

# STATE DEPARTMENT REFORM REPORT



Bruce Bedford | Rand Beers | Chester Crocker | Karen Hanrahan  
Jodi Herman | Brad Higgins | Daniel Levin | David Miller  
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**Foreword by Brent Scowcroft**

Kathryn Elliott, Chief of Staff



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*Cover photo:* Loren/Wikimedia. The Harry S. Truman building in Washington, DC, headquarters of the United States Department of State.

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# Foreword

Dear Colleagues,

I have spent many years working with the State Department. From early service as a member of an embassy team, to working with fine colleagues from State who joined me at the National Security Council to cooperating with Secretaries James A. Baker and Henry A. Kissinger, I have seen the department “up close and personal.” Simply put, the department performs a crucial role in defending and promoting our interests by providing foreign policy leadership to presidents, leading difficult negotiations, pursuing economic development and caring for our citizens around the world.

Thus, I read the following report with keen interest. Many of the authors are well known to me. They represent decades of experience in the State Department and National Security Council—some of them going back to the Eisenhower administration. They have served all presidents since then in a wide variety of roles—under and assistant secretaries, ambassadors and special assistants to the president. They have worked in hardship posts and in Washington. They write with a keen appreciation of the importance of the department and admiration for their former State Department colleagues in both the foreign service and the civil service.

This gives them the experience and standing to offer some direct, incisive and painful observations about the department. The department’s esprit de corps has been wounded by uneven attention to management priorities over the years, dysfunctional relations with the Congress, and encroachment on their basic mission—notably by the National Security Council staff and the Defense Department.

The very good news is that they strongly believe that much can be done to improve the performance of the department—quickly and with little or no increase in expenditures. What it takes, as they point out, is the will to do so. While reform will take sustained attention from the secretary and senior officers in the department, the issue is really about the willingness to concentrate on making it happen.

This is a thorough and long report. It covers the critical pieces of department management, which the authors have identified as being most important—including sections of the report on Structure and Process, Personnel, Budget, Congressional Relations and USAID. There is a thoughtful introduction briefly describing the critical roles of the department that provides a necessary foundation to get the reforms right. Let me emphasize with the authors that this is an “owners’ manual” for the department. It identifies “what makes the department run” and what can be done in short order to improve performance. There are no substantive policy recommendations. This is not about new foreign policies, but about what can be done to improve the execution of policies once set.

Finally, this report comes at a very important time. Discussion now swirls around the department from the basic questions of what its role should be to how to organize to pursue those missions with greater effectiveness and less expenditure. I would urge all involved in that discussion, the Congress and the public to give this report a very careful read.



**Lieutenant General Brent Scowcroft, USAF (Ret.)**

Assistant to the President for National Security Affairs

November 3, 1975-January 20, 1977

January 20, 1989-January 20, 1993

# Preface

The State Department can benefit greatly from reform to restore its historical mission of leading the development and execution of US foreign policy. This document is designed to contribute to that effort.\* While critical in places, the criticism comes from admiration for the role and work of the department and a sincere commitment to improving State's performance. It is essential to empower the department in this time when a rapidly evolving global environment consistently poses new challenges and threats. The department's role is unique and vital in the US national security apparatus; diplomacy based in continued and robust support for US interests and values is critical to favorable long-term outcomes, including a more secure and stable global environment.

The request for this report was received from House Foreign Affairs Committee Chairman, the Honorable Ed Royce, reflecting the interest of members of both parties as a result of a hearing on the National Security Council (NSC) on June 16, 2016. As Chairman Royce observed in a subsequent letter to the group in February 2017, "the Department of State must improve its ability to efficiently and effectively develop and implement policy in the face of the fast-moving threats and opportunities facing the United States abroad" before the NSC can return to its original mission and size. Thus the authors deemed it essential to quickly produce a report that could serve as a road map for recognizing and implementing reforms.

The document is divided into a number of sections that focus on Structure and Process, Personnel, Budget, Congressional Relations, and the US Agency for International Development

(USAID). It has been prepared by a core group of ten professionals with many years of experience working at the State Department.\*\* Given the scope of the project, the individual authors may not wholly agree with every recommendation, but the group is in total agreement with the overarching ideas put forth. Additionally, we would like to emphasize that this report should not be viewed as a thorough reorganization plan, but rather a foundation for reform efforts. The recommendations presented are ones that can be implemented quickly and without many increases in expenditure or legislation. The report also introduces aspects that can and should be more deeply explored—such as improvements to the Foreign Service Institute and how State works with other departments and agencies.

A new president and secretary of state are rethinking the US posture in the world and the mission and level of support that the State Department should receive. We believe this report, prepared on a bipartisan basis, will contribute to a thoughtful and balanced approach to reforming and improving the performance of the department.

\* This report on the reform of the State Department is the second in a series of documents produced by the Atlantic Council's Brent Scowcroft Center on International Security focused on the reform and improvement of the civilian side of foreign and security policy management. The first, *A Foundational Proposal for Reforming the National Security Council*, was published in June 2016.

\*\* Led by Ambassadors Chester A. Crocker, David C. Miller, and Thomas Pickering, other members of the group include Bruce Bedford, Rand Beers, Brad Higgins, Karen Hanrahan, Dan Levin, Jodi Herman, and Lester Munson. Biographies for all can be found at the end of this document.



# Key Recommendations

**Recommendation 1:** The State Department plays a critical role in developing and ensuring US foreign and security policy. It is essential to bolster the department so it can more efficiently and effectively operate in accordance with its historic mission.

**Recommendation 2:** *Structure and Process*—Reduce the number of bureaus and offices by consolidating and eliminating functions.

**Recommendation 3:** *Structure and Process*—Reduce the number of layers of clearance, review, and approval to three and push decision making downward, allowing for easy implementation of a new process to track and assure the timely delivery of essential documents to key players.

**Recommendation 4:** *Personnel*—Direct the top-to-bottom redesign of the intake, assignment, and promotion processes to better balance the needs of the department with the career development of its personnel.

**Recommendation 5:** *Personnel*—Make mid- and senior-level training mandatory, with a short-term goal of expanding leadership and management course content and a longer-term goal of making the Foreign Service Institute a degree granting institution.

**Recommendation 6:** *Budget*—Restore the budget as a management tool, not just an accounting activity, and ensure the secretary receives accurate cost evaluations through life cycle, full cost budget planning and increases the focus on results and accountability.

**Recommendation 7:** *Budget*—Consider a true “National Security Budget,” which would integrate all government spending in support of the foreign and security objectives of the country and be jointly developed by the national security agencies, the National Security Council, and the Office of Management and Budget.

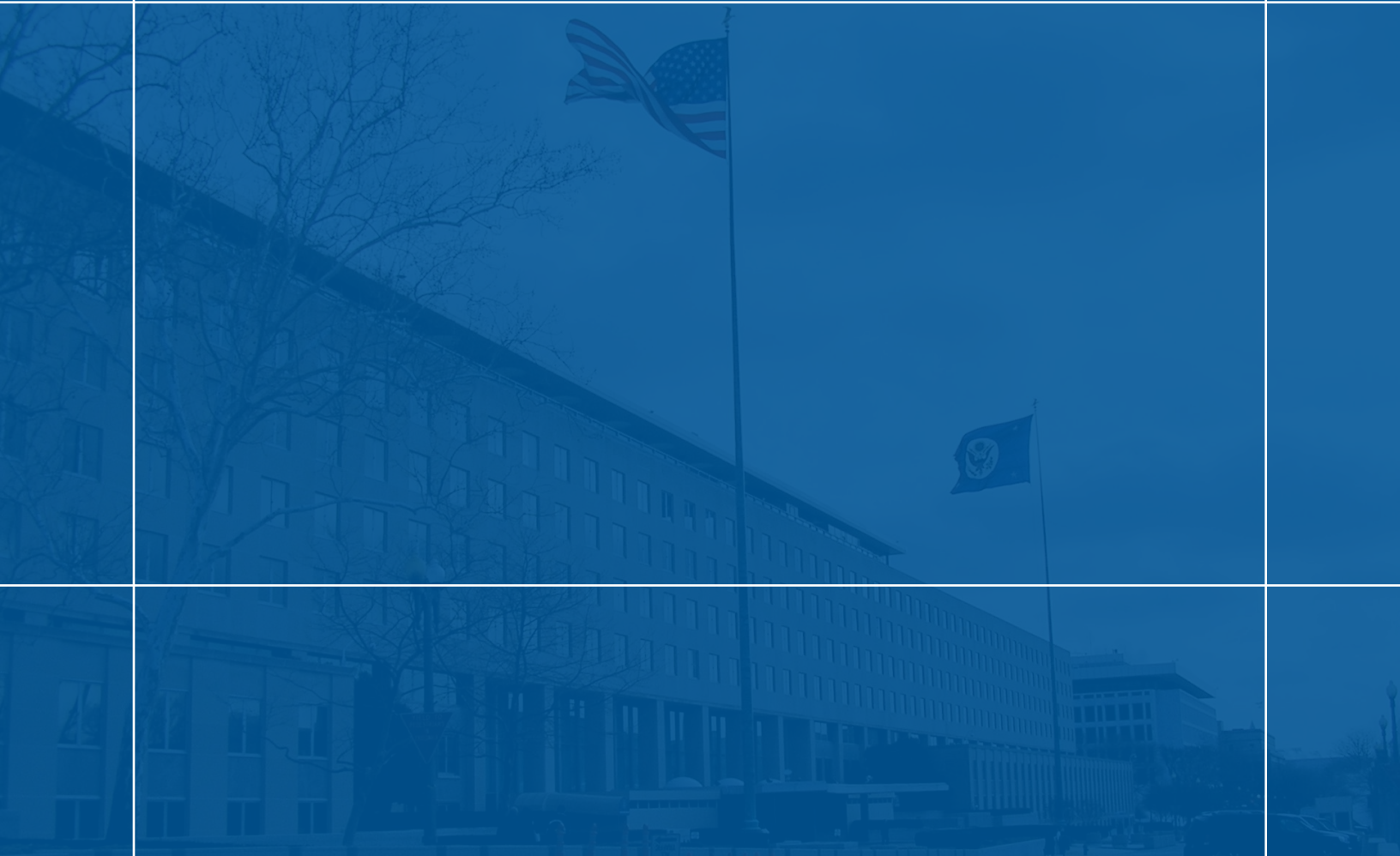
**Recommendation 8:** *Congressional Relations*—Rebuild a relationship of trust with Capitol Hill, by taking the following steps: collaborate on an authorization bill; include Senators in treaty negotiations; strongly support international travel by members of Congress; convene frequent committee-sponsored informal conversations; respect Congressional priorities; strengthen the legislative bureau within State; include Congressional staff in department educational opportunities; and embrace the important role the department can play in resolving Congressional constituent casework.

**Recommendation 9:** *USAID*—Maintain USAID’s status as a stand-alone agency, reporting to the secretary of state, and use the agency as the platform to build a more robust, effective civilian assistance capacity, empowering it with an expanded mission set and greater control over US foreign assistance efforts.



# Introduction

Department Mission and Challenges



## Department Mission

The work of the secretary of state, the Department of State, USAID and their employees, ambassadors, and staff in embassies and consulates are part of a seamless mosaic of American power and presence. From the development of foreign policy and strategic objectives in and for the president to the coordination of all American activities in foreign countries, to the young officer finding a missing or ill American citizen in a remote corner of the world, the State Department is the lead foreign policy and diplomatic agency. State does not fight wars. But it does provide critical leadership resolving issues that could lead to war, sustain wartime coalitions, and help shape post-war planning and negotiate outcomes.

To understand the totality of the responsibilities described above it is critical to look closely at each of the functions of the department.

### The Secretary: Diplomacy and International Strategy

First and foremost are the historical diplomatic functions of the secretary of state, senior department officials, ambassadors, and foreign service officers (FSOs) around the world. From the secretary to the junior political officer, they are the developers and executors of US foreign and security policy.

What does this mean?

The secretary of state has a unique responsibility in presenting the combined wisdom of the department to the president as the lead foreign affairs cabinet officer and the member of the National Security Council responsible for developing and executing the president's international strategy. The secretary is also the lead diplomat of the United States in a unique personal role. The secretary provides critical leadership and management to oversee the work of the department and its foreign service and civil service employees.

The secretary, to be successful, must maintain a unique level of trust with the president and White House key advisors as instructions from the secretary and his assistants direct the pursuit of US interests in treaty negotiations, bilateral discussions, multilateral forums of all kinds, and thousands of conversations that our country conducts with adversaries and allies every day.

This traditional diplomatic role of the department is the heart of the daily activity of embassies and consulates around the world—developing positions that support our national objectives, cultivating friends in other governments and international institutions, understanding how conflict can be avoided and mutually agreed upon objectives can

be pursued. The department is the primary actor charged with developing and executing diplomatic initiatives and negotiations in direct support of the country, its people and the president.

Most traditional diplomatic activities, especially overseas, are carried out by the foreign service, a carefully selected service operated with management principles borrowed from the US military. They are supported in the department by a cadre of technical specialists in civil service positions who provide the expertise and continuity to deal with highly technical issues.

### Consular Activities

The second historical function of the department can be loosely grouped under consular functions. The best known is the issuance of visas for foreign nationals to visit the United States for a wide variety of purposes. Every day, at almost every US embassy or consulate around the world there is a long line of people seeking visas to visit, study in, pursue commercial opportunities, seek health care, and immigrate to our country.

Generally speaking, this is taxing and tedious work of critical importance in an era where terrorists and others seek to enter our country. Not only does the visa process require careful screening of the applicant, but it requires close cooperation with the Department of Homeland Security, our Intelligence Community, and where appropriate with local officials who can offer critical advice and assistance. Many foreign service officers start off with a tour as a consular official, which gives them a unique and firsthand sense of working in another culture.

And finally, as a country committed to look after its citizens who may be arrested, become ill and require emergency medical attention, whose children get lost, whose loved ones die, whose passports are lost or stolen, our consular officers are always on the job and on call.

### Economic and Commercial Interests

Support for US firms—from large to small—that operate overseas is an important part of diplomacy. From briefing on local conditions to support in dealing with foreign governments on licenses and patent protection, from insuring fair treatment across the board, to economic reporting, embassies and their staff provide important benefits to US businesses and the economy. As we focus on improving our balance of trade, these traditional economic functions of American embassies can be strengthened and improved.

What does this mean?

The State and Commerce Departments and embassies should work to get more companies

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efficiently into international markets. This may range from identifying specific opportunities to sell goods and services to pointing out trade fairs where a US firm may reach a large audience on a single trip to another country. State and Commerce administer export controls and can no doubt do so more efficiently while also supporting each other and the US trade representative (USTR) in advancing the interests of US business.

## Economic Development and Institution Building

The secretary of state is responsible for the Agency for International Development (USAID) and a number of other development programs including capacity building in foreign countries regarding counterterrorism, narcotics control, law enforcement, and in the judiciary, as well as critical humanitarian and refugee assistance. There are three to four thousand USAID foreign service officers (FSO), as well as many State Department FSOs in State-run programs, in over one hundred countries. These officers respond to a wide range of issues from international health crises such as Ebola to long-term development issues such as water and food scarcity in the developing world to strengthening governments in their ability to protect their citizens.

USAID officers are distinct from “traditional” diplomatic FSOs; they are deeply involved in program management and in providing training to our allies and friends. USAID officers are typically development experts, including economists, health experts, agronomists, and contract administrators. Much of USAID’s activities are contracted out to obtain the greater flexibility and expertise needed for a wide variety of projects. Not all foreign assistance is delivered by USAID; twenty-six other agencies, including State, also carry out such programs. A separate paper will discuss State-USAID relations and the dispersion of foreign aid across the US government.

The coordination of State and USAID at the strategic level gives the secretary another major responsibility for the career services.

## Ambassadors

The president selects and appoints ambassadors—two-thirds have traditionally come from the career service. All ambassadors are the personal representatives of the president and receive a letter of instruction from the president.

Why is this important?

Ambassadors have the unique authority to coordinate all activities of the US government in the country to which they are accredited except

for the forces of a combatant commander engaged in combat operations in the country concerned. An ambassador represents the country, not just the State Department, guiding the activities of the numerous government agencies operating under the embassy umbrella. A well-run US Mission presents a coherent picture from “grand strategy” to being a daily diplomatic interface, to development activities, to the Peace Corps and information programs, to intelligence, law enforcement, and military liaison. The conduct of all embassy employees, the protection of American lives, the promotion of US business, and nongovernmental organization (NGO) interests are part of a seamless web of a well-run embassy. The embassy is the one place in the US government, below the National Security Council (NSC), where a whole of international government operation exists on a 24/7/365 basis.

For an ambassador to succeed, the support of the secretary is critical. In managing the US presence in a country, from time-to-time there are disagreements with particular departments or agencies with a presence in the country. The ambassador has the authority to coordinate their activities and remove them from country when the ambassador’s confidence in their performance is lost.

Given the critical missions of the secretary and State Department as noted above, their performance is of immense national importance. We believe that a candid assessment of the department’s performance will offer guideposts for the most efficient options to quickly and dramatically improve the department’s performance. The observations below, summarizing the challenges the department faces today, are offered from friends—all of whom have worked at the department or in the foreign policy arena.

## Challenges Facing the Department of State

We have chosen to analyze the situation by examining the department’s performance as seen by key stakeholders, the president, the Congress, other departments, and private citizens. These key parties believe State can do much better.

