirit of public service and we are able to hire them for on-going positions.

As noted elsewhere, the majority of our Civil Service positions are subject to the relatively cumbersome hiring process mandated by Title 5. Additionally, because of the different hiring process by the agencies of the intelligence community, it is difficult to recruit WMD-related experts currently employed in the intelligence community. Further, General Schedule salaries and benefits are not always competitive with industry and with what other Agencies are offering. To overcome these challenges, we focus on the intrinsic benefits we can offer these highly skilled candidates. These include the following opportunities:

- To work in a highly dynamic and time sensitive operational environment;
- To support the formulation of policy and strategic planning on national strategies;
- To represent the Bureaus, the Department, and the USG in a wide variety of settings;
- To work directly with our foreign partners; and
- To provide policy advice to senior leadership within the Department and interagency on a range of international security-related issues.

By engaging our technical experts immediately in these high-level interactions, we have been able to classify many of their positions at the GS-14 and GS-15 levels.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#10)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

How many attorneys work on arms control issues in the Office of the Legal Advisor?

- How many are permanently dedicated to these issues?
- How are new attorneys trained on these technically complex issues?
- How many have previously negotiated arms control agreements?
- Which arms control agreements have these attorneys worked on?

Answer:

The Office of the Assistant Legal Adviser for Nonproliferation and Verification (L/NPV) provides legal advice on arms control and nonproliferation issues to the ISN Bureau and the VCI Bureau, as well as regional and functional bureaus involved in arms control and nonproliferation issues. L/NPV currently includes eight full-time attorneys, one part-time attorney, and one full-time paralegal. The L Front Office, particularly the Legal Adviser and the Deputy Legal Adviser responsible for supervising L/NPV, also devotes a significant amount of time to arms control and nonproliferation issues. In addition, L/NPV

frequently consults with "alumni" who work in other parts of the Legal Adviser's Office.

New attorneys receive much of their training "on the job" from more senior attorneys in the office. In addition, both junior and senior attorneys attend training courses offered by the government in a variety of areas: arms control negotiations; nuclear, CBW, and missile technology; nuclear, CBW, and missile nonproliferation; fiscal law; etc. New attorneys typically attend the week-long nonproliferation courses offered at the U.S. National Labs, most commonly Oak Ridge National Lab or Los Alamos National Lab. More senior attorneys also attend these courses from time to time. Finally, L/NPV attorneys often take advantage of training opportunities outside the government, attending seminars and speeches addressing arms control and nonproliferation issues.

Six of the eight full-time attorneys in L/NPV have experience negotiating arms control agreements; these six attorneys have over seventy years of experience in the arms control and nonproliferation area.

L/NPV responsibilities include providing legal advice on issues arising with respect to the following: START and post-START; the INF Treaty; the

Conventional Armed Forces in Europe Treaty; the Open Skies Treaty; the Threshold Test Ban Treaty and Comprehensive Test Ban Treaty; the Chemical Weapons Convention; the Biological Weapons Convention; the Australia Group; Pathogen Security and Biosecurity; the Nuclear Non-Proliferation Treaty; the Nuclear Suppliers Group; Nuclear Weapons Free Zones; the Missile Technology Control Regime; Missile Technology Safeguards agreements and Remote Sensing agreements; the Fissile Material Cutoff Treaty; the Proliferation Security Initiative; arrangements with Russia regarding High-Enriched Uranium, Plutonium Disposition, Fissile Material Storage, and the Joint Data Exchange Center; agreements for peaceful nuclear cooperation; the IAEA Statute and IAEA Safeguards Agreements; the Nuclear Liability Convention; the Nuclear Safety Convention; the Convention on the Physical Protection of Nuclear Material; the Nuclear Terrorism Convention; Science Center Agreements; UN Security Council resolutions related to weapons of mass destruction; U.S. nonproliferation sanctions laws and executive orders; and U.S. assistance programs in the arms control and nonproliferation areas (especially Cooperative Threat Reduction and Non-Proliferation and Disarmament Fund, etc.).

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#10a -11)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

What can be done to encourage more Foreign Service Officers to pursue a career track in arms control and/or nonproliferation?

The State Department generally places greater emphasis on geographic bureaus and foreign country posts than on functional or transnational bureaus and international organizations.

What needs to be done to ensure that arms control and nonproliferation interests are given an appropriate voice?

