

Federal Agencies and Conference Spending

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Chairman Coburn and distinguished members of this Committee, thank you for the invitation to testify today. As you well know, the conduct of diplomacy frequently requires face to face interactions, venues for the exchange of ideas, and meetings that foster personal relationships which are critical to the success of our mission. Conferences are an integral means by which the Department of State conducts our nation's international affairs.

The Department conducts diplomatic relations with 188 countries through over 260 posts around the world, and participation in conferences is an effective means to promote advancement of issues across a wide array of operational and policy areas. For some international organizations, conferences are the primary means by which business is conducted. The U.S. also advances and protects hemispheric interests through participation

in the meetings of the Organization of American States (OAS) and related organizations. The U.S. realizes similar goals reflecting key regional relationships through participation in meetings of the Asia Pacific Economic Cooperation (APEC) forum, the North Atlantic Treaty Organization (NATO), the United Nations regional commissions, and other signatories to major treaties.

Active State Department participation in international conferences ensures that the United States maintains our influence, and promotes and protects key U.S. interests in the formulation of policy, the management of the Department's operations, and the deliberations of multilateral international organizations in which the U.S. has membership.

The Department's participation in conferences is often essential to achieving a desired outcome, and cost of attendance is justified by what was or was not accomplished due to U.S. engagement. For example, failure to attend a conference that results in action not supported by our policies could require a greater expenditure of resources to address the action in retrospect than it would have cost to participate in the conference.

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The Department has taken steps to institute controls over conference participation and to stem the increase in conference costs. The Department is also continuously exploring and making use of ways to leverage technology and resources so that the Department's participation in meaningful conferences is facilitated in the most cost effective way possible.

The funding used to support conferences is managed within each of the Department's bureaus. Therefore bureaus and, consequently, U.S. Missions overseas, must prioritize spending for conferences against other competing requirements.

In 2004, the State Department instituted a policy requiring advance approval from the office of the Under Secretary for Management in order to attend or host conferences. Under the policy, requests to host or attend conferences, workshops, or other meetings to which travel is required and where twenty-five or more Department personnel will participate, must be submitted 120 days in advance. The request must be justified by demonstrating:

- The benefit to the Department;
- The outcome or results expected;

- Security risks;
- Cost; and
- How the conference advances the Department's strategic priorities.

The Department is also using technology to increase efficiency and cut conference costs. The use of Digital Video Conferencing (DVC) is on the rise. As an example, rather than attending regional management or budget conferences, I, and in most cases a small panel of colleagues, have frequently opted to deliver our presentations using DVC. Also, while not conferences per se, the Bureau of Resource Management regularly uses DVCs to conduct Mission Performance Plan reviews with embassy teams, substantially reducing international travel and costs. In short, as DVC technology has improved, this practice is becoming more prevalent, and I expect it to only grow in the future, which will contribute to greater cost effectiveness.

The conference spending data reported covers a five year period. The report includes information on conferences with a variety of purposes including policy issues related to Afghanistan, Iraq, the Global War On Terror and the fight against AIDS, as well as management and professional development

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conferences. Most recently, conference spending has decreased from \$30.9M in FY2004 to \$26.5M in FY2005, primarily due to non-recurring conferences such as the hosting of the OAS General Assembly and the increased use of technology.

As the Acting Chief Financial Officer, I can assure you that the Department will continue to avoid unnecessary conference expenditures, and, where appropriate, to vigorously pursue more cost effective methods of participating.

Thank you for this opportunity to speak before the Committee, and I look forward to answering any questions that you may have.