### The President and the White House Staff

The president is the key recipient of State’s most critical products: strategic policy recommendations, execution of the civilian component of much of the United States’ soft power, management and support of presidentially appointed ambassadors, and provision of American diplomats for international negotiations. It is no secret that for many administrations, presidents have found the department in need of serious improvement. Driven in part by departmental reaction time that is often





President Gerald Ford seeks the counsel of his Secretary of State, Henry Kissinger. *Photo credit:* United States Library of Congress.

slow, in addition to other shortcomings, presidents have increasingly used the NSC as the key institution shaping US foreign policy. In order to uphold its key role in developing foreign policy, State's leadership needs to fully comprehend that there is no more important relationship for the department than that with the president and his staff.

### The Congress

The failure to win enthusiastic support from White House leadership would not present such a difficulty, if the "board" of the department—members of the House of Representatives and the Senate—were impressed with the department's performance. The Congress has, in general and for their own reasons, agreed with the president's assessment of the department. Relations between the department and Congress can clearly be improved.

### The Department of Defense and Intelligence Community

The intelligence community is perhaps more tolerant and draws people from the same national pool of talent who pursue careers that are somewhat parallel; however, the uniformed services have

been consistently critical of State's inability to support them in conflict and recovery and are as a result moving rapidly into areas—particularly "civil affairs" and "economic development" (phase 4 of a conflict) regularly seen as part of the State Department's mission. (The department notes that budget restrictions and personnel shortages have played a key role in this concern.)

### Private Citizens

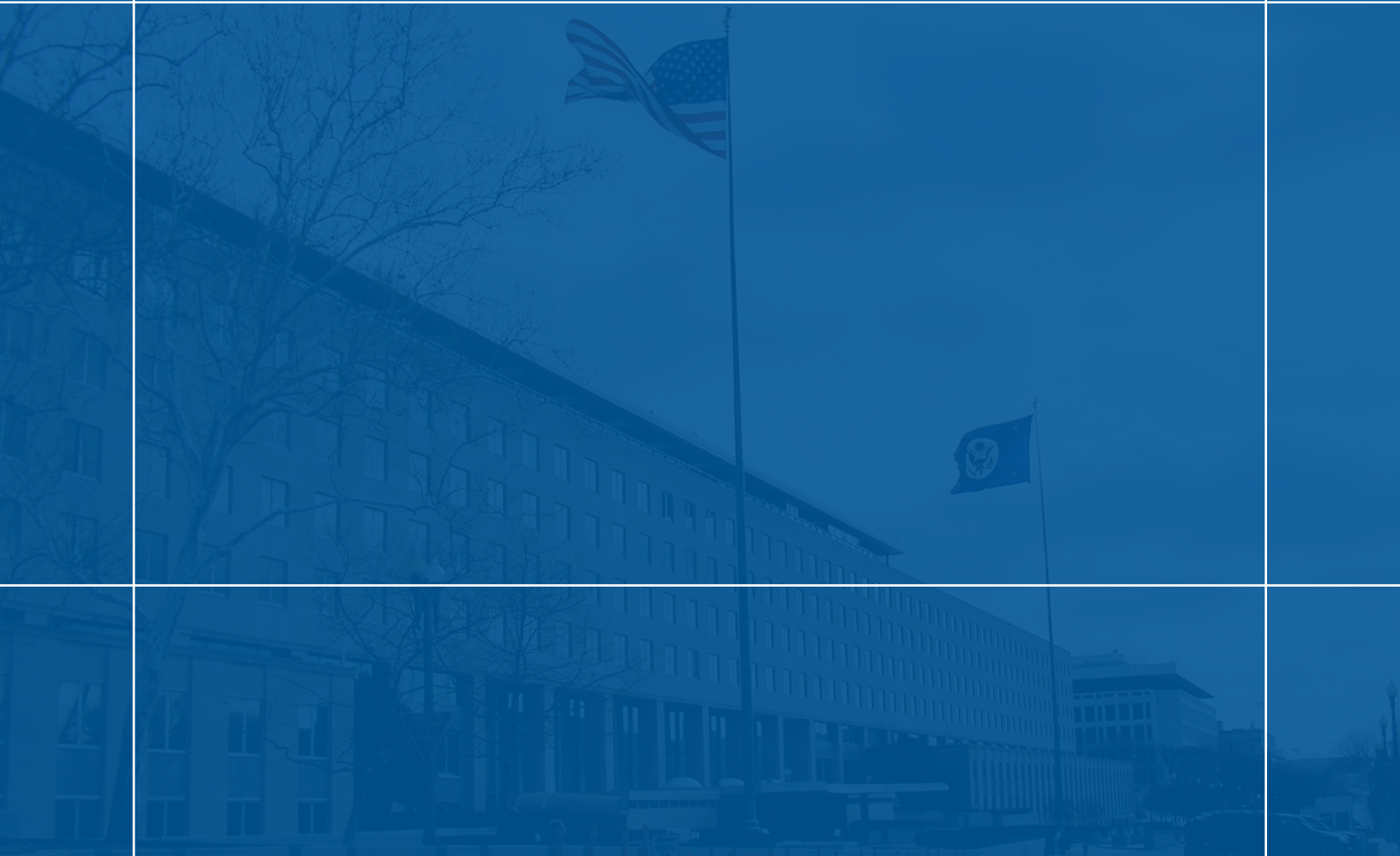
For a wide range of reasons some of which are beyond the control of the department, many in the US business community and private citizens either have little or no relationship with the diplomats who serve them or express little enthusiasm for the department's services.

### Departmental Culture

Finally, a most important observation is that State has suffered from neglect and bureaucratic slights and offenses for so long as to be culturally deeply wounded. We hope that our work will offer a path forward to rebuild the strong department the country needs.

# Structure & Process

The three sections below form a combined effort to deal with improving the speed and efficiency of the State Department. They address the need to more rapidly process crucial documents and materials and to shorten the time required to forge decisions and build policy in a department addressing both regional and country issues on one hand and functional issues on the other.







Secretary Rex Tillerson presents welcome remarks to State Department employees in the main lobby of the department's headquarters in Washington, DC on his first day as Secretary of State.  
*Photo credit: US Department of State.*

## Fast Tracking

Within the US government and among the public there are concerns that the Department of State responds too slowly on urgent matters. This is not a new problem.

While not all of the thousands of communications that the department receives and sends daily can be fitted into a system for more rapid response by telegram, memo, or email—there is an arrangement that might provide some assistance.

The executive secretariat established by George Marshall in the early 1950s, among other things tracks communications for the secretary and the secretary's immediate deputies. In the past, there has been a system of identifying important material that required priority treatment with colored tags. This was ineffective and has gone away.

Other material, including NSC meeting preparations and other interagency gatherings, important congressional and other White House communications, and requests from other

departments and agencies, governments, or in exceptional cases from the public might well fall between the cracks in the present system. The colored tags faded away because many claimed every communication of theirs required the highest priority.

The solution should be simple. The executive secretariat should establish a small staff to monitor the sources of high-level and urgent communications, identify those meeting criteria that should be developed by the staff, and track the responses against defined deadlines given to the responders.

To assure that the material is marked, specific numbers or other separate identification can be provided so that only material designated by the executive secretariat gets incorporated. While material outside that system—including “bypasses,” which are of high importance but for security reasons are managed separately—will continue to move based on the speed and security required. There should be an effort to minimize bypasses

because of the dangers of their being lost and, conversely, the difficulty with capturing them in the system even after the fact, to provide support on continuing issues and for the historical record.

The system can work with the present configuration of the department, and it appears that no legislative changes would be required.

## Delaying and Delegation

Efficiency and effectiveness come from a sure marriage of speed and expertise. Simplification of procedures and reduction of excessive cross-checking and multiple applications of the same bureaucratic considerations are helpful remedies to meet the demands of twenty-first century diplomacy.

In his recent book, former Secretary of Defense Bob Gates noted that in the Department of Defense (DOD) there were, in some divisions, over twenty-five layers of review and approval. The State Department often produces seven, eight, or more layers. Combined with the multiplicity of bureaus as well as other representatives and special appointees named for favorite special tasks, the mix can make a real mess of the speed necessary to meet the galloping deadlines now required.

The ultimate target should be a system with three layers of clearance, review, and approval. Also, the result might be even more efficiency, if more authority for decision making is delegated downward by the secretary.

The three layers ideally should be:

- 1 The secretary, deputy secretary, under secretaries, and counselor;
- 2 assistant secretaries, deputy assistant secretaries, and equivalents; and
- 3 office directors and country directors and their desk and functional officers and assistants.

The simple approach is that at each layer there would be only one clearance per bureau.

Ideally, in memos requiring decisions from the secretary, there would be bureau clearances at the office director level and the assistant secretary level. Coordination within the bureaus would take place through a clear understanding on what issues the office directors and assistant secretaries had agreed, and which they would clear personally or delegate to assistants. Insistence from the top on more efficient management would help to compel more and more effective delegation. The effort to push as much decision making as possible down into the bureaucracy with a clear knowledge of

what each level was authorized to decide would aid in marrying speed and expertise.

It should be particularly clear that the under and deputy secretaries would not engage in clearing items for the secretary. Rather, they would handle decisions at that level that the secretary or deputy did not wish to control. The secretary might want to know what an under secretary or the deputy thought. However, that should not be another institutionalized road block in the system, but the matter of a briefing, side note, or phone call.

Coupled with a simplification and rationalization of the bureau structure (below), such an approach should speed business while still carefully assuring diverse views and expertise were engaged in the process.

## Slimming for Performance: Bureau Amalgamation in the State Department

The integration of speed, expertise, and efficient management is a main challenge confronting the Department of State.

Part of the effort to improve in this area should be a rationalization and amalgamation of the current bureau structure. Currently, more than fifty to sixty major players are supposed to report to the secretary, clearly an unmanageable proposition. Bureaus have been formed to deal with regional policy, economic issues, arms control and disarmament, public diplomacy, management, and global issues. Many stem from clearly felt needs, others are congressionally imposed, and some have developed out of concerns that key issues were not being fully addressed or managed from the viewpoint of the then secretary. A few were created as efforts made to find jobs for politically endorsed job seekers.

The regional bureaus continue to control the overseas posts and their funding and as a result have an inordinately strong influence on assignments and jobs, particularly for the foreign service.

From time to time, secretaries have combined special assistants, independent negotiators, and other special appointees into the bureau structure of the department. Many of these were either competing with existing bureaus or operating outside of the bureau structure to give attention to new questions on the horizon or deal with especially complex negotiations.

The suggestions below are based on several theses:

- The fewer the number of bureaus the better.
- Like or near-like activities should be combined.



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- Bureaus should be large enough and extensive enough to provide an assistant secretary with an important job in the department and the interagency processes, and thus influence with counterparts in other agencies and departments. Generally, assistant secretaries with extensive portfolios get more attention and provide more support up the line than those with mini-portfolios.
- Too many people report directly to the secretary.
- For key decisions made at and above the assistant secretary level, no decision should be made without all the relevant bureaus engaged in the process, except in cases where the limitation on numbers involved is an absolutely overriding concern for security or related reasons, and even then, those people with special expertise need to be involved even if their bureaus are not.
- Bureaus may have a strong relationship with a relevant under secretary, but stove piping should not be so rigid that bureaus cannot participate in decision making by other under or deputy secretaries as well as by the secretary.
- In general, where needed, special negotiators should be appointed where the project cannot be supported by the regional or functional bureau directly. They should report to and through and work with the appropriate regional or functional bureau unless there are strongly compelling reasons to the contrary. The latter cases should be held to a minimum. Titles should be dispensed with a clear eye to facilitating and supporting the work of the appointee.
- Finally, the structure should be one of five or six bureaus in each sector: regional, economic, or management, etc.

**Recommendation 1:** Regional bureaus: Currently there are seven around the under secretary for political affairs—Africa, Western Hemisphere, East Asia and the Pacific, Europe, Near East, South and Central Asia, and International Organizations.

The South Asia Bureau might be reshaped to include Iran in the Near Eastern Bureau and the rest of South Asia and Central Asia in the East Asian and Pacific Bureau. South Asia is a smaller bureau and much of its interest in Pakistan and Afghanistan has been handled by a special representative and negotiator. The time to move away from that approach has come. At various times, some of its areas have been included in the Near East bureau (now over extended) and Europe (now over expanded).

**Recommendation 2:** The Economic bureaus might be combined in a cluster with the Global (social issues) bureaus.

The chief economist should work with the Economic Bureau and the science advisor through the Science (OES) bureau. Democracy and Human Rights, Population and Refugees, and Law Enforcement and Narcotics might join this new Economic and Social Cluster. Conflict Stabilization and Counter Terrorism might join Arms Control in a new Politico-Military cluster (see below). Trafficking in Persons and Global Criminal Justice might join Law Enforcement. Population and Refugees might be included in this cluster, but consideration also should be given to moving it into USAID.

**Recommendation 3:** A new Politico-Military cluster would include the Arms Control and Verification, Non-Proliferation, and Politico-Military Affairs. Consideration should be given to combining the two arms control bureaus. They would be joined by Conflict Stabilization and Counter Terror.

**Recommendation 4:** The Management cluster may end up being slightly above the five or six bureaus.

It would include Administration, Human Resources, Diplomatic Security, and Overseas Buildings. Budget and Planning might become Finance, which would include the Comptroller and Information Resources. The office of Medical Services might go to Human Resources and Management, and Right Sizing might be blended into Administration.

**Recommendation 5:** While not a formal cluster, Intelligence and Research, Legal Advisor, Legislative Affairs, Inspector General, Foreign Service Institute, and Protocol should be seen as separate, main support institutions outside of the management arena.

**Recommendation 6:** Women's Issues might be combined in Democracy and Human Rights, and the President's Emergency Plan for AIDS Relief (PEPFAR) operation moved to USAID.

**Recommendation 7:** Public Diplomacy should be considered to form a stand-alone agency within the department somewhat like USAID. Because of different skills required, especially in program management and information operations, it should have its own personnel, assignments process, budget, and so forth. It would report to the secretary.

The Foreign Service Institute could occupy a similar status (stand-alone agency) or be part of the support cluster. The Office of Civil Rights might go to Human Resources.

**Recommendation 8:** Many of these bureaus and others have a legal existence and therefore will

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require legislation for permanent change. But they might be assigned by the secretary pending those changes to another officer (acting assistant secretary) for supervision until integration, thereby effecting virtual new realignment.

**Recommendation 9:** There has been and will probably continue to be much discussion of USAID and Public Diplomacy and their relationship to the Department of State.

Opponents of full integration argue cogently and with serious justification that they are different from the portions of the department that conduct traditional and twenty-first century diplomacy.

They require special skills and background, have unique budgetary demands, and are program agencies while State is a policy department. State will have a strong tendency to poach on them and their personnel to achieve its diplomatic objectives (e.g. creating leverage on foreign governments for negotiating purposes) as a result of any close integration into State.

Those on the other side of the divide believe that the two functions—development and related tasks and public diplomacy—are essential to getting the civil side of our foreign policy functioning effectively both in policy and implementation. USAID and in the past USIA have had continuing budgetary problems with the Congress that strong leadership from the secretary of state could help to overcome particularly if they are integrated in a common strategy and budget planning process. They also argue that if the secretary of state is charged with and accountable to Congress for development and public diplomacy that the secretary will and must be the champion of those causes with the Congress, especially on the budget.

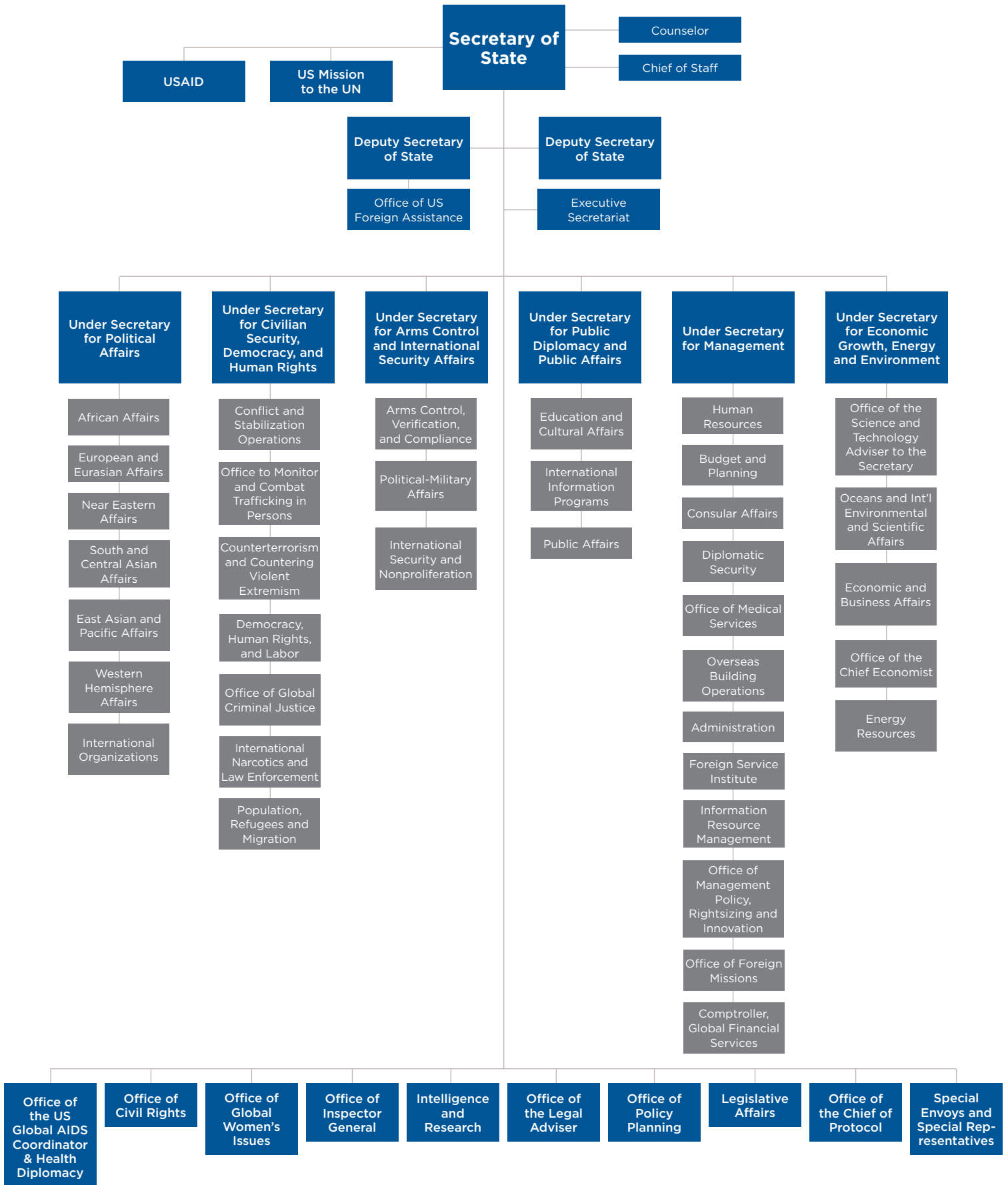
There are three possible options for defining the relationship:

- 1** Separate agencies with a loose—or no—tie to State reporting directly to the president and the White House.
- 2** Fully integrated activities in State with the separate functions incorporated into the State bureau structure or in new bureaus much as has been done with USIA.
- 3** Borrowing a tradition from the Department of Defense of creating two State Department stand-alone agencies—one for assistance and one for public diplomacy.

