Testimony of Susan R. Johnson
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House Oversight and Government Reform Subcommittee on Federal Workforce, Postal Service and District of Columbia
Chairman Stephen Lynch (D-MA)
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Mr. Chairman, Ranking Member Chaffetz, and distinguished subcommittee members, the American Foreign Service Association (AFSA) welcomes the opportunity to speak before this subcommittee on the subject of benefits for federal employees deployed abroad. AFSA is the professional association and labor union representing our nation's Foreign Service personnel from the State Department, USAID, the Foreign Commercial Service, the Foreign Agriculture Service, and the International Broadcasting Bureau. AFSA strives to be a strong voice in Congress on issues impacting the career Foreign Service and their families. We take our responsibility to our members seriously. We are grateful to you for convening this hearing on this important issue. I will make an opening statement, as well as submit a complete statement, and will be happy to answer any questions that you may have.

If our national security is based on the three "D's": Defense, Development and Diplomacy, then our investment in the diplomacy and development legs of the three "D" stool are woefully out of balance. According to many reports, ninety six percent of our investment goes to Defense and Intelligence and only 4% to diplomacy and development. This leaves us with a very unbalanced stool. Our national security – and our military – will be better positioned when this imbalance is righted. The Foreign Service and the brave men and women who serve in it are the front lines of American diplomacy and provide that key component of our national security. They come from communities from all over the country and are patriots representing our best values abroad. They spend almost seventy percent of their careers overseas, and with roughly two-thirds of posts now deemed hardship posts, and more of these unaccompanied posts putting additional stress on families, our civilian Foreign Service works day to day to represent America around the world.

The Foreign Service has been facing serious staffing shortages. Since the 2003 invasion of Iraq, staffing demands on the Foreign Service have soared, but little was done to provide funding or authorization to hire new personnel, causing the Service to have to draw from some posts, leaving gaping vacancies at other critical posts. As a result, 12% of positions around the world and 33% of those in Washington remain unfilled.. As recognition of the costs of underfunding

our civilian capacity has grown, in recent years we have seen a renewed bipartisan commitment to investing in and developing our diplomatic service as laid out in the letter signed by eight former Secretaries of State, including Secretary Rice, and as supported by President Obama and Secretary Clinton encouraging Congress to invest in "smart power."

A key to that investment is ensuring that the men and women serving our county overseas, particularly in combat zones, are being taking care of and receiving well-earned benefits, making the focus of this hearing both urgent and welcome.

The Government Accountability Office (GAO) report, titled *Human Capital: Actions Needed to Better Track and Provide Timely and Accurate Compensation and Medical Benefits to Deployed Federal Civilians* highlights the major compensation equity issue facing Foreign Service Officers, which is the loss of locality pay when they are deployed abroad from Washington, DC.

The pay gap that was created by the Federal Employees Pay Comparability Act of 1990 which added to the base pay of almost all federal employees a "locality" adjustment that represented the cost of attracting talent in a given geographical area. Since Washington, D.C. is where Foreign Service members are hired, initially posted and reassigned to D.C., their locality pay is based here. However, the law unjustly excluded overseas Foreign Service members from receiving this standard component of base pay. In 2004, legislation was passed that removed this disincentive from the pay of Senior Foreign Service members, but excluded junior and mid-level diplomats, who now currently take a 23.10 percent cut in base pay when transferring abroad. As the Washington, D.C. locality pay rate has risen from an initial 4.23 percent to 23.10 percent in 2009, Foreign Service personnel continue to see their compensation shrink.

This overseas pay gap represents a major inequity, has a serious impact on compensation, and often totally negates traditional hardship and danger pay allowances. Thus, junior and mid-level Foreign Service members now take a ***pay cut*** to serve at 183 of 268 overseas posts (68 percent) including 20 percent hardship differential posts such as Damascus, Tripoli, Libreville, La Paz, and Ulaanbaatar and even danger pay posts Amman, Bogota, and Tel Aviv. Losing the equivalent of one year's salary for every four or five years served overseas has serious long-term financial consequences, particularly in these times of economic trouble. This problem faces all Foreign Service personnel across the U.S. government below the senior levels, not just at State, but also at USAID, the Foreign Commercial Service, the Foreign Agriculture Service, and the International Broadcasting Bureau.

I am pleased to report that the first step in resolving this issue has been taken, but the difficult effort to ensure fair compensation for the Foreign Service is still ongoing. The FY2009 Supplemental contained a provision giving State the authorization to begin to close the locality pay gap, and has recently begun implementing the first one-third of the 23.10 percent. Additionally, the House passed version of H.R. 2410, the Foreign Relations Authorization Act, contained the required authorization language to close this disparity once and for all. We hope that the Senate will soon introduce their version of the bill.

However, this authorization expires at the end of the FY2009, and further language is required to allow State to continue with this first phase, as well as close the final two-thirds in FY2010 and FY2011 and successive fiscal years. Without this