Answer:

Following the reorganization, the Under Secretary for Arms Control and International Security (T) formed a working group comprised of Foreign Service Officers (FSOs) within the three T bureaus to address the questions of how to make assignments in the T family more attractive, how to encourage and reward functional policy experience, and how to expand understanding of T issues among the Foreign Service. Some of the group's recommendations that already could be considered by the Department include the following:

- Provide annually a structured orientation session for FSOs on the T Bureaus' organization and issues. The last orientation was held on July 23, 2008.
- Establish an active Award to recognize outstanding performance by Foreign Service Officers. T established the first-ever Department award at the Under Secretary-level this year, the Under Secretary's Award for Excellence in International Security Affairs, to recognize the most outstanding contributions by both Foreign and Civil Service personnel.
- Increase support and assistance to T FSOs and FSO alumni during the bidding season. This is an ongoing effort, but it will continued to be hampered by the fact that ISN controls hiring to very few overseas positions.
- Host training sessions to improve supervisors' understanding and ability to write an employee evaluation report (EER) that will support promotion in the Foreign Service. Training sessions for supervisors on writing effective EERs were held in 2008 prior to the EER deadlines.
- Ensure that positions are available for FSOs at all career stages within the T Bureaus, i.e., from mid-level to Deputy Assistant Secretary (DAS) positions. Within Departmental personnel constraints, this is an ongoing effort.

Additionally, then-Under Secretary Joseph endorsed a number of recommendations on which work is continuing. These included:

- Establishing and funding a limited number of overseas FSO positions, where conditions warrant, to advise selected Chiefs of Mission and Deputy Chiefs of Missions (DCMs) on nonproliferation, counterproliferation, political-military, WMD/Terrorism and verification and compliance issues;
- Expanding T involvement in the selection of FSOs for overseas billets where T issues will be an important element of the employee's portfolio, including by permanent membership on the committees that select Deputy Chiefs of Mission and ambassadors.
- Requiring functional experience for promotion to the Senior Foreign Service. In this regard, it is worth noting that currently, service in the T bureaus can also fulfill an elective requirement of the Foreign Services Generalist Career Development Program to serve in a "functional" bureau. However, the State Department generally places greater emphasis for promotion on experience in geographic bureaus and foreign country posts than on functional or transnational bureaus and international organizations.

Preventing the spread of weapons of mass destruction and the vehicles that could deliver them is a USG national priority and, as such, does play a central role in our foreign policy efforts. T provides key leadership within the interagency on this critical national security issue. I believe we have been very successful in ensuring that arms control and nonproliferation interests are advanced and protected in our foreign policy deliberations, decisions, and discussions.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#12)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

Short of a full-scale change in organizational structure, what kinds of less sweeping organizational and personnel changes could improve the conduct of our arms control and nonproliferation policy?

Answer:

The T Family of Bureaus intends to continue to identify, recognize and promote career Civil Service and Foreign Service employees within the T Bureaus and give them a broad opportunity to contribute to the formulation and implementation of policy. Our goal is to appoint individuals with a good understanding of the State Department culture and with an intuitive interest in arms control and nonproliferation policy, coupled with strong qualities of leadership and management skills.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#13)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

What is the current diversity recruitment plan for the State Department?

Answer:

The Department's diversity recruitment plan is based on outreach through targeted institutions and organizations, and a dedicated strategic marketing and advertising plan, to bring the message of Department of State employment opportunities to communities currently underrepresented in the Department's ranks. We are also seeking those with specific skill sets, such as critical needs languages, needed to advance U.S. interests. Fifty-nine colleges and universities, forty-one constituency organizations and ten professional organizations receive priority attention of nine Washington-based recruiters and sixteen Diplomats in Residence (DIR), posted at targeted schools around the country. The recruiters and DIRs participate in career fairs, conduct information sessions and provide one-on-one counseling focused on diverse candidates. DIRs also host Foreign Service Officer Test and Oral Assessment prep sessions to prepare candidates for the

competitive Foreign Service selection process. Though open to all candidates, DIRs extend personal invitations to diverse candidates to participate in these sessions.

Recruiters and DIRs also regularly seek opportunities to speak to student groups and affinity organization members about State careers and hiring. For example, recruiters currently are participating in the Hispanic Youth Symposium in Richmond, the NAACP national convention in Ohio, and the LEAD symposium for gifted minority high school students in Washington. Mention of high school students points up another aspect of State's diversity recruiting effort; we are actively working to expand contacts with younger audiences, through such organizations as LEAD. These contacts plant the seeds of the idea of public service careers in international affairs even before students make decisions about college majors and directions for their lives.