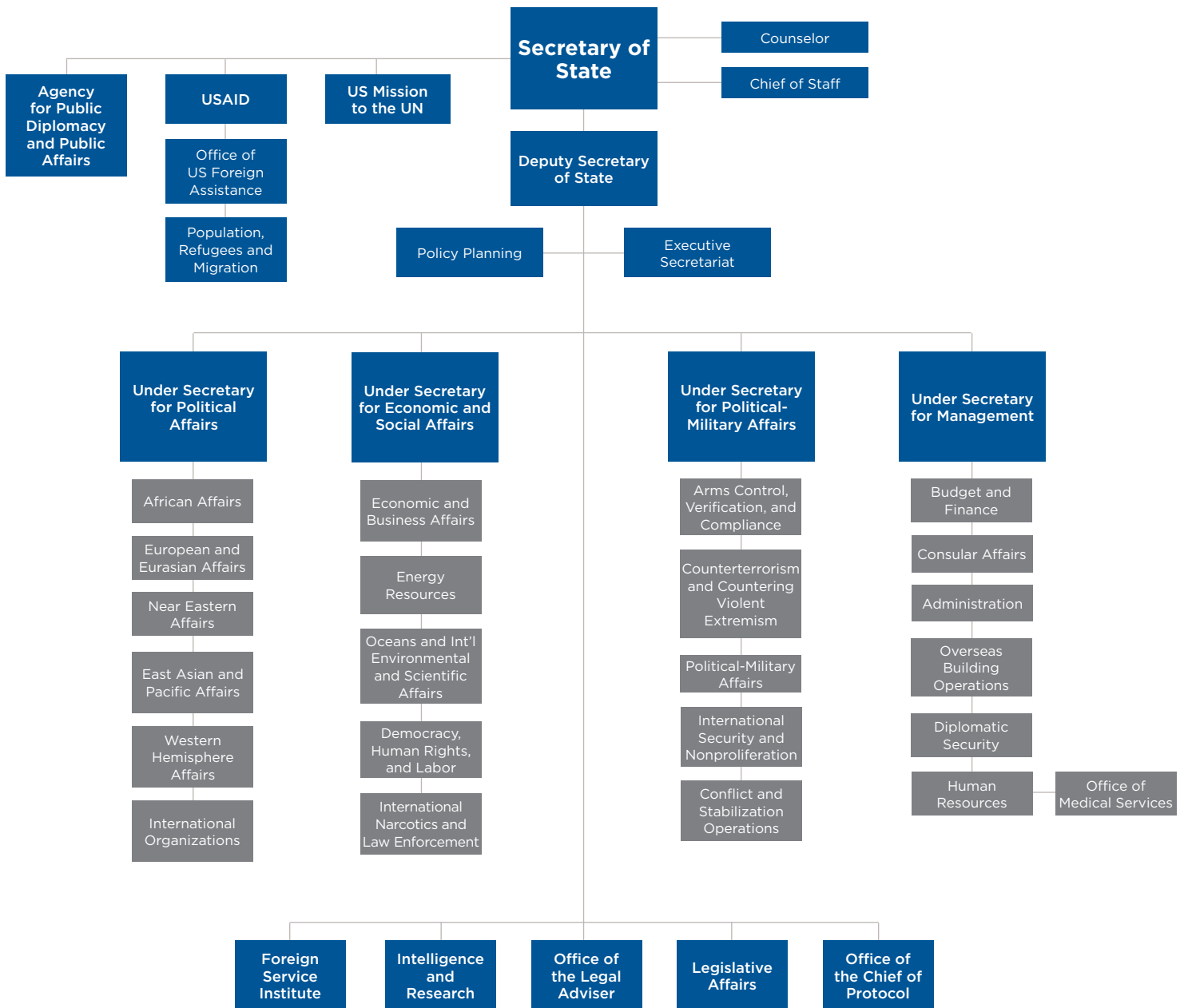
Their leaders would report to the secretary, have a rank equivalent with the deputy secretary of state, and have full autonomy in budget creation subject to the secretary of state's personal approval; they would also have separate personnel in the foreign and civil service recruited and trained for their special, heavily program-dominated tasks, and operate overseas and in Washington in close conjunction with State but at a sufficient distance that their funds and people could not be co-opted or absorbed by State to the detriment of the special mission they perform.

We are part way now to option three. We believe that whole-of-government considerations, the complexities of twenty-first century foreign policy and security policy tasks, and the demands of a solidly joined civilian effort to support US interests widely would be better served by option three—the wide independence of the agencies but close coordination on strategy and budgets and, where needed, on implementation at home and abroad.

# Current State Department Organization Chart



# Revised State Department Organization Chart\*



\*This reorganization chart should be read in close conjunction with the preceding written recommendations, which outline the movement or deletion of offices in greater detail. Study participants believe other combinations could also be considered to reach the same goal—a more consolidated and focused department.

# Personnel

Just as organization, process, and procedures have contributed to State Department ineffectiveness in carrying out its role as a leader in the shaping of US foreign policy, so have the department's personnel policies failed to adequately prepare its personnel for their responsibilities both at home and abroad.



# State Department Reform Report

The world and the nature of diplomacy have changed enormously since the end of the Cold War. The changing global economy, technology, communications, demography, the environment, and the spread of dangerous biological organisms along with the diffusion of power and the dramatic increase in important actors beyond the traditional nation state have significantly altered the playing field of diplomacy and the skill set that diplomats need to operate. To better fulfill its role as a member of the US national security team, how should the State Department develop its personnel to serve in this increasingly diverse and complicated environment?

The State Department operates with three personnel systems: foreign service, foreign service specialist, and civil service, along with locally engaged staff primarily in embassies overseas. The foreign service is the predominant group, competitively selected by exam for service both overseas and in Washington, with officers holding personal rank like the military officer corps. Foreign service specialists (FSSs) work in fields such as information technology (IT) and construction, among others; they serve both overseas and in Washington. The civil service is recruited to fill designated positions requiring specific expertise and serves almost exclusively in Washington, and rank is dependent upon the position a civil servant holds. FSOs and FSS experts rotate jobs every two to three years as they move between the field and Washington and to more senior positions; civil servants do not, generally, occupy their positions indefinitely until retirement or being selected for a new position, which usually involves a promotion. None of State's personnel systems encourage service outside the department. None encourage much training, especially long-term training. None have, until recently, expended much effort on teaching leadership or management; any progress to date has been limited. On-the-job experience is the primary teaching vehicle in preparing officers for advancement. No service offers much opportunity to exercise leadership or management until mid-career as section head overseas or office head in Washington, and even that experience is limited in terms of preparation for senior leadership at the assistant secretary or ambassador level.

While the military is a very different organization both in mission and size, it melds troop and staff assignments and training as essential elements of the organization. Officers are trained initially with a general orientation and in their military specialty, then with a service focus at mid-career, a national security focus at a more senior level below flag officer, and a national security refresher after selection for flag rank. In addition to the leadership and management opportunities provided by on-

the-job experience attained throughout a normal career, the training element continually reinforces and expands those experiences. Military operations require detailed planning, practice, and leadership, and the classroom both guides and supplements activities in the field. Moreover, training is required or considered essential for promotion to higher rank just as certain assignments are considered critical. The military also requires duty outside one's own military service for advancement to flag rank, because senior leadership positions generally involve working with the other services and a broad range of interagency partners. Overseas, the United Kingdom's (UK) diplomatic corps provides a useful set of best practices for organizational comparison.

Serving as an ambassador, an assistant secretary, or as a deputy to either is a position equal to a senior general in the military with responsibility for leading a wide range of skilled individuals from different federal agencies and managing a range of programs with objectives and budgets. The preparation for this leadership role therefore would appear to demand focused and intensive training and education as well as career broadening experience. Planning policy initiatives and managing their implementation is not a "back of the envelop" proposition. Policy failure is often the result of poor planning or poorly managed implementation or both. Additionally, crisis management leadership is not an experience to be learned at the onset of a crisis.

In short, the current department's personnel system is in need of a comprehensive overhaul that looks at human capital management from a strategic perspective, linking key competencies to priority outcomes. The system should link together into a coherent framework the four central elements of recruitment, training, assignments, and promotions, which are currently handled in separate threads. The system should ensure that the necessary expertise—substantive, procedural, regional, and linguistic—exists at each level and in each position, along with accountability and redress measures. Experience and training must be seen as equally necessary in preparing departmental leadership.

While a comprehensive review/overhaul should begin in earnest, several of the recommendations below can be taken quickly with both near and longer term effect.

## Career Development

**Recommendation 1:** Redesign the Professional Development Program (PDP) for FSOs to ensure a more explicit link between the PDP and assignments and promotions. While seeking to avoid a box-checking system for career advancement, guarantee that appropriate supervisory and management responsibilities, clearly identified by position, are



considered for promotion to FS-02 and -01, to the senior foreign service, to the key leadership positions of ambassador, deputy chief of mission, assistant secretary, and deputy assistant secretary.

**Recommendation 2:** Redesign the assignments process: for FSOs, when considering the balance between individual assignment preferences and the needs of the service; for the civil service by increasing the opportunity for and the encouragement of lateral rotational assignments, especially at the senior executive service level; and for both, in assuring a clear balance between the needs of the individual and the needs of the State Department. This effort will require career development officers to be more involved in directing the assignment process. At the same time, review and define clearly the differences, focus, and balance between foreign service and civil service positions and assignments.

**Recommendation 3:** Review the foreign service entrance examination to ensure core knowledge of US government and diplomacy, while also seeking to increase diversity recruitment for officer level positions in the foreign service and the civil service.

**Recommendation 4:** Transition out of assigning non-consular “cone officers” in consular positions overseas as their first posting. Make up the shortfall with the consular fellows program. This will help ensure that junior officers immediately work in their chosen cone.

**Recommendation 5:** Given the changing skill requirements in today’s diplomacy, the State Department needs to redesign its approach to lateral entry programs. The most straightforward approach is limited-term appointments in both the foreign service and civil service, which will avoid long-term financial obligations and inequities in the permanent career force. Secondly, civil service employees, both career and limited-term personnel, depending upon needed skill sets, can be offered more overseas assignments. This would aid, for example, adjusting to the needs for conflict and post-conflict stabilization operations.

**Recommendation 6:** Increase interagency exchange assignments, including on the Hill, and build in incentives to make personnel who avail themselves of these opportunities more, not less, competitive for promotion.

**Recommendation 7:** Look at promotion precepts and career development guidance for FSOs to support both career-broadening factors for promotion and the need to ensure true regional experience and language expertise. While tours in Iraq, Afghanistan, Pakistan, and other High Threat Posts are necessary for the needs of the department as well as offering career broadening experience,

they must be balanced with the need for multiple tours in a specific region or country to deepen regional expertise and language skills. A workforce with multi-year experience and language skills in each of the world’s major regions is an essential requirement for a global diplomatic corps.

**Recommendation 8:** Require FSOs to serve in functional assignments overseas or in Washington before consideration for promotion to the senior foreign service.

**Recommendation 9:** Increase career development guidance and counseling for civil servants.

## Training

The Foreign Service Institute (FSI) is the State Department’s primary institute for training the US foreign affairs community. FSI’s current mission is being “the premier foreign affairs training provider... dedicated to success in ensuring the career-long learning opportunities required for success in today’s global arena.”

Unfortunately, while its course content and range are excellent, it has not kept middle and senior level management professionals on pace with the complexity of twenty-first century diplomatic requirements. Nor is the balance between training and operational assignments adequate in ensuring well-prepared career personnel. Modeling on the successful programs of foreign diplomatic and US military training institutions, there are several action steps that we recommend to enhance the FSI program:

**Recommendation 10:** Increase the time allocation for professional training across the careers of State Department employees from entry to senior leadership. For foreign service officers and foreign service specialists, this can most easily be accomplished between assignments, particularly a return to or departure from a Washington assignment. For civil servants, it can be most easily accomplished when moving to a new position. Virtual training can be increased, can support in-service training opportunities, and can help prepare for long-term training and reinforce training experiences. It should also serve to enhance advancement for those willing to take advantage of it. That said, this entire effort will require a top to bottom review of personnel levels and assignment processes and will take time to effectuate.

**Recommendation 11:** Redesign the ambassador and deputy chief of mission courses with a view to making the training mandatory, with expanded and updated content.

**Recommendation 12:** Establish a similar leadership/management course for first time assistant





Former Secretary of State John Kerry interacts with officers and support personnel of the US foreign affairs community at the Foreign Service Institute in Arlington, Virginia. *Photo credit: US Department of State.*

secretaries and deputies, especially focused on the transition period at the beginning of new administrations.

**Recommendation 13:** Review and fully implement the Foreign Service Institute’s “Core Curriculum” program for entry level, mid-career, and senior officers and require the appropriate course for promotion in the foreign service. For entry level, ensure personnel understand the importance of and how best to utilize on-the-job training for a successful career. Additionally and importantly, fully establish the mid-career course and make it mandatory for political, economic, and selected consular and management FSOs, with at least three tours including one in Washington. The course, while focusing on leadership, management, and critical analysis, should include a thorough exploration of the policy making and implementation processes at the federal and embassy levels, the roles and missions of the federal departments and agencies involved in national security policy, the federal budget, relations with Congress, and the uses of intelligence. Also, ensure the course is available to

selected mid-career State Department civil servants and USAID officers.

**Recommendation 14:** Expand the current leadership courses, paying particular attention to better ensuring that supervisors and seniors practice the principles of leadership and accountability that younger officers are being taught and which guide performance evaluations. These courses are key to developing a strong cadre for future leadership in the department beyond current practice in regular assignments.

**Recommendation 15:** Fully support the rapid expansion of the Center for the Study of the Conduct of Diplomacy (CSCD) in its effort to develop case studies of validated lessons learned for use in various FSI courses. Recent case studies conducted by the US Institute of Peace would be good models for this, and USIP could be a helpful partner agency in the effort. Concomitantly, invite or bring onboard experienced and retired foreign and civil service personnel as course teachers and seminar leaders to share their hands-on experience with students at all levels.

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**Recommendation 16:** Reestablish the War College equivalent of Senior Seminar for State officers, with other government agencies participating, which will take some time to establish. As a less desirable alternative, increase State participation in DOD's War College, preferably only as a transition to reestablishing a Senior Seminar.

**Recommendation 17:** Ensure that Congress is fully and regularly briefed on Department of State training with specific reference to FSI activities.

**Recommendation 18:** Direct the Director of FSI to prepare plans for the longer-term transformation of FSI to an academic degree granting institution similar to the military war colleges to enhance its capabilities to educate and train the foreign service and civil service communities.

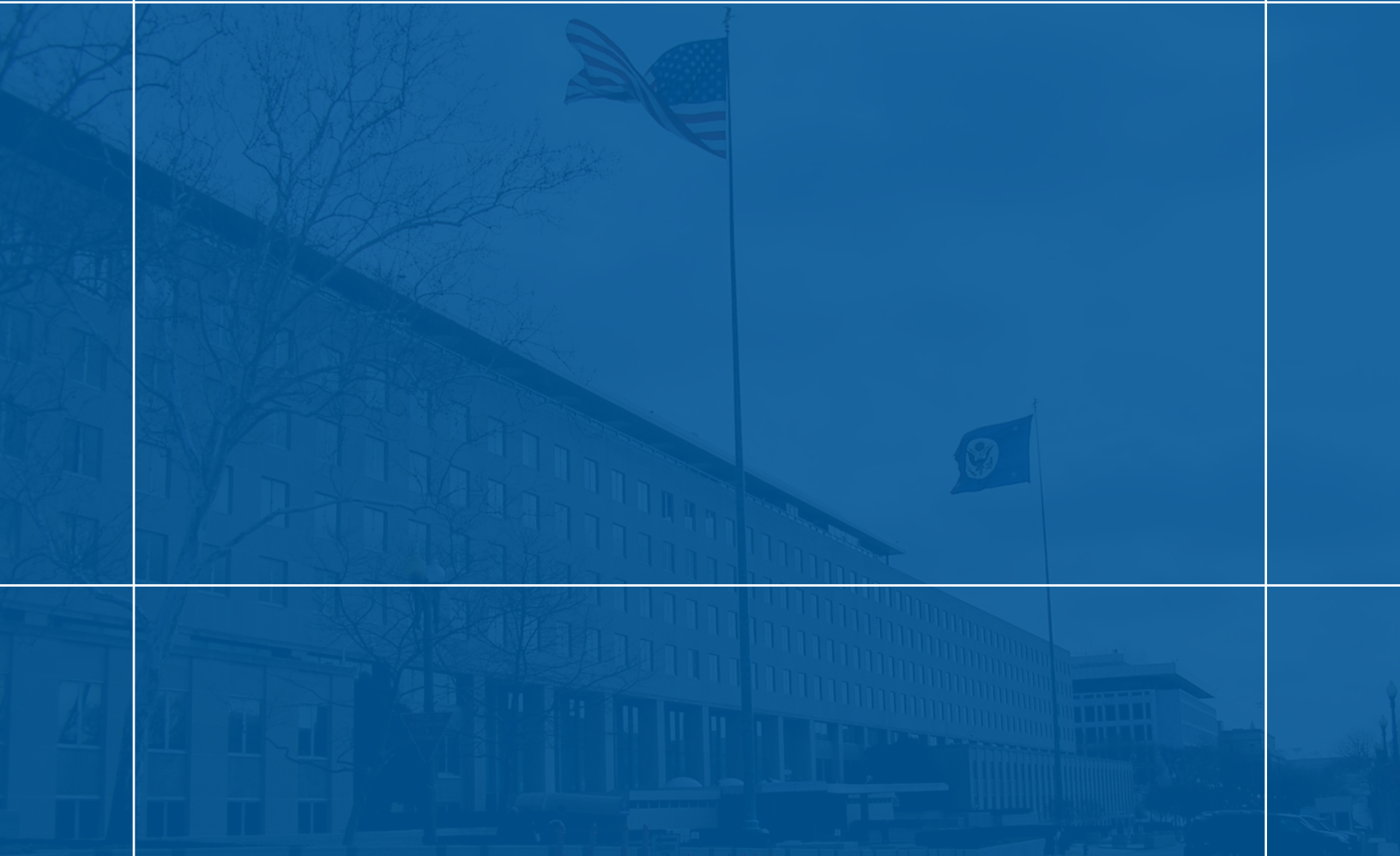
**Recommendation 19:** Establish a board of visitors to advise the director and faculty, as well as departmental leadership, on all aspects of FSI, including the transformation to a degree granting institution and campus expansion. The Board could also be involved in outside fundraising activities to support expanded program activities.

**Recommendation 20:** Expand outside financial support for FSI along the lines of the Cox Foundation support for the Center for the Study of Conduct Diplomacy case study project.

While both the short- and long-term recommendations can be put forward or endorsed by current political leadership, to succeed in the long-term, the department's leadership—both political and career—must be continuously committed to these and other reforms, changes, and improvements, not just at initiation. The idea of making policy may draw many into international affairs, but making and implementing policy from positions of leadership is only successful if the personnel in the organization as a whole possess the knowledge and skills and the leadership and guidance needed to execute the mission. Institutional change in the personnel system is much more than simply selecting the next cohort of leaders; it is building the framework that prepares those leaders for the responsibilities they will be given and ensuring that framework endures. In addition, Congress must be regularly involved in the process through briefings, at minimum, and may need to enact legislation if required.

# Budget

With the confirmation of Rex Tillerson as secretary of state, the Trump administration and the Senate have given the American taxpayer a unique opportunity to see how a former CEO of a highly successful global corporation, whose entire business career has been focused on execution, performance, and accountability to his shareholders, will address the seemingly intractable bureaucratic challenges and criticism that have been raised against the Department of State by every president since Theodore Roosevelt.





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The primary purpose of this paper is to restore the “power of the purse” as Congress and the secretary’s most powerful management tool, which has largely been lost as the federal budget process has grown exponentially in size and complexity. To have any hope of restoring this fiscal discipline in the US government budget, there must be a fundamental shift of Congress’ long-standing budget discussion from that of a spending plan to one that is focused on financial management and creating a return on investment, i.e. accountable results. Doing so can begin with knowing the fully loaded cost of a program or service and balancing those costs against both the desired results with respect to the department’s foreign policy priorities and finite resources. In other words, there must be a determination of what is affordable and sustainable, while concurrently seeking ways to make people in management roles accountable for effective execution of this budget. These are similar to the return on investment challenges that CEOs of top private sector companies must meet every day.

However, it would be remiss to say the challenges of a private sector company and a public sector agency are the same. While earnings per share is what investors look for in a publicly held company like ExxonMobil, there are no comparable or easy metrics for a federal agency, especially with 535 active shareholders sitting in Congress, each of whom holds widely varying interests that do not permit that kind of simplicity. The potential downside of being wrong and/or shortsighted for national security agencies such as the State Department requires a much deeper and more comprehensive budget review. Simply asking “how much” does not work. If success is expected, the focus must be on a more rigorous “how well,” “for how long,” and “do more affordable options exist”—in other words, is this sustainable? The answers to these questions need to be persuasively communicated to these 535 shareholders.

The announcement by the Trump administration that it is seeking an unprecedented 28 percent cut in State’s current \$50 billion budget makes this exercise even more difficult; it will require an effort that goes well beyond budget cutting and toward a far more fundamental review of State’s core missions, especially its key role in US national security. To be effective, such a review will need time to conduct an in-depth analysis of State’s core missions along with its resources, both budget and staff, and it should not be done in the context or pressures of a near-term annual budget discussion.

There is no debate that cuts are needed to streamline the department’s operations, but a balance must be reached that enables the department to meet its lead mission responsibilities of diplomacy and

development—these, along with defense, form the core of the US national security outlook. This will require not only improving efficiencies, but very likely also require the State Department to reconsider long-standing roles, processes, and standards—many of which are deeply entrenched in the culture of the department, the foreign service, and the development and aid communities.

This fundamental restructuring and realigning of resources will cause significant internal upheaval and disruption. To be successful, it will require the political courage and full commitment of senior leadership within the department and the development community, as well on the Hill. More importantly, it will only happen if the plan is completed with the cooperation and extensive input of the staffs of the department and the aid community.

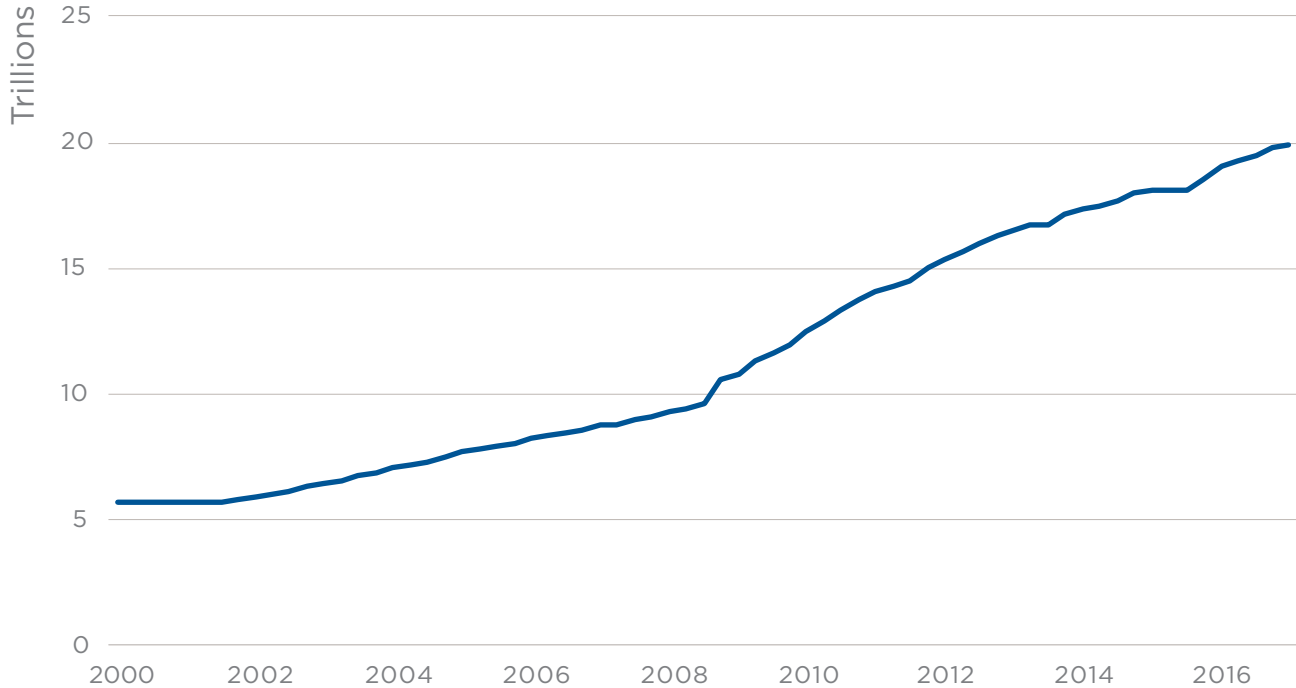
To achieve this, it is essential that the department develops and employs the financial management tools and controls needed to acquire a better understanding of its own resources: what they do, what they are spent on, what the department gets for it, and how returns address present and future foreign policy priorities for the department and the government. Only with such a comprehensive cost-accounting approach will the secretary have the necessary information to make well-informed and difficult decisions and trade-offs intended to make the department more streamlined and our foreign policy and relations more effective. Fortunately, such financial management controls and tools exist in the private sector and are already being utilized and expanded within the department’s Budget and Planning office (BP).

The goal of this budget discussion is to provide the secretary of state with recommendations on how to better use the purse strings of the State Department budget to integrate foreign policy with effective execution—producing results that are accountable and understandable to Congress and the American public.

### **The Secretary’s Leadership Role in Driving Accountability**

It is the secretary’s active, hands-on leadership that will help reduce the stovepipe or silo mentality of the thirty-five bureaus and offices that make up the department, seeking to ensure that State finally speaks with one voice. This commitment of both time and leadership will do more than any reorganization to drive accountability at State. Secretary Tillerson’s experience and skill set in successfully managing a large global organization through rapidly changing environments around the world should greatly benefit State’s efforts to improve its efficiency and accountability.

## Growth of the Federal Debt since 2001



Source: TreasuryDirect.gov.

### State’s Budget Must Be Both Affordable and Sustainable

The federal debt has quadrupled from \$5 trillion to \$20 trillion since September 11, 2001. It is essential that any discussion about the State Department budget acknowledges and reflects the warnings of former Secretary of Defense Robert Gates and former Chairman of the Joint Chiefs of Staff Admiral Mike Mullen—it is this growing national debt, not the Islamic State of Iraq and al-Sham, that is the greatest threat to US long-term security.

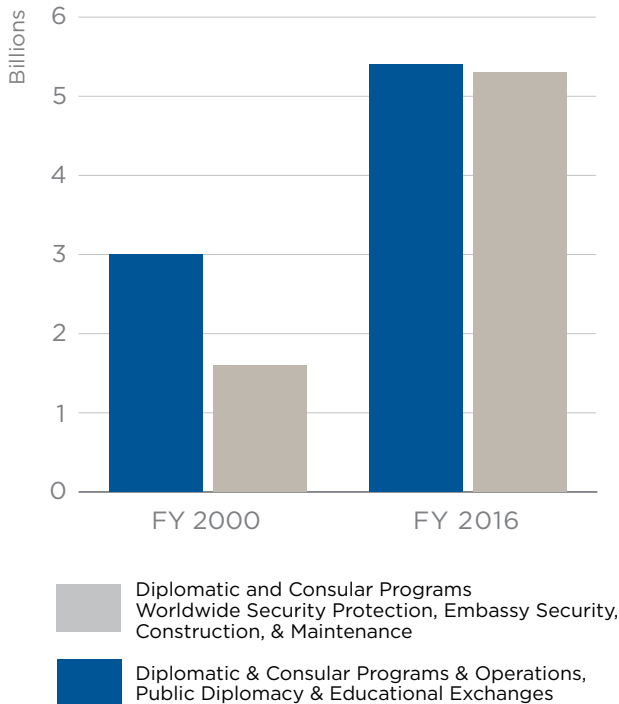
### Create a Unified National Security Budget that Combines the Budgets for All National Security Agencies, Including the State Department

After fifteen years, it is safe to say that the United States is in a long conflict where the last man standing wins, so developing a comprehensive national security budget that is sustainable in the long run is critical. With State responsible for diplomacy and development, representing two of the three “Ds,” the need to include State’s budget requirements in a national security budget is self-evident. By bringing all national security agencies and departments to the table to establish top priorities and plans to meet them, they can then recommend an appropriate split of the funding,

with defined goals and well-articulated budget cost explanations. Rather than the standard bureaucratic interagency and inter-budget committee squabbles, such an effort led by the NSC and OMB would be charged with producing a well-thought-out, joint proposal that is signed off and fully supported by the implementing agencies on how best to fund these interconnected efforts to achieve the desired results. That budget can then be considered by the budget committees of the Congress for ratification or changes in the overall categories and spending levels.

The need to fund diplomacy and development as part of the national security budget becomes even clearer when one recognizes the critical role that State’s embassies are serving as the frontline outposts in US national security efforts in an increasingly dangerous world. This responsibility is best demonstrated by the fact that in 2000, the State Department had zero unaccompanied positions (one year, highest danger tours). Today, that number is 702, with 3,016 overseas positions classified as high-threat posts (greater than 25 percent pay differential), representing a staggering one-third of State’s overseas foreign service positions, which is more than double the pre-9/11 number. From a budget perspective, increases in State’s operating budget since 9/11 have come overwhelmingly from increased diplomatic security requirements and embassy upgrades, with the department now

## Post 9/11 Impact on State Department Budget



Source: US Department of State.

spending more on security and embassy upgrades than it spends running the rest of the department's operations worldwide (see bar chart on page 23).

## Restoring Fiscal Discipline

In his book, *That Used to Be Us*, Tom Friedman accurately describes a defining challenge for the US government, stating that “since the end of the Cold War, and particularly since 9/11, America has suffered a greater loss of fiscal discipline than ever before in its history.” Unfortunately, with the combination of the frenzy of an increasingly partisan annual US budget process, where everything has become a priority, and the mind-numbing size and complexity of the federal budget, the opportunity for such fiscal discipline discussions to focus on “how well” has tended to be dumbed-down to simply considering “how much”—how much more from last year’s budget? If minimal or no increases are sought, congressional scrutiny due to all the other competing priorities tends to be far less. Consequently, the term “getting it in the base,” or last year’s budget, is music to the ears of the budget director at a federal agency.

This chilling effect may help explain why the State Department’s budget rose steadily from 2001 to 2010 and for the last seven years has remained essentially flat at \$50 billion, effectively splitting \$15 billion for State operations and \$35 billion for foreign assistance. This safe approach of seeking

only more of the same has a serious downside: it does not make waves sufficient enough to engender the much-needed debate about the impact State is having with its \$50 billion in funding. There is a perverse disincentive to look hard at existing programs with the thought of reprogramming for a higher and better use within the agency’s budget. By offering to take it out of the base, an agency runs the very real risk of seeing that freed-up funding gets hijacked by other agencies with stronger congressional constituencies, such as the Department of Defense.

Congressional budget staffs have become overwhelmed by the sheer enormity of the federal budget, including the never-ending battles over competing priorities and the ever-increasing reporting requirements. This has left little time to do the needed performance analysis. It should be State’s responsibility to provide the supporting data in a transparent and understandable manner. Also, the Government Accountability Office, with increasingly more frequent congressional inquiries—along with the State’s Office of Inspector General—are seeking to answer some of those questions. However, they

are often too little and too late to effect changes when most needed. More importantly, none of them are responsible for executing the needed changes; the State Department senior management is. A hallmark of good management is constantly challenging assumptions and results to identify what is not working and moving quickly to implement a fix while it still has benefit. The question then becomes where does the secretary start to build a new base budget that is both cost effective and sustainable, and for which the secretary and his team can be held accountable?

As shown in the above graph, by far the biggest shift in expense at State since 9/11 has been in security, both for the Diplomatic Service and the embassy upgrade program. If anything has been learned from 9/11, government willingness to pay any price for security has not translated into our being fully secure. To find the way to peace and stability, the US government needs to have a comprehensive and well-executed plan of diplomacy, development, and defense. It will require constantly challenging the assumptions and results, along with a full review of alternatives—from reducing head count that needs to be protected to operating remotely or regionally, which is something the department has been slow to pursue.