Additionally, the Department has developed a marketing communications and advertising strategy to educate and increase awareness among diverse audiences, as well as those with the particular skill sets (economics, critical languages, and project management) needed to meet the Department's current needs. Through communicating an employer brand that resonates with key audiences, in addition to using a combination of

direct sourcing and targeted online advertising using social media networking (Facebook and Jobster), career (Yahoo!, HotJobs, Monster), and niche-specific content-focused (Black Enterprise, LatPro) sites, HR/REE proactively achieves its goal of increasing awareness of the Department's career opportunities.

The Department's consistent Top 10 ranking as an employer of choice among diverse students demonstrates the combined success of our outreach and marketing effort.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#14)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

In response to one of my questions, Ms. McNerney mentioned a reduction in the Senior Executive Service positions throughout the government.

a. How many SES positions have been cut?
b. How many SES positions have the State Department, and each bureau within the T Bureau, lost?

Answer:

There is no legislated cap on the number of SES positions across the government, and agencies are free to request additional allocations to OPM/OMB through either structured biennial requests or on an ad hoc basis. Neither the Department nor T Bureau has experienced recent losses of SES allocations, nor has the Department of State Executive Resources Board denied T Bureau's request to retain an SES allocation once vacated.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#14a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

You discussed eliminating redundancies between offices in the pre-2005 organizational structure. But the 1999 merger of ACDA into the State Department was designed to eliminate such duplication. What redundancies had arisen since 1999? How did they arise?

Answer:

The 1999 merger of the Arms Control and Disarmament Agency (ACDA) into the State Department resulted in one way of organizing the State Department to meet the new challenges facing the United States at that time. That included having an office that worked on chemical and biological weapons proliferation issues (including the Australia Group multilateral export control group) under the Nonproliferation Bureau, and another office working on chemical and biological Treaties (including conventions to ban their acquisition or use) in the Arms Control Bureau. When these two bureaus merged, the functions from these two offices similarly merged into one.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#15)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

What percentage of Office Directors and Deputy Office Directors in the Nonproliferation Bureau were placed in similar positions in the ISN Bureau? What percentage of Office Directors and Deputy Office Directors in the Arms Control Bureau was placed in similar positions in the ISN Bureau? What percentage of such positions was filled by people outside the Nonproliferation and Arms Control Bureaus?

Answer:

- 73% of Nonproliferation (NP) Bureau officers were placed in similar positions in ISN (7 Office Directors + 4 Deputy Office Directors) / (11 Office Directors in NP + 4 Deputy Office Directors in NP).

- 61% of current ISN officers were originally from NP - (11 Office Directors and Deputy Office Directors from NP / 19 total Office Directors and Deputy Office Directors in ISN).

- 63% of the Arms Control (AC) Bureau was placed in similar positions in ISN - (3 Office Directors from AC + 2 Deputy Office Directors from AC) / (7 Office Directors in AC + 1 Deputy Office Director in AC).

- 26% of current ISN officers were originally from AC - (5 Office Directors and Deputy Office Directors from AC / 19 total Office Directors and Deputy Office Directors in ISN).

- 16% of current ISN officers are from outside NP or AC - (3 Office Directors from outside NP and AC / 19 total Office Directors and Deputy Office Directors in ISN).

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#16)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

How many Office Director positions in the ISN Bureau are set aside for Foreign Service Officers?

a. What percentage of Office Director positions in the ISN Bureau does this represent?
b. How many FSOs are in the ISN Bureau?
c. What percentage of ISN Bureau staff is this?
d. How is it decided which Office Director positions will be filled by FSOs?

Answer:

There are four Office Director positions in ISN that are filled by Foreign Service Officers.

a. What percentage of Office Director positions in the ISN Bureau does this represent?
   - 31% - (4 FSO Office Directors/13 Office Director positions).
b. How many FSOs are in the ISN Bureau?
   - 31 FSO slots in ISN Bureau (this does not include EX offices, which oversee ISN, VCI, and PM Bureaus), but many of them are filled by civil servants on a two year term as a result of lack of bids by FSO's.

c. What percentage of ISN Bureau staff is this?

- 13% (31 FSOs / 240 total ISN Bureau staff- does not include EX offices; does not include consultants).

d. How is it decided which Office Director positions will be filled by FSOs?

- Based on a State Department Senior Management Panel Review.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#17)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

You mention in your testimony a former Office Director who was re-hired as a Senior Adviser in the ISN Bureau.

- Was he hired back into the State Department under a competitive hiring process?
- If not, what process was used?
- If there was an alternative process used, how often has it been used within the T Bureau since 2005?

Answer:

The Office Director I was referring to was not hired under a competitive hiring process.