This is not to say spending on national security or the subset—diplomatic and embassy security to protect State personnel—is not important. However, after fifteen years of a long conflict, it is time to acknowledge that security can no longer be all





Secretary of State Rex Tillerson speaks with Australian Foreign Minister Julie Bishop while Secretary of Defense James Mattis engages in conversation with Australian Senator Marise Payne. In 2013, Mattis was quoted saying “If you don’t fully fund the State Department, then I need to buy more ammunition.”  
*Photo credit: US Department of State.*

consuming—the mere mention of security cannot cause unquestioned compliance and support for whatever remedies are proposed first, irrespective of cost. A healthy debate on “how much is enough” and perhaps more importantly “to do what” at all national security agencies, including State, is long overdue.

For security as well as other key budget items, a balance must be reached. Costs and security do matter, but when operating in an increasingly dangerous world, succeeding in the core mission of diplomacy and development is even more important and must be the State Department’s primary concern. Trade-offs will be necessary—adapting faster to changing environments, forcing a constant reexamining and re-weighting of priorities by senior management, and integrating the budget size and breakdown with the diplomatic and policy needs and consequences. A budget where there is spending of \$2 billion to build the US embassy compound in Kabul, \$200 million for a new embassy in a small African country that is processing fewer than 5,000 visa applications annually, and \$1 billion more on

diplomatic security and embassy upgrades than on entire core diplomatic and consular operations in 2016 indicates that is time to take a step back and get a comprehensive look at these spending patterns and State priorities.

### **Need for a Fully Loaded Cost Analysis/Activity-Based Accounting**

The single most powerful tool that both Congress and the secretary have available to demand results is the power of the purse. However, without knowing the full costs of a program or a service, it is extremely difficult to establish value or compare results, which is absolutely critical in balancing the seemingly ever-expanding needs and increasingly limited resources. Without that decision-support data to make informed decisions, this power of the purse is no longer the primary management tool to demand results but instead a numbers and rhetorical exercise largely resulting in the maintenance of the status quo, a situation that is evidently unsustainable.



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The fully loaded cost approach, known as activity-based accounting, needs to factor in all related costs from overhead as well as salaries for any program or office. This is important because bureau and office budgets currently do not include US salaries, which come from a different appropriation. Adding salaries will often more than double the true budget cost of a bureau or office. For example, the cost of new missions needs to factor in the full costs of ongoing operations and maintenance, which are often three to four times the cost of the prior facility. If the average annual cost of each US direct hire employee operating overseas is \$600,000, and two to three times that cost at a high-threat post when the cost of security is factored in, it raises fair questions: do there need to be such high cost posts everywhere instead of other lower-cost options; how many of the staff at such posts are essential and need to be located there; and how much work can be done remotely out of harm's way.

Armed with that information, which would then be integrated and balanced with the department's priorities, the secretary, the administration, and the Congress will be in a much stronger position to make the best and most informed decisions for implementing US foreign policy and the budgetary needs that also meet the affordable and sustainable standard. Knowing those numbers is critical in deciding what approach or strategy passes a basic common sense test.

## Recommendations

**Recommendation 1:** Conduct a Full Review and establish a "Zero-Based" budget process for the entire department for fiscal year (FY) 2018 or 2019.

Align the budget and staff resources with the department's priorities and change the bureau budget discussion from one of requirements—what bureaus believe they must have—to one of results that the secretary is seeking from them and for which the assistant secretary or director will be accountable for both spending and results.

As part of this review, the "fully loaded costs," including American salaries for each of bureau's services and initiatives will be determined. Knowing these costs will help determine efficiency as well as provide comparables for setting priorities and trade-offs along with alternative approaches.

Restore the Bureau and Mission Strategic Plans to integrate the department's priorities with the bureau priorities, identify alternative approaches, and combine operating budgets with salaries—along with a plan and timetable for execution—which will be updated and reviewed quarterly by senior management.

Create incentives for managers to determine the optimal approach, e.g. trading head count and salaries for additional funding for operations, in particular to support new initiatives.

**Recommendation 2:** Integrate the department's budget, policy priorities, and performance review within offices of the deputy secretary and the chief financial officer, supported by BP.

Strengthen the department's financial management analytic capability in BP, as well as the bureaus, to ensure that comprehensive and agreed-upon standards for decision-support analysis—which is critical to effective management—becomes a key part of department-wide reviews.

Centralize control of the department's financial management staffing within BP, providing oversight and annual personnel reviews of all financial managers at the bureau and office levels to ensure that the most qualified financial managers are assigned to where they are most needed and that the financial managers represent the best interests of both the department and their bureau.

This transparency and, more importantly, increased control and oversight of budgets by the secretary through the above organizations to maximize the power of the purse, should go a long way toward reducing the stove-piping and silo mentality that hinders cooperation between the bureaus and can help toward ensuring the department speaks with one voice.

**Recommendation 3:** Establish a State Department Performance Board, along with an Office for Innovation within State, to assist in the department's resource and budget review and to push for improvements to the department's operations. The board would meet quarterly to review and advise on the department's progress in meeting the new objectives (above), along with dealing with recent developments and priority challenges.

This in-depth review, with input from outside experts, will be critical in developing, implementing, and then monitoring the secretary's management team execution of the secretary's plan, along with creating a culture at State focused on results and accountability.

The Board would be relatively small, chaired by the deputy/secretary, with the under secretary of Management, BP, OMB, FS and CS representatives, key agency partners, and, most importantly, private sector management experts. The report would help to improve transparency and communications with the White House and the Hill, addressing the legitimate past frustrations over poor and untimely communications with Congress.

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The secretary's Office of Innovation, in addition to supporting the board's ongoing review, would invite private sector senior executives to serve full time as senior advisors to the secretary to assist in implementing needed innovation and changes to the department and making this a top priority of the secretary and a key part of the board's report and efforts.

**Recommendation 4:** Consider developing a unified National Security Budget (NSB) that will be an integrated budget for all national security agencies.

Get the Congress and the executive branch to agree to deal with the national security budget by having the executive branch provide how it would propose to divide the budget between the three core pillars of the national security policy: diplomacy, development, and defense—and the agencies involved—State, Defense, the intelligence community, Homeland Security, and portions of others such as the Federal Bureau of Investigation.

By bringing all the relevant partners together, led by the NSC and OMB, a fully integrated policy and budget should be developed; one that would jointly determine how this combined budget should be best divided in order to meet policy priorities while also establishing clear goals for the accountable implementing agencies.

In Congress, a national security sub-committee of the Budget Committee of each house, composed of the chairs and ranking minorities of the appropriate regular committees, should be established to deal with the elements of this budget, with State, DOD, Department of Homeland Security (DHS), and the intelligence community included at a minimum. They would look at the joint budgets and approve the numbers overall and for first order breakout.

The goal would be to get all the key parties to the table first to debate and agree upon national security priorities and then to integrate and align resources accordingly, backed by the decision-support data previously recommended.

## Conclusions

In summary, the critical factor in making the State Department more effective will be a secretary of state who develops a comprehensive road map fully integrated with a sustainable budget and a capacity to actively manage the department's operations and purse strings. The second critical change is to move the budget discussion from requirements—"how much"—to results—"how well"—and to be able to communicate to Congress what they are getting for this funding and that the approach is both sustainable and adaptable.

In addition to strongly recommending a complete review of the department's resources, along with centralizing financial management controls and oversight that are standard in corporate America, the focus needs to be on execution rather than budget, which becomes what it should be—a tool for execution, albeit an essential one.

Theodore Roosevelt said it best when signing the executive order in November 1905 that led to the merger of the consular service into the State Department:

*"In a word, to put the entire diplomatic system on a business basis, and to manage it in the future in accordance with the principles of sound common sense."*

# Congressional Relations

The relationship between Congress and the State Department is unnecessarily adversarial. Fixing it will require both institutions to respect the important role that each plays in the making and conduct of US foreign policy.



## The Role of Congress in Making Foreign Policy

The US Constitution gives a substantial role in the making of foreign policy to the Congress. The Senate is given the duties of advice and consent to treaties and nominations; the House has the lead role in funding the operations of government, including the State Department and other structures relating to foreign policy and foreign assistance. The power to declare war is specifically given to the legislative branch.

Congress also has a statutory role in foreign policy. It can pass laws that regulate relations with other nations such as the Helms-Burton “Libertad Act” regarding Cuba, the Taiwan Relations Act, and more recently, the laws imposing sanctions on Iran. Congress also regularly passes laws that impact the way the State Department conducts diplomacy and manages itself. In this way, the role of Congress is evident in such statutory mandates as the annual human rights report, the creation of the Bureau of Democracy, Human Rights, and Labor, and the activities of and the annual report by the human trafficking office known as J-TIP. Furthermore, the international assistance packages managed and disbursed through the State Department and the US Agency for International Development (USAID) are often specifically programmed by Congress in terms of level of funding and policy structures.

There are other important interactions between Congress and the State Department. The foreign policy committees on Capitol Hill regularly hold hearings in which senior State Department officials provide open and classified testimony about the department’s activities and policies. This public process—or even the prospect of it—can dramatically impact the manner in which US foreign policy is formulated and carried out.

Additionally, specific members of Congress, by merit of their position on certain committees, can place informal “holds” on spending by the State Department and USAID, as well as on military equipment transfers and sales, often saliently impacting policy outcomes.

In sum, Congress plays a significant role in US foreign policy generally and in the activities of the State Department particularly. The president, who is charged with leading the US government in its relations with other nation states, plays a clear and critical role, but there are times when Congress—through the making of laws and other mechanisms—can have an equal and perhaps more dramatic impact on US foreign policy. The role of Congress in sanctioning Iran and demanding approval and long-term oversight of the final agreement with Iran is a recent example.

Within this context, there can be no doubt that the State Department’s effectiveness and conduct of critical US foreign policy requires substantial improvements in the relationship between the executive branch and the Congress.

*“The Department’s relationship with Congress is excessively adversarial and is having an impact on U.S. foreign policy.”—House of Representatives, National Security Staff*

Relations between Congress and the State Department have a history of strain and tension that is based more on a breakdown in education and communication than on policy differences. Sometimes there are substantial differences in policy, but not more so than with other executive branch agencies that have a warmer relationship with the Hill.

At the heart of the tension is a perception by some in Congress that the State Department sees itself as above the baser concerns dealt with in the legislative branch. Congress also generally perceives that the State Department views it as interloper in the making and conduct of US foreign policy, rather than a partner supporting US foreign and national security policy. For its part, Congress is seen by some in the State Department as parochial—supporting politically or ideologically motivated programs and policies, while occasionally not being fully respectful of the value of US global engagement and the important role of foreign assistance in US national security strategy. These perceptions—while not the norm—support a view by career diplomats that members of Congress are not engaged in the national security interest. Both perspectives are fraught and largely false. As with many things, outlying views frequently garner more attention, but are not necessarily representative of views of the majority.

If there were to be just one recommendation to be made in this paper, it would be to improve understanding of and communication between the State Department and the Congress. For the department, a better knowledge of the constitutional responsibilities of the legislative branch and the role of members of Congress as representatives of the people—and bankers to the nation—will lead to better relations with Congress, better foreign policy outcomes, and a stronger role for the State Department. For Congress, it is incumbent upon members to educate themselves as much about the nexus between national security and foreign policy as they do about healthcare, education, and the budget. This should include strong departmental support for and implementation of cost-effective travel by members of Congress to allow members to see firsthand the programs, policies, and people that are supported by US tax dollars.



## Steps for the Administration and State Department

### Recognize Congress' Positive Contributions in Foreign Policy

Many members of Congress and congressional staff have significant foreign policy expertise derived from experience in the private sector, in government, and in the Congress, which allows for a cross-cutting and wide-angle view of foreign policy developments and their impacts abroad and at home. By too often dismissing their views out of hand, the State Department misses the opportunity to exploit the very significant foreign policy expertise that exists on Capitol Hill.

It should be plainly stated that working with Congress—the people who are elected to represent all American citizens—is centrally in the interest of the department. Congress plays a tremendously significant role in the conduct of US foreign policy, as noted above. The Constitution provides specific authorities to Congress—advice and consent to treaties as well as on nominations and promotions and providing funding are among the most important.

Congress' vast authority in foreign policy includes:

- *Budgets and Foreign Assistance:* Congress appropriates funding for the department and has the final say on the allocation of US foreign assistance.
- *Initiating Foreign Policies:* Congress' role has often been the formulation and creation of US policy through legislation, including the creation of specific programs, such as the annual human rights report, or policies such as those guiding relations between the United States and Taiwan.
- *Military Sales and Transfers:* Congress signs off annually on billions of dollars in US military equipment transfers and sales and has the statutory authority to disapprove these items that are frequently utilized as carrots and sticks in our bilateral relations.
- *Sanctions:* Congress often leads the initiative to penalize or influence, via sanctions, foreign persons and countries that threaten US values and interests. Sanctions can have dramatic impacts on bilateral and multilateral foreign policy and diplomacy.
- *Civil Nuclear Agreements:* Congress has the statutory right to approve or disapprove key nuclear agreements, such as "123-cooperation" arrangements.

- *Congressional Notifications:* Congress exercises oversight authority over spending, even after funds have been appropriated.
- *Use of Military Force:* The Constitution gives the Congress the sole right to declare war. Many members of Congress and scholars also believe that Congress has the sole right to authorize the use of military force. At a minimum, Congress very clearly has the right to choose whether or not to fund such foreign interventions.

With so many critical functions carried out by Congress, improving relations with Capitol Hill is of paramount importance to the State Department and for effective conduct of US foreign policy.

### Tone Must Be Set at the Top

The president and the secretary of state should better recognize the role that Congress plays in foreign policy and prioritize engagement, communication, and consultation with the national security leaders in Congress on key aspects of US foreign policy.

Too often, the department considers mere notification to be consultation and this error can lead to negative reactions from Congress. The long-term efficacy of policy is improved when Congress has been truly consulted in a meaningful and constructive manner. When congressional views on policy are given a hearing by the department and factored into decision making, that policy is vastly more likely to enjoy long-term success. When congressional views are not a factor, there is a high risk of policy successes only being short-term gains that are quickly eroded by partisan changes in the political branches, leading to uncertainty for US partners and allies.

The department should prioritize and systematize interaction by its Senate-confirmed leadership and national security leaders in Congress through hearings, but also through regularly scheduled private meetings with the House and Senate oversight committees. Confirmed officials should recognize Congress as a critical constituency to engage and consult, and expect to make themselves reasonably available to meet and testify before congressional oversight committees.

### Embrace an Authorization Process

For far too many years, there has not been a genuine State Department authorization process. The last State authorization bill to become law was in 2003. There is plenty of blame to share between the Hill and the executive branch for this impasse. State should work with the two authorizing committees, which have begun to re-establish this critical

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function with a “State Authorities” bill that became law in 2016.

A true State Department authorization bill would begin the hard work of building a functioning constituency on the Hill for the State Department, a critical weapon in Washington’s bureaucratic battles. When the two authorizing committees have a vested interest in the functioning of the department, those senators and representatives will be more likely to defend the State Department, especially during budget debates. The Defense Department is more effective for many reasons including because it can count on support from the Armed Services Committees—which authorize its budget annually.

## Consider Congress’ Policy Priorities

Just as administrations and secretaries have policy priorities, so do national security leaders in Congress. Taking these priorities seriously increases the likelihood that the department will be consulted and have a seat at the negotiating table for legislation that ends up on the president’s desk and may allow the department to address an issue without a legislative mandate. Congress frequently passes legislation mandating reporting, creating offices and envoys, or exercising oversight of department activities on key congressional “value issues,” such as democracy and human rights, religious freedom, and trafficking in persons, because it feels this is the only way to engage the department. The department should commit to routine and timely engagements with national security leaders in Congress to address congressional interests and to improve policy outcomes.

## Support State’s Bureau of Legislative Affairs

To improve relations with the Hill, State’s Legislative Affairs Bureau, known as “H,” needs both resources and internal political support to ensure a timely and effective response to Capitol Hill by policy experts. The most common complaint from members and Congress is a slow response, and one not responsive to the initial question.

To that end:

- The Legislative Affairs Bureau must be the main coordinating entity for engagement with the Hill, but the department should repeal the unofficial “Don’t Talk to Congress” rule in favor of ensuring that policy making personnel are routinely available to respond to inquiries without significant delays. This requires the department to trust staff to talk to the Hill.
- Make service in the Legislative Affairs Bureau valuable, especially for foreign service officers, in consideration of future placements

and promotions. Similarly, a rotation as a Brookings or Pearson fellow should be a career asset that is valued in the promotion and onward assignment processes. Pearson fellows should take advantage of their new knowledge and skills and be utilized in H after their assignments in Congress.

## Education and Training

The department should escalate outreach to Hill staff to participate in one-day or short-term programs that would educate them about the organization of the department, the policy making process, and specific policy issues that connect Hill staff to policy makers in regional and functional bureaus. The department should also routinely include seminars on Congress and its role in foreign policy as a part of its Foreign Service Institute training program for all officer levels

## Constituent Services

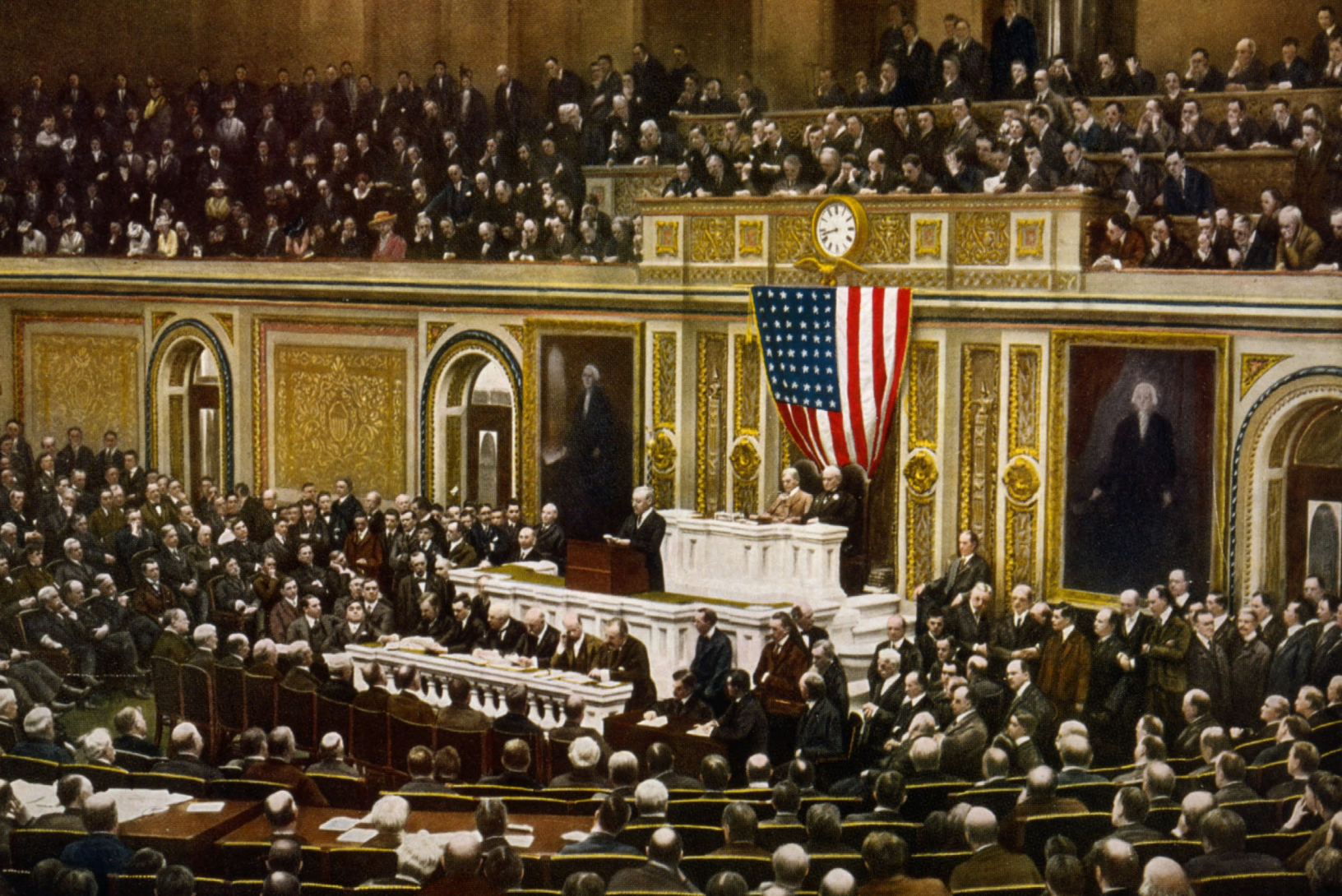
The department must improve the quality and consistency of services for US citizens at every embassy. US Embassies and Consulates are frequently the only place an American citizen will interact with the department, and this interaction is almost always because they need assistance—crime and theft, lost passports, child adoptions and abductions, deaths of US citizens overseas, national disaster and emergency evacuations, and support for business engagements gone awry. This is the best opportunity to demonstrate to the American public the importance of foreign missions and relations. The quality of constituent services, however, varies tremendously embassy by embassy and is as robust or poor as the chief of mission permits. Congressional offices invariably are asked by constituents to facilitate assistance from the department, and nothing is as damaging to Congress-department relations as an unresponsive embassy to a constituent’s crisis.

## Congressional Delegations

Congressional travel is critical to Congress’ understanding of global developments and for building a knowledgeable constituency on the Hill. Travel is also an opportunity to learn about the important in-country mission of an embassy. The department should routinely support and invite members of Congress to travel to key regional and functional conferences, treaty and other important negotiations, and encourage assistant secretary-led congressional delegations (Codels) wherever possible.

Staffing Codels and “Staffdels” with highly knowledgeable officers is also critical to the success of a Codel and to a better comprehension of the role of US missions. Similar to constituent services,





President Woodrow Wilson asks Congress to declare war on Germany, promoting the US entrance into World War I. Photo credit: United States Library of Congress.

staffing for Codels varies tremendously and is as good or bad as the chief of mission permits or mandates.

## Steps for the Congress

The department is not the only entity that needs to make changes to improve relations. Congress also needs to invest time in understanding the department and the conduct of US foreign policy and national security. This requires an empowered and effective State Department.

*“The United States and the rest of the free world have an unprecedented advantage in economic and military strength today. What is lacking is the will. The will to make the case to the American people, the will to take risks and invest in the long-term security of the country, and the world. This will require investments in aid, in education, in security that allow countries to attain the stability their people so badly need. Such investment is far more moral and far cheaper than the cycle of terror, war, refugees, and military intervention that results when America leaves a vacuum of power. The best way to help refugees is to prevent them*

*from becoming refugees in the first place.”— Gary Kasparov, Testimony before the Senate Foreign Relations Committee, February 16, 2017*

Congress needs to help itself and its constituents. Congress also needs to be proactive and engage productively with the department on key policy issues.

Among the actions Congress should consider:

### Authorize

Congress cedes control and oversight when it does not routinely pass authorizing legislation. Opposition from both parties—for different reasons—to the consideration of foreign policy legislation means that Congress cedes its authority and cannot build goodwill with the department by addressing its needs.

### Off-the-Record Conversations

Congressional hearings are a valuable tool to elicit on-the-record statements on key issues, but committee-sponsored informal and off-the-record conversations are frequently more useful for



discourse on foreign policy topics that are difficult to discuss in an open setting. A better balance of formal and informal engagements by committees of jurisdiction would improve communication between the branches, as well as legislative responses.

## Members of Congress Should Be Encouraged to Travel

Firsthand experience and knowledge is critical to expertise in every field. There are well-travelled members of Congress, particularly in the Senate, where travel for members and staff is easier, but there remains a long list of members who have never left the country or have only done so on personal vacations. Support and funding for travel should be encouraged by congressional leadership so as to allow interested members to travel to strategic locations.

## Reporting Requirements

The number of reports mandated by Congress overwhelms the personnel available to draft, edit, and clear them. Congress needs to undertake a serious review of congressional reporting requirements to consolidate key reports, time-limit others, and eliminate reports that no longer serve a meaningful purpose. Such a review should consult informally with State on the reports and their value.

## Treaties

The executive branch should seriously consider including Senators in the crafting and negotiation of key treaties. In the immediate post World War II period, key Senators were involved in negotiating the United Nations Charter and the North Atlantic Treaty. These treaties have withstood the test of time in part because congressional involvement in their design and implementation has led to very broad political support. The Constitution anticipates that the Senate will play a critical role in the treaty-making process to ensure that there is broad support for advice and consent to treaty obligations made by the US government.

The slow pace of consideration of treaties by Congress means that Congress has ceded significant, constitutionally granted authority to the executive branch, which routinely utilizes other mechanisms, such as executive agreements to pursue key objectives. The result is dissatisfying for both branches—Congress is rightly incensed that the executive branch is circumventing a constitutional mandate and the executive branch and US allies and partners are discouraged by the inability to ratify key treaties or are left with less certain agreements that are subject to changes and revocation following a change in political power.

Involving members of Congress in the drafting and negotiating of treaties ought to lead directly to more

routinized Senate action on treaties. A valuable idea would be adoption of a gentleman's agreement that congressional involvement in treaty making will lead directly to early Senate consideration of such treaties. This would elevate treaty practice as a preferred form of agreement and would assure better engagement with Congress on the policy aspects of the proposed treaty.

## Jointly Shared Issues

### Appointment and Confirmation of Ambassadors

There are two unfortunate trends regarding the position of a US ambassador. One is the significant uptick in the number of posts designated by the executive branch for individuals whose only qualification is the high level of their monetary contributions to the winning presidential candidate. While this has become a well-established custom, it should be noted that the sale of public office is against the law in the United States, and this sort of practice would be unacceptable in all other instances.

The other is the very slow process that the Senate has imposed to confirm highly qualified career officers for chief of mission posts. We believe a compromise way forward would involve a reduction in the number of donor-ambassadors and the routinized approval of career nominees—perhaps en bloc as military officers are approved by the Senate—with hearings for all pending nominations at a set time on a monthly basis.

### Special Envoys and Representatives

The use of special envoys is occasionally, but not always, driven by Congress. Special envoys, in certain circumstances, can be highly effective. When their work has been accomplished, they should be terminated. (See Management Section for parallel recommendation on the institutional arrangements for such envoys.)

### Core Values and Functional Bureaus

Congress has led the department in efforts to ensure that the US foreign policy agenda incorporates and prioritizes key democratic values, such as democracy, human rights, and the rule of law. In addition to demanding accountability through mechanisms like Leahy vetting, Congress mandated the department's annual human rights report, the creation of the Bureau of Democracy, Human Rights, and Labor, the annual report on trafficking in persons, and the timely resolution of child abduction cases. Congress recently enacted a global human rights law—the Global Magnitsky Act—over departmental objection.

## State Department Reform Report

The downplaying of these value mandates by the department not only undermines the message of American values that define the nation, but also results in further and more restrictive encumbrances on the department in the form of legislative restrictions.

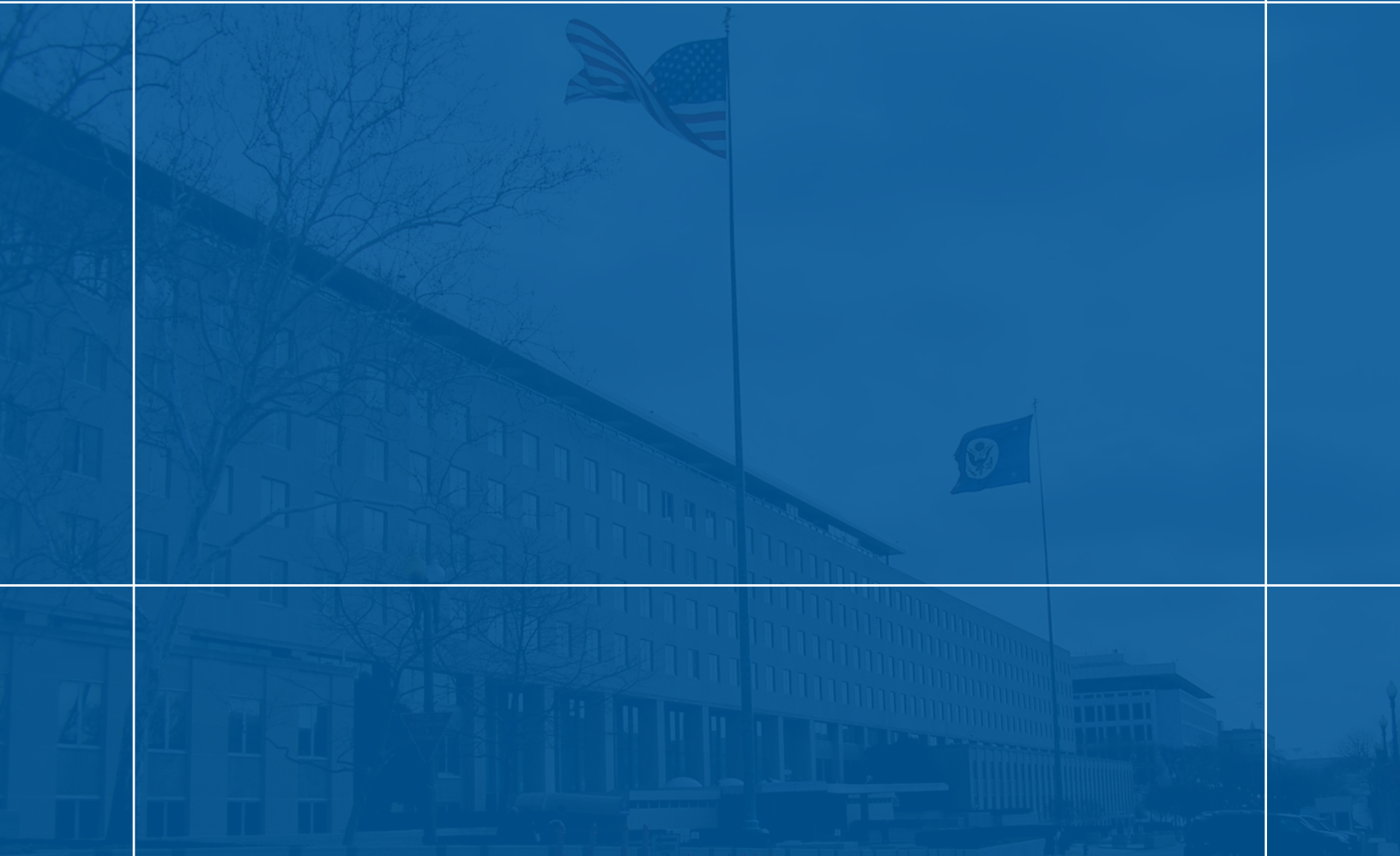
Congress has ardently rejected the incorporation of value-led missions, like democracy and human trafficking, into regional bureaus where they must compete for attention alongside the normal bilateral and regional policy agendas, which focus on state-level behavior, rather than on the human

level. Members of Congress understand the value of state-to-state relationships, but they have prioritized certain core values as meritorious and requiring priority attention from diplomats.

The disconnect between State and Congress may be a result of the imbalance of civil service versus foreign service personnel in functional bureaus. A better personnel balance needs to be achieved in the department on these competing issues. Congress is presently considering a mandate for service in a functional bureau for promotion to the senior foreign service.

# USAID

Despite decades of reform, the US government remains in need of a robust civilian assistance capability to address more effectively the wide range of global trends that pose the greatest challenges to US interests around the world.



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The United States continues to face increasingly complex threats to its national security with limited capabilities to respond effectively. Since the 1960s, it has become evident that military efforts to achieve solutions to destabilizing trends are not enough. Yet the US government continues to direct and fund its military efforts as if they are sufficient. Not only are military solutions far more costly, but they are often temporary. Military leaders themselves have become the most ardent advocates for a strong civilian capability because they understand that avoiding conflicts and the vectors that cause them, resolving them short of combat, and sustaining efforts when military force is required all involve a robust civilian diplomatic and development capacity on a broad scale.

This problem cannot be solved if it begins with cutting the foreign affairs budget rather than by defining and funding the capabilities needed. Some bureaucratic bloat may be remediated and a tiny fraction of the federal budget saved but without such a defining process, America's ability to manage global crises, advance its interests, and promote stability will continue on a downward curve. The solution to this problem does not lie in further cuts and reductions to civilian agencies—it lies in making them more robust and effective.

## Summary

Despite decades of reform, the US government remains in need of a robust civilian assistance capability in order to address more effectively the wide range of global trends that pose the greatest challenges to US interests around the world. Every presidential administration since the 1970s has attempted to reorganize the US government's foreign assistance capabilities. Many of these efforts have altered the foreign assistance architecture by expanding the number and scale of agency assistance without reforming the underlying agencies or clarifying roles and responsibilities. The result is more than twenty-five federal agencies engaged in foreign assistance with no single point of integration, no mechanism to hold them accountable, and no evidence of improved performance. None of these reorganization efforts have produced a solution that enables the US government to bring consistently to bear its considerable resources and expertise in a coherent manner that maximizes impact on its most important national security and foreign policy interests. Nor have these efforts taken account of the growing number of US missions where success must rely on an integrated use of different but equally effective defense, diplomacy, and development tools. Any effort to restructure the civilian foreign assistance agencies should therefore seek to solve the following problems:

- US foreign assistance is diffuse and lacks coherence and accountability, thereby limiting its potential impact;
- Significant gaps exist in US government capacity, knowledge, and skills required to address serious global challenges that affect US interests, including economic development, violent conflict and extremism, state fragility and instability, corruption, illicit networks, weak governance and security capacity, and more; and
- No agency currently has the culture, capabilities, or confidence of other agencies to lead, manage, or coordinate the majority of US foreign assistance.

Although USAID is not currently equipped to address these gaps, a new administration would benefit from using the agency as a platform on which to build a more robust, effective tool of foreign policy and national security, empowering it with an expanded mission and greater control over US foreign assistance efforts, and linking it more closely to both the State Department and DOD. We therefore recommend a revamped and strengthened independent assistance agency with the independent capacity and authorities to: (1) oversee and coordinate all US foreign assistance efforts; (2) advance US interests across a broader set of missions—from development and humanitarian assistance to stabilization, transition, dealing with violent extremism, and civilian security sector reform; and (3) work in a more integrated manner with US diplomats and military personnel. This revamped USAID will serve as the integrator of US foreign assistance in close partnership with the State Department which integrates the broader range of US activities overseas.

This robust civilian assistance capability will serve as a more effective partner with both State and the Defense Department in an integrated system that is better able to protect and advance US interests.