The non-competitive - Reg. 315.501 - hiring authority permits current or former competitive employees to be transferred between agencies or rehired to an equivalent or lower graded position. This process is an important tool in recruiting experienced USG civil servants.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#18)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

How many full-time equivalent positions requiring physical science backgrounds are vacant in the ISN Bureau, if any? Please provide information regarding how many were on board in 2001 and how many are on board now.

Answer:

In July 2008, there were 11 full-time equivalent physical scientist positions and 0 vacancies. In December 2001, there were 7 full-time equivalent physical scientist positions.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#19)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

What has been the promotion rate for Foreign Service officers in ISN (and its predecessor, the Nonproliferation Bureau) for each year since 2001? What been the promotion rate for Foreign Service officers serving in geographical bureaus for each year since 2001?

Answer:

Based on raw data, FSOs assigned to ISN (and its predecessor, the Nonproliferation Bureau) at the time of review have been promoted at a lower rate than those assigned to geographical or "regional" bureaus.

Bureau	2001	2002	2003	2004	2005	2006	2007
NP	28.6%	0.0%	25.0%	11.1%	12.5%	n/a	n/a
ISN	n/a	n/a	n/a	n/a	n/a	0.0%	0.0%
Regional Bureau	30.5%	29.0%	32.9%	34.4%	37.0%	36.9%	36.0%

Given the inherently transient nature of the Foreign Service, however, the location of a Foreign Service Officer (FSO) at the time the promotion boards meet is not particularly significant. Officers promoted in a given year typically will have served in multiple bureaus or locations prior to their promotion.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#19a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

Please provide the number of Senate-confirmed positions that worked exclusively on arms control and nonproliferation in the State Department and ACDA in 1999, before ACDA was abolished, and the number that have this exclusive focus today?

Answer:

In ACDA in 1999, there were 8 Senate-confirmed positions.

In ISN today, the Assistant Secretary is the only appointment which requires confirmation by the Senate. However, the rank of Ambassador for the U.S. Representative to the Conference on Disarmament, and the Organization for the Prohibition of Chemical Weapons must be approved by the Senate.

In VCI today, the Assistant Secretary is the only appointment which requires confirmation by the Senate.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#20)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

You mentioned in your testimony that a large percentage of your resources have gone to staffing embassies in Iraq, Afghanistan, and Pakistan, and as a result, the State Department has forced the bureaus to make reductions.

How many positions have been transferred, either temporarily or permanently, to other bureaus from each bureau within the T Bureau?

Answer:

The Secretary of State's Transformational Diplomacy initiative was implemented in 2006 and 2007 throughout the Department. All bureaus received a Global Repositioning position "tax" that was proportional to their size. The following is a listing of International Security and Nonproliferation (ISN), Arms Control (AC), Nonproliferation (NP), Verification, Compliance, and Implementation (VCI), and Political-Military (PM) bureau transfers. None of the transfers are temporary.

FY 2002: No positions transferred to other bureaus

FY 2003: No positions transferred to other bureaus

FY 2004: No positions transferred to other bureaus

FY 2005: No positions transferred to other bureaus

FY 2006: ISN: Two positions transferred for Global Repositioning

PM: One position transferred for Global Repositioning

VCI: One position transferred for Global Repositioning

FY 2007: ISN: Seven positions transferred for Global Repositioning

PM: Five positions transferred for Global Repositioning

VCI: Four positions transferred for Global Repositioning

FY 2008: No positions transferred to other bureaus

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia A. McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#20a)
Senate Committee on Homeland Security and Government Affairs
June 6, 2008

Question:

In the Fiscal Year 2006 State Department Performance and Accountability Report, the initiative/program objectives related to "strengthening the global nuclear nonproliferation regime" (Joint Performance Section/Strategic Goal 4/Annual Performance Goal 2) was indicated as "on target." However, the following objectives did not appear to be met:

- Ten additional states negotiate, sign and/or implement the Additional Protocol including all NPT parties with nuclear power reactors.
- Additional Protocol adopted by supplier states as condition of nuclear supply.
- Special Committee of the Board (IAEA) makes recommendations on safeguards verification and enforcement.

Actual results indicated:

- Three additional countries signed Additional Protocols and six additional countries brought Protocols into force, bringing the total to 77 countries with Protocols in force.
- Nuclear Suppliers Group did not yet adopt Additional Protocol as a condition of supply.
- Special Committee began discussions, but has not yet made any recommendations.

a. Who identified that these goals were met?
b. Why was this section judged as 'on target' despite these three shortcomings?
c. What has been done since to correct these shortcomings?