## Background

Any effort to reposition USAID should emerge from a clear vision of what the agency must be able to do and achieve—alone and collectively—and of the specific problems that restructuring would solve. Experience has shown that the United States tends to achieve better results when it relies on an integrated use of its major foreign policy tools—defense, diplomacy, and development. Although this “3D” model is simplistic, it captures the concept that US interests are best advanced with integrated solutions carried out by the Department of State (DOS), the Department of Defense, and the US Agency for International Development. These agencies can be



differentiated by the unique cultures and capabilities that give them each a comparative advantage at different times and places and allow them to engage differently as needed with diverse actors around the world. These differences make it imperative that the agencies operate with clearly articulated roles and responsibilities, are funded to be effective in these roles, and work together in a more integrated manner and with a deeper understanding of the capabilities and approaches required to achieve different objectives. USAID should be considered a central part of this interdependent foreign policy and national security apparatus that requires an increase in effectiveness and reexamination of capabilities across all components—defense, diplomacy, and development tools.

Despite this need for better-integrated solutions among three strong partners, reform efforts have focused primarily on adjusting the relationship between USAID and the State Department or on reorganizing USAID. Some of these proposals are critical of development programs generally and based on assumptions about the value or effectiveness of development in the role the United States should play in the world rather than on a comprehensive understanding of what it is USAID does or a vision for what it should be achieving. One result of these criticisms is a trend toward DOD receiving more funding to carry out development and stabilization activities, without any evidence that they are well-equipped to be effective or a superior alternative to civilian agencies.

Additionally, there have been few attempts in recent years to address the proliferation of US departments and agencies conducting their own assistance programs. From Health and Human Services and the Department of Labor to the Departments of Energy and Defense, over twenty-five US governmental entities have their own foreign assistance programs. The Bush Administration's creation of the Foreign Assistance Office at the State Department was intended to bring coherence to US foreign assistance, but its mandate included only State Department and USAID programs. State and USAID control approximately 70 percent of civilian foreign assistance but do not have the mandate or authority to coordinate the additional 30 percent.

Despite decades of evidence of the need for such a capability, the US government remains in need of a robust, effective, accountable civilian assistance agency to lead, influence, and deploy skilled personnel to advance US interests in a wide range of country contexts in the near and long term. The solution requires, among other things, an agency with broad authority to manage diverse foreign assistance programs and the capabilities inherent in conducting effective development, humanitarian

assistance, stabilization, transition support, countering violent extremism, and other inherently operational activities that support development, stability, and security in a manner that protects and advances the country's most important national security concerns. USAID currently carries out some level of most of these missions and is uniquely equipped among civilian agencies to house, manage, and carry out the central operational components of a more robust civilian national security capability.

### **USAID Mission, Culture, and Capabilities**

USAID's stated mission is to eradicate extreme poverty and promote resilient, democratic societies while advancing US prosperity and security. This broad mandate cascades into a list of objectives that range from economic growth, health, governance, and agriculture to crisis response, stabilization, and transition. Although USAID has historically focused primarily on long-term development and humanitarian crises, it has played an increasingly important role in US government efforts to stabilize countries before, in, and after conflict to prevent and respond to man-made crises and instability, and to support countries in transition from conflict to peace or from authoritarian rule to democratic governance.

USAID has an operational culture with a long history of serving with programs in unstable and austere environments, more similar to the military in their expeditionary posture than to the State Department. USAID designs and executes interventions, deploys highly skilled people, diverse equipment, and products to the field, manages contracts and grants, and builds the capacity of foreign officials, professionals, and members of civil society—all for the purpose of addressing highly complex global and local challenges. USAID and DOD have a history of working hand-in-hand—from Vietnam to Iraq and Afghanistan—but this collaboration has been controversial. Its employees and partners regularly take substantial risks to prevent or respond to conflict, disease, and other crises. USAID has undertaken reforms in the past decade to try to deepen its impact, including its growing use of evidence, a focus on results, and an increasing use of contractors, partners, and innovation.

Criticisms persist of USAID's inability to show up in the right numbers and with the right skills to be a truly effective partner particularly in complex security operations. These criticisms sometimes arise from misplaced expectations and a lack of understanding of USAID's mission or capabilities, sometimes from a lack of funding and personnel, sometimes from the complex web of congressional and presidential mandates on foreign assistance, and sometimes because the national security

challenges we face today require new capabilities that USAID does not have.

Many also remain skeptical of USAID's ability to play a leadership role in the interagency operations, despite recent efforts to elevate development in the national security apparatus. This is due in part to a reluctance to step into a role that requires broad inclusion and the ability to manage highly diverse perspectives and objectives that often contrast with USAID's long and deep experience in economic and social advancement. It also arises because there is no clear national mandate to perform this task. If USAID is to take on an expanded role in managing US foreign assistance, it would need to expand its capabilities and shift its culture to become more adept at using aid for a broader range of objectives and missions, including those that are currently outside its core capabilities such as violent extremism and civilian security sector reform. The agency would need to become more effective at leading a wider range of US foreign assistance issues and actors and more comfortable serving political ends as well as short- and long-term objectives. It should also logically play a key role in working with other players—states, private donors, and international organizations.

## Recommendations for Reorganization

Any effort to reorganize USAID and build it into a more robust, diverse assistance agency should consider the following recommendations.

**Recommendation 1:** Maintain USAID's current independence and position it to serve as the lead agency to oversee and coordinate civilian foreign assistance.

For USAID to reach its potential as a more robust civilian agency, it must maintain a high degree of independence. The State Department's culture and core competencies do not support operational, expeditionary, or programmatic functions—this is not their comparative advantage. USAID's comparative advantage, however, does lie in planning and executing programs and operational missions. Subsuming all or part of USAID into the Department of State would therefore compromise the agency most equipped to become the leading manager and implementer of US foreign assistance and operations. Rather than squash this potential, reform efforts should focus on the significant overhauls needed in systems, culture, and workforce to enable USAID to expand its role in leading and implementing US foreign assistance and conducting more diverse operational missions in support of common goals with the State Department. The changes recommended here would compound the differences between State and USAID and thus allow each agency to focus on its core strengths.

A restructuring or reorganization should:

- Maintain USAID independence as it currently stands with the USAID administrator operating under the authority of and reporting to the secretary of state. Budgetary integration must be done in a way that protects this independence, while at the same time enlisting the secretary of state to provide 100 percent support of USAID funding. No significant problem would be solved by retitling the USAID administrator or by merging USAID fully or more fully into the State Department. A streamlining of functions is needed, but it should result in a redistribution of appropriate assistance functions back toward USAID rather than a merger into the State Department.
- Enable USAID to serve as the integrator of US foreign assistance, and the State Department to serve as the integrator of the full range of US activities abroad, with the exception of combat forces under a combatant commander. Mechanisms already exist for joint planning and implementation, including under ambassadorial authority and with integrated country strategies in the field, as well as with cooperation in budget integration, but steps need to be taken in Washington to strengthen and consolidate these roles.
- Grant the USAID administrator a formalized seat and role on the National Security Council Deputies Committee. USAID administrators will help strengthen US policy and strategy at the highest level with their deep and broad expertise in the approaches that advance development, stability, security, and other US interests.
- Give USAID the mandate and authority to oversee, implement and/or coordinate all civilian foreign assistance programs, with clearly defined and precisely limited exceptions, and build its capacity to design, lead, and implement more diverse and more integrated foreign assistance programs.
- Nominate a USAID administrator with the expertise and commitment to work with Department of State and Defense colleagues in an integrated and collaborative manner. The USAID administrator should bring perspectives beyond the discipline of development to include experience working with diplomacy and defense assets and programs to achieve joint missions
- Give the USAID administrator the mandate and authority to:
  - Play the central role in preparing and managing the foreign assistance budget



# State Department Reform Report

across the federal government (the “F” process); and

- Lead the interagency on operational and programmatic foreign assistance priorities in support of broader US objectives.
- Mandate the secretary of state to advance this broader, more robust role for USAID, working proactively with Congress, the White House, Department of Defense, and USAID under the authority to pull together all aspects of US foreign policy activities.
- Maintain the ambassadors’ authority and leadership to plan and coordinate US government efforts at the country level through the country team and the integrated country strategies, supported by a revamped USAID capability that provides comprehensive, coherent foreign assistance in support of country priorities.
- Integrate USAID and its development mandate and budget into a combined National Security Plan and Budget with input from all national security agencies and co-led by OMB and the NSC.

**Recommendation 2:** Broaden USAID’s capabilities to plan and implement a wider range of operational missions.

USAID is best situated to lead the full range of civilian operational missions that advance US national interests, from development and humanitarian assistance to stabilization, reconstruction, civilian security assistance, comprehensive governance capacity building, and countering violent extremism.

- Move most of the more operational and programmatic State functions into USAID and revamp these capabilities to have greater impact. These might include the Bureau of Conflict and Stabilization Operations, the Bureau of Population, Refugees, and Migration, PEPFAR, the Global Health and Global Food Security Coordinators, the Office of Trafficking in Persons, and other offices providing assistance that makes more sense to be at USAID. Also, move programmatic elements of the Bureau of International Narcotics and Law Enforcement and other entities at State that oversee civilian security. This realignment of capabilities will be a major reorganization, requiring congressional action, but is necessary to help each agency focus on its comparative advantage. The State Department will need to develop an approach that allows it to continue to integrate these functional issues into foreign policy while

preserving the budgetary allocations necessary for USAID to carry out all of its assigned tasks.

- Further differentiate and streamline the work carried out by the State Department’s Bureau of Democracy, Human Rights, and Labor (DRL) and USAID’s Center for Democracy, Human Rights and Governance. The work of these entities is directly overlapping and rarely integrated or reinforcing. It is important to maintain a capability at the State Department to infuse human rights into US foreign policy, so a solution is needed to maintain and strengthen DRL’s role in shaping policy, while allowing USAID to lead on assistance in these areas.
- Expand USAID’s role and capabilities in preventing and countering violent extremism, first by expanding the role and mandate of the Office of Transition Initiatives and then elevating it to full bureau status within the USAID bureaucratic structure.
- Rebuild USAID’s in-house program implementation and management capabilities, and fashion them to accommodate this broader mission set. Undertake a full workforce planning exercise to reorganize and reassign USAID staff responsibilities to focus on program implementation and management. This will reduce the reliance on large implementing organizations, thereby increasing direct accountability and effectiveness. Examine the ethical impacts, efficacy, efficiency, and cost of the wide use of contractors.

**Recommendation 3:** Consolidate a critical mass of US foreign assistance in USAID.

Any effort to reduce duplication, increase accountability and bring coherence to US government foreign assistance, must consolidate a critical mass of the foreign assistance administered by more than twenty-five agencies conducting programs abroad. USAID will need to undertake significant reforms to strengthen its leadership role, expand its expertise, and gain the confidence of other agencies, but it is best placed to oversee and coordinate this funding.

- Charge the USAID administrator with undertaking a review, in partnership with Congress, of all international assistance programs across agencies to consolidate the majority of assistance efforts into a newly constituted USAID. Small initiatives and agencies could be incorporated into the newly reconstituted USAID structure. Some larger or more differentiated programs may remain outside USAID but coordinated by it, or remain independent but under the strategic and



USAID Disaster Assistance Response Team member observes US service members loading relief supplies onto a CH-53E Super Stallion helicopter at Port-au-Prince, Haiti. *Photo credit:* US Department of Defense.

budgetary authority of the USAID administrator, respecting both the foreign affairs role of such programs as well as their tight links to domestic agency responsibilities and activities.

- Put the Millennium Challenge Corporation under the strategic and budgetary authority of the USAID administrator, along with other tools of economic development, to build a more robust, coherent economic development capability. An effective development agency should be able to carry out multiple approaches to development.
- Charge the USAID administrator with undertaking a major management reform effort to strengthen USAID's leadership capabilities and integrate additional foreign assistance efforts successfully.

**Recommendation 4:** Strengthen collaboration between USAID and the Department of Defense through a clarification of roles and responsibilities, enhanced cross-training, an increase in joint planning, and a reduction in DOD's efforts to carry out traditionally civilian activities.

The State Department, DOD, and USAID have made great strides in integrating their planning and operations, but more work remains to be done, particularly between USAID and DOD. DOD's role in and funding for development, stabilization, and other non-kinetic missions is increasing due in large part to a foreign policy and assistance system that has not produced satisfactory civilian capabilities. As USAID builds its capacity as described herein, it will emerge as a stronger partner capable of contributing more numerous and effective interventions across a broader set of missions. Many of these complex missions will require integrated solutions developed and implemented by DOD, USAID, and the State Department—and USAID will have an increasing responsibility in its new role to work more effectively with DOD to proactively plan and conduct integrated activities.

- Require robust career opportunities for USAID foreign service officers and DOD officers to learn from each other and include the following as criteria for promotion:
  - Provide opportunities for DOD and USAID officers to undertake career exchange

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programs and serve in key front office posts: Democracy, Conflict, and Humanitarian Affairs; Global Health; Food Security; and Policy, Planning, and Learning. Similarly, USAID foreign service officers should serve in the front offices of relevant, key DOD offices.

- Build on current joint training programs to expand and improve joint planning and program implementation.
- Increase the veterans hiring preferences at USAID to build, from the ground up, a USAID culture that further accommodates collaboration with DOD.
- Move the Office of Civilian Military Cooperation into the Office of the Administrator with an assistant administrator-equivalent director. The Office should institutionalize an integrated strategic planning process for complex crises that can mirror DOD planning processes.
- For kinetic and ongoing situations, develop integrated Interagency Planning Cells in Washington for civil-military (combined) integrated planning and implementation. Staff should be collocated, and location of platform should be rotating depending on which agency is leading the overall effort. Examples of possible planning cells include Yemen, Syria, and Northern Africa.
- At the field level, place senior USAID foreign service officers in the planning directorates (J5s) at the combatant commands where USAID and DOD are jointly planning and implementing.
- Formalize the current roles and responsibilities of USAID, DOD, and State Department during humanitarian operations. Clarify roles of support head and support actor in order to reduce open-ended deployments of DOD personnel following humanitarian disasters. Clarification of roles should also occur across other types of missions.

**Recommendation 5:** Increase collaboration with Congress to enhance USAID's effectiveness and achieve the reforms articulated above.

Congress plays a constitutional role in the formation and execution of US foreign policy. Its role in the creation and funding of assistance programs is long-standing and should be leveraged by USAID. Some of the recommendations in this report will require legislative change and the benefit of the long experience of key congressional members and staff on foreign assistance reform.

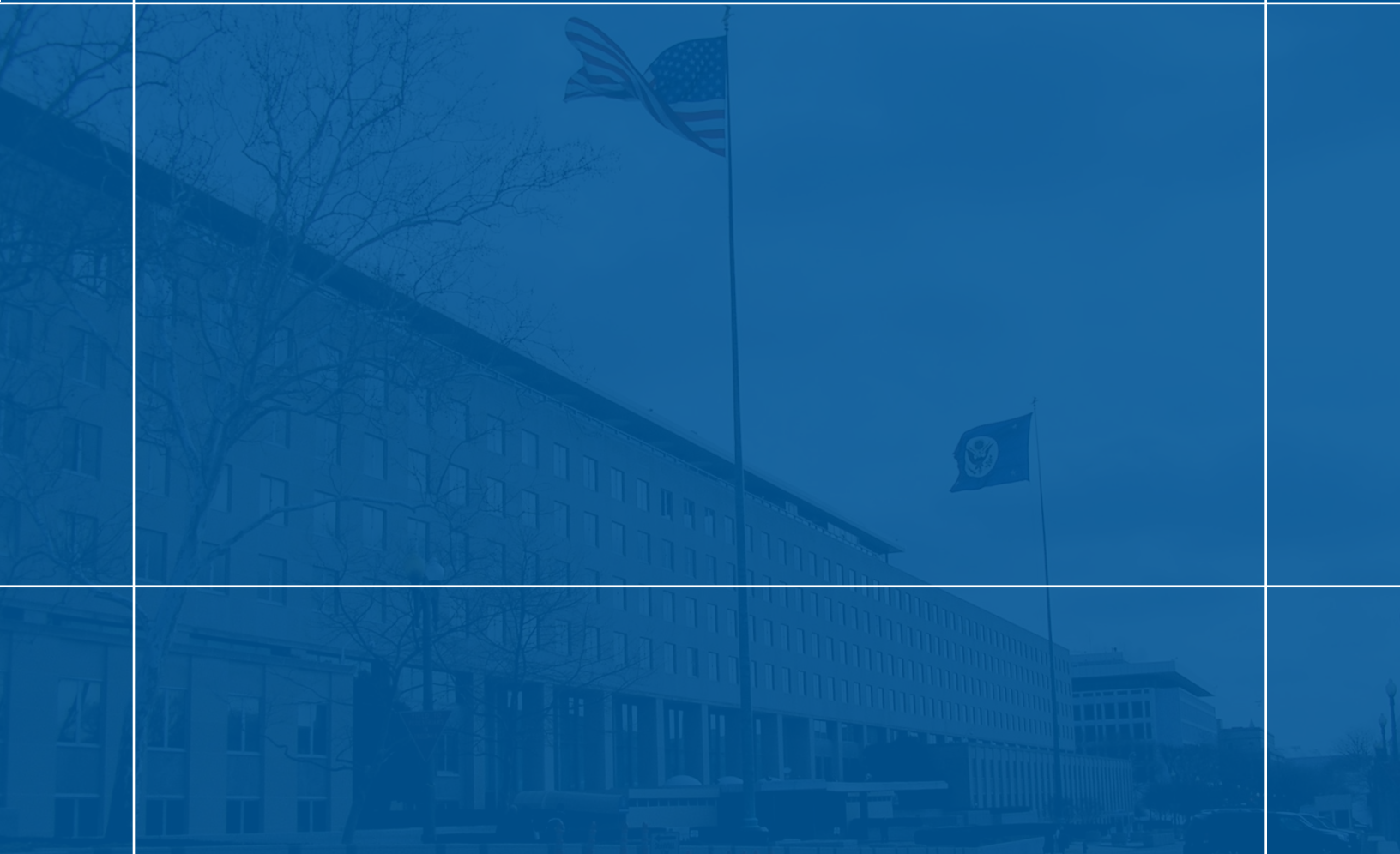
- USAID should build stronger ties to Congress, including the active encouragement and facilitation of foreign assistance authorization legislation, which has not become law since 1986.
- USAID should increase its capacity to respond quickly and comprehensively to congressional requests, particularly from key stakeholders.
- USAID should seize the opportunity of congressional travel—both member and staff—to build relationships and a deeper understanding of aid programs and policies.
- USAID should seek to combine congressional travel opportunities with DOD in the field—showing key stakeholders programs that demonstrate effective cooperation.

## Conclusion

Collectively, these recommendations for revamping and restructuring USAID will begin the process of building a robust civilian assistance agency capable of advancing US interests more successfully and dependably. Although USAID is not able to step into this new role without substantial reforms, it is best placed to receive the mandate and support to ensure it succeeds.



# Biographies





## **Bruce Bedford**

Bruce Bedford serves as the chairman and chief executive officer at the Paddington Investment companies. Mr. Bedford served as an executive vice president at Nuveen Investments in Chicago, where he was responsible for overseeing and guiding the growth strategy, marketing, and development. He played a key role in helping focus the Nuveen's philosophy, strategic direction, organization, and culture. From 1997 to 2001, he served as executive vice president of John Nuveen. He joined Nuveen in January 1997. Mr. Bedford served as the chairman, and chief executive officer at Flagship Financial, where he performed a similar role for their funds and growing private account management business. He co-founded the Flagship Financial in 1983. He served as group vice president of Financial Services at the Mead Corporation, overseeing venture capital, reinsurance, money management and real estate operations. Earlier he held various financial, strategic and operational positions in the Corporate and White Paper Groups executing numerous financings, acquisitions, divestitures and defending a hostile takeover. He serves as a director of PowerHouse Dynamics, Inc. Mr. Bedford served as a member of the Advisory Board at GlobeSecNine. Mr. Bedford holds a BS from Yale University, MBA from Harvard, and an honorary PhD from Antioch University. He is serving his fourteenth year on Antioch's Board of Regents, and also served on the Board of the Miami Valley School for seventeen years.

## **Rand Beers**

Rand Beers served as deputy assistant to the president for homeland security on the National Security Council (NSC) Staff from January 2014 to March 2015. Prior to that he was the acting secretary of the Department of Homeland Security (DHS) from September to December 2013. He also served as acting deputy secretary from May 2013 until September 2013. In June 2009, Beers was nominated by President Barack Obama and confirmed by the US Senate to serve as the under secretary for the National Protection and Programs Directorate (NPPD) at the DHS where he has led NPPD's integrated efforts to reduce risks to physical, cyber and communications infrastructures. Throughout his service at DHS prior to becoming acting secretary, Beers was a trusted advisor to the secretary of homeland security, providing invaluable counsel and guidance on a wide spectrum of homeland security issues, from counterterrorism efforts to cybersecurity.

During his tenure at DHS before becoming the acting secretary, Beers concurrently served as the department's counterterrorism coordinator,

overseeing departmental operational and policy functions to prevent, respond to, and mitigate threats to US national security from acts of terrorism. Before serving in DHS, he was the co-chair of the DHS Transition Team for the incoming Obama administration.

Prior to the Obama administration, Beers was the president of the National Security Network, a network of experts seeking to foster discussion of progressive national security ideas around the country, and an adjunct lecturer at the Kennedy School of Government at Harvard University.

Before his most recent NSC tour, Beers served on the National Security Council Staff under four presidents as director for Counter-terrorism and Counter-narcotics (1988-1992), director for Peacekeeping (1993-1995), special assistant to the president and senior director for Intelligence Programs (1995-1998), and special assistant to the president and senior director for combating terrorism (2002-2003). He resigned from the NSC Staff in March 2003 and retired from government service in April 2003. Following his departure, he served as national security advisor for the Kerry campaign (2003-2004).

Beers began his professional career as a Marine Corps officer and rifle company commander in Vietnam (1964-1968). He entered the Foreign Service in 1971 and transferred to the Civil Service in 1983. He served most of his career in the Department of State, including as deputy assistant secretary of state for regional affairs in the Bureau of Politico-Military Affairs, focusing on the Middle East and Persian Gulf (1992-1993). He was assistant secretary of state for International Narcotics and Law Enforcement Affairs (1998-2002).

Beers earned a bachelor's degree from Dartmouth College and a master's degree from the University of Michigan.

## **Chester Crocker**

Ambassador Chester Crocker is the James R. Schlesinger professor of strategic studies at Georgetown University's Walsh School of Foreign Service and serves on the board of its Institute for the Study of Diplomacy. Ambassador Crocker's teaching and research focus on international security and conflict management.

From 1981 to 1989, Ambassador Crocker served as assistant secretary of state for African affairs. He developed the strategy and led the diplomacy that produced the treaties signed by Angola, Cuba, and South Africa in New York in December 1988. These agreements resulted in Namibia's independence (March 1990) and the withdrawal of foreign forces from Namibia and Angola. President Ronald Reagan

granted him the Presidential Citizens Medal, the country's second-highest civilian award. Previous government experience included service on Henry A. Kissinger's National Security Council staff (1970-1972) where he worked on Middle East, Indian Ocean, and African issues.

Ambassador Crocker chaired the board of the United States Institute of Peace (1992-2004) and continued to serve as a director through 2011 of this independent, nonpartisan institution created and funded by Congress to strengthen knowledge and practice in international conflict. He serves on the

boards of Universal Corporation, Inc., a leading independent trading company in tobacco and agricultural products and the Good Governance Group Ltd, an independent strategic advisory firm. He is a founding member of the Global Leadership Foundation, an international NGO that offers confidential peer-to-peer advice to leaders facing governance and conflict challenges; and also serves on the board of the International Peace and Security Institute, the Ngena Foundation, and the international advisory board of International Affairs (London). Ambassador Crocker consults as an advisor on strategy and negotiation to a number of US and European firms.

Ambassador Crocker first joined Georgetown University as director of its Master of Science in Foreign Service program, serving concurrently as associate professor of international relations (1972-1980). Since returning to the university in the 1990s, he has authored or edited nine books and numerous articles on conflict management and mediation and the role of diplomatic engagement in US foreign policy. A graduate of Ohio State University, he received his master's and PhD degrees from Johns Hopkins University.

## **Kathryn Elliott**

Kathryn Elliott is the chief of staff for the State Department Reform project. She is also a project assistant for the Atlantic Council's Foresight, Strategy, and Risks Initiative within the Brent Scowcroft Center on International Security. Along with managing the State Department Reform project, she aids in senior fellow Jasmine El-Gamal's research on narratives and countering violent extremism (CVE). Kathryn previously interned for the Council's Strategy Initiative. She graduated from the University of Notre Dame with a major in Political Science and minors in Business Economics and Philosophy. During her time at Notre Dame, Kathryn worked as an office assistant for the Political Science department and served as the research apprentice for the department's chairman. She also studied abroad in London and is proficient in Arabic.

## **Karen Hanrahan**

Karen Hanrahan is an executive leader with twenty years of experience at senior levels of government, private sector, and non-profits driving social impact in international development, conflict and peacebuilding, human rights and corporate social responsibility. She has worked in Afghanistan, Iraq, Africa, South Asia, the West Bank, Gaza Strip, and Morocco. Most recently, she served as the chief program officer for a global women's rights non-profit.

Ms. Hanrahan spent six years at the Department of State as a presidential appointee from 2009-2015. Her roles at State included deputy assistant secretary of state in the Bureau for Democracy, Human Rights, and Labor, chief operating officer of the Quadrennial Diplomacy and Development Review in the Office of Deputy Secretary Jack Lew, and US coordinator for international assistance to Afghanistan and Pakistan, working closely with Richard Holbrooke, the secretary's special representative for Afghanistan and Pakistan. Additionally, she was placed on detail at the UK Department for International Development, where she served as chief innovation officer

Ms. Hanrahan served as the Vice President for International Peace and Stability at L-3 Inc., from 2006 through 2009. She also held the position of Senior Advisor for Human Rights and Transitional Justice for the US Agency for International Development (USAID) in Baghdad in 2004. After a year in this role, Karen spent an additional two years in Baghdad working at the US Embassy and served as protection officer for the United Nations High Commissioner for Refugees in Herat, Afghanistan from October 2002 through July 2003.

From 2000 to 2002, Ms. Hanrahan worked as an attorney for White & Case, LLP. She received her master's degree in International Politics from the American University School of International Service, her JD from the University of Washington School of Law, and completed an Advanced Management Program through Harvard Business School.

## **Jodi Herman**

Jodi Herman joined National Endowment for Democracy (NED) as the vice president for government relations and public affairs in May 2016. Ms. Herman previously served as the Democratic staff director for the Senate Foreign Relations Committee for Ranking Member Senator Ben Cardin (D-MD). Prior to that, she served as the chief counsel and deputy staff director for Chairman Robert Menendez. Ms. Herman also worked for Senator Robert Menendez (D-NJ) in the US House of Representatives from 1993 to 2000. While working in the Senate, she specialized in sanctions

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legislation, working across the aisle to develop and enact robust sanctions on Iran's energy sector, on Russia in response to its annexation of Ukraine, on Venezuela in response to violations of human rights, and on the Global Magnitsky human rights and corruption sanctions. While serving as counsel, the Committee also considered several authorizations for the use of force, as well as bills authorizing the arming of the Syrian opposition and the transfer of defensive weapons to the Ukrainian armed forces.

Ms. Herman previously worked in private practice at the law firm Mowry & Grimson in Bethesda, MD and served in the Clinton Administration as a special advisor to the US ambassador at the Organization of American States. Her current position is her second job at NED, having served as a congressional liaison from 2001 to 2003. Ms. Herman holds bachelor's degree in international studies from American University's School of International Service and a JD from George Washington University Law School. She is member of the Board of Directors of the Partnership for a Secure America.

### **Brad Higgins**

Brad Higgins is a venture partner at SOSV, an international venture capital firm that provides investment capital and mentoring to startup companies through its accelerator operations in the US, Europe, and Asia. Brad's primary focus has been in the energy and environmental sectors, where he supports and mentors startups at all stages of growth and development. He also currently serves as the CEO of one of his portfolio companies, Verdex Technologies, a nanotechnology company in the advanced materials industry.

Prior to SOSV, Brad served as the assistant secretary of state for resource management and chief financial officer to the US Department of State. There, he oversaw a \$34 billion budget and directed the department's strategic and performance planning efforts as well as the creation of the Global Partnership Center, that centralized and expanded the department's public private partnership efforts, now known as the secretary's Office of Global Partnerships. Brad has also served as the chairman of the audit committee to the Organization of American States (OAS) and as the director of planning for the US mission in Baghdad in 2004, returning as the first director of the joint civil-military strategic planning and assessment office in 2005.

Brad spent twenty years on Wall Street serving as the senior investment banker to many of the largest municipal issuers in the US, specializing in complex credit problems, first at Goldman Sachs and then at Credit Suisse First Boston. He started his career as a corporate associate at the international law firm,

Simpson Thacher & Bartlett. Brad currently serves as chairman of JumpStart International, an economic development humanitarian organization, which had operations in Iraq and now Tbilisi, Georgia. He holds a bachelor's degree and JD from Columbia University.

### **Dan Levin**

Daniel Levin represents clients on a wide range of issues involving criminal and civil investigations, internal corporate investigations, and complex civil litigation.

Mr. Levin has worked on numerous internal investigations, including those involving allegations of accounting irregularities, options backdating, and violations of the Foreign Corrupt Practices Act. He also has experience with white collar defense, the False Claims Act, and a wide range of complex civil litigation matters. Mr. Levin has represented clients in securities fraud class actions, intellectual property litigation, advertising disputes, and products liability litigation and arbitrations. He has conducted investigations and/or due diligence involving countries worldwide, including Argentina, Brazil, China, Democratic Republic of the Congo, France, Germany, Ghana, Greece, Hungary, India, Iran, Japan, Kenya, Macedonia, Montenegro, Nigeria, Philippines, Russia, Turkey, and the United States.

Prior to joining White & Case, Mr. Levin was a partner in the white-collar practice of another international law firm. Before that, Mr. Levin held a number of positions in the government, including senior associate counsel to the president and legal adviser to the National Security Council; chief of staff to Federal Bureau of Investigation Director Robert Mueller; chief of staff to Attorney General William Barr, counselor to Attorney General John Ashcroft; trial attorney in the Environmental Crimes Section; and assistant US attorney for the Central District of California, where he prosecuted numerous jury trials, including several multi-month, multi defendant racketeering trials, and the first federal death penalty case in the district in more than thirty years. He has spoken and written widely on anticorruption and other white collar matters.

### **David Miller**

Ambassador David Miller, Jr. is a partner and founding investor of Torch Hill Capital, LLC, a private equity firm. In his private sector career, he worked for a decade in international positions for a member of the Westinghouse Electric Corp. In addition, he has provided international business advisory services to a number of major US corporations and has managed investments for high net worth individuals in privately held companies. He has recently assumed a more active role at the Atlantic

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Council, becoming the first Brent Scowcroft senior fellow.

Ambassador Miller was special assistant to the president for national security affairs on the National Security Council staff at the White House from January 23, 1989, to December 31, 1990. His NSC accounts included Africa as well as counterterrorism, counter-narcotics, and hostage rescue. He served as the United States ambassador to Tanzania from 1981 to 1984 and to Zimbabwe from 1984 to 1986. During his Zimbabwe tour, he was asked to run the South Africa Working Group in addition to his bilateral responsibilities in Harare.

Following a year in Vietnam working on projects primarily for the Advanced Research Projects Agency, he was selected as a White House fellow for 1968–1969. He served as a fellow with the attorney general and the following year became his confidential assistant. In 1970–1971, he was the director of the President’s Commission on White House Fellows while also working with the counsel to the president.

He founded and serves as the chairman of the Special Operations Fund, which provides scholarships for the widows and children of deceased members of special operations military units. He has lectured and written on foreign policy management, including chapters in three volumes on low-intensity conflict: *Low Intensity Conflict: Old Threats in a New World*; *Gray Area Phenomena: Confronting the New World Disorder*; and *Managing Contemporary Conflict: Pillars of Success*. Ambassador Miller also co-authored, with David Gordon and Howard Wolpe, *The United States and Africa: A Post-Cold War Perspective*, an American Assembly book published by W. W. Norton & Co.

Ambassador Miller graduated with honors from Harvard College, received a JD from the University of Michigan Law School, and an honorary Doctor of Law from Lewis and Clark. He is a member of the Council on Foreign Relations and the District of Columbia Bar.

### Lester Munson

Lester Munson is vice president, international at BGR Group, a leading Washington government affairs and consulting firm. He is also adjunct faculty at Johns Hopkins University’s Krieger School of Arts and Sciences. Previously, he served as staff director of the Senate Foreign Relations Committee, where he led policy, oversight, legislative, and communications efforts for a staff of twenty-five

and negotiated committee priorities with the White House, the State Department, and congressional leadership. Mr. Munson also served as chief of staff to former Senator Mark Kirk of Illinois and held several senior foreign policy positions on congressional committees. During the Bush administration, Mr. Munson was a deputy assistant administrator at the US Agency for International Development, serving in the Bureau for Legislative and Public Affairs and also the Global Health Bureau. Mr. Munson received a bachelor’s degree from the University of Chicago and a master’s degree from St. John’s College in Annapolis.

### Thomas Pickering

Ambassador Thomas Pickering is the vice chairman at Hills and Co., an international consulting firm. Ambassador Pickering’s diplomatic career has spanned five decades, encompassing service as ambassador to Russia, India, Israel, El Salvador, Nigeria, and the Hashemite Kingdom of Jordan. He represented the United States as ambassador and representative to the United Nations in New York and holds the personal rank of career ambassador, the highest in the US Foreign Service. He was senior vice president of international relations of the Boeing Company from January 2001 until July 2006.

Ambassador Pickering’s work with the US government began in 1956 with the US Navy and was followed by positions with the Bureau of Intelligence and Research of the State Department and the Arms Control and Disarmament Agency. He has served as a political adviser in Geneva to the US delegation to the Eighteen-Nation Disarmament Conference; consul in Zanzibar; deputy chief of mission in Tanzania; deputy director of the Bureau of Politico-Military Affairs; executive secretary of the State Department and special assistant to Secretaries William P. Rogers and Henry A. Kissinger; assistant secretary of state for oceans and international environmental and scientific affairs; under secretary of state for political affairs. He was also president of the Eurasia Foundation 1996-97.

Ambassador Pickering received a bachelor’s degree from Bowdoin College and master’s degrees from the Fletcher School of Law and Diplomacy at Tufts University and the University of Melbourne in Australia. He holds honorary doctorate degrees from Bowdoin College and fourteen other universities and is a member of the International Institute of Strategic Studies and the Council on Foreign Relations.



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Atlantic Council

1030 15th Street, NW, 12th Floor,  
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(202) 463-7226, [www.AtlanticCouncil.org](http://www.AtlanticCouncil.org)