Answer:

The Office of Multilateral and Security Affairs (ISN/MNSA) is the office in the International Security and Nonproliferation Bureau at State that undertakes work related to the NPT and general IAEA programs and work.

ISN/MNSA identified four targets.

- The FY 2006 results for the first target were actually 'above target.'
- The second target had two parts:
    - The first part, on the number of Additional Protocols (APs) was almost met (9 vice 10).
    - The second part was not met. Neither Argentina nor Brazil, who are NSG members, has signed an AP. Moreover, South Africa has taken the position that the NSG cannot consider making the AP a condition of supply until all NSG members have signed and implemented an AP. Since the NSG works by consensus, it cannot yet adopt the AP as condition of supply.
- The third target had two parts:
    - The first part was 'on target.'
    - The second part concerned the IAEA Committee on Safeguards and Verification, which met twice during 2007 and concluded its work of

considering ways and means to strengthen the Agency's safeguards system. The documentation and clarification provided by the Secretariat at the request of the Committee described measures to improve the effectiveness and efficiency of the Agency's safeguards system in several areas and aimed at increasing the Member States' understanding and awareness in this regard. In June 2007, the Chair of the Committee presented a report on its conclusions to the Board of Governors and the Board took note of it.

- For the final target, FY 2006 results showed we were generally 'on target.'

In sum, ISN/MNSA can only apply one rating to the entire set of targets; we didn't believe that a 'below target' would truly capture overall results, so we gave it an 'on target' rating. We have since refined our targets so that they are clearer and more conducive to definitive reporting.

With regard to substance, the United States is pursuing Nuclear Non-Proliferation Treaty (NPT) non-nuclear weapon states that have not yet met their obligations under the NPT to conclude comprehensive safeguards agreements with the International Atomic Energy Agency (IAEA). We are also actively pursuing universalization of the Additional Protocol. In pursuing these goals, the United

States has developed a prioritized list of states, and has developed an individual strategy for each. In some cases, where the United States has little influence, we have shared our plans with other states in order to get their support. The United States support program has contributed $500K ($300K in 2006 and $200K in 2007) to fund seminars for states interested in pursuing comprehensive safeguards agreements and Additional Protocols.

In addition, the United States is pursuing ways and means to implement the most attractive recommendations in the Committee on Safeguards and Verification report in other fora, e.g., the Standing Advisory Group on Safeguards Implementation, the Program of Technical Assistance for Safeguards, and the Board of Governors.

Finally, we continue to work to get the Additional Protocol adopted by supplier states as a condition of nuclear supply, and we continue to work with IAEA member states on recommendations for strengthening safeguards verification and enforcement, but no longer through the Special Committee, which has lapsed.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#21)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

Please describe in greater detail the Foreign Service Officer development plan for those officers who seek promotion to the Senior Foreign Service.

Answer:

The Career Development Program (CDP), introduced in 2005, outlines the skills and requirements that members of the Foreign Service need to be able to compete for promotion into the Senior Foreign Service. The Career Development Program embraces four principles of performance that employees must demonstrate over the course of their Foreign Service careers:

1) Operational effectiveness over a wide range of functions and geographic regions;
2) Leadership and management effectiveness;
3) Sustained professional technical and language proficiency;
4) Responsiveness to Service need at hardship, danger, and critical need missions.

Based on these principles, we designed a series of training and assignment milestones calculated to prepare employees for senior leadership positions and to meet Service needs. Employees are able to track their progress via a program available for their use on the Department of State intranet.

Separate programs have been developed for each of the 18 Foreign Service specialist career tracks (from our medical doctors to our office managers). Introduced in 2006, these programs follow the same general principles as the Generalist CDP.

Questions for the Record Submitted to
Principal Deputy Assistant Secretary Patricia McNerney and
Deputy Assistant Secretary Linda Taglialatela by
Senator Daniel K. Akaka (#22)
Senate Committee on Homeland Security and Governmental Affairs
June 6, 2008

Question:

Ms. McNerney stated that the hiring process is cumbersome. What needs to be done to address this?

Answer:

For Civil Service hiring, we follow the federal guidelines provided by OPM. Interested candidates typically apply through www.usajobs.gov. The Department is in the process of implementing an online Position Description Library and an automated system that facilitates the development of Position Descriptions. The automated Position Description Library will eventually be linked to standardized vacancy announcements in our automated staffing tool and will minimize the up-front preparation time in the hiring process. In order to address the complex Civil Service personnel delivery model, the Department is also implementing a tiered services delivery to improve customer service and streamline Human Resources processes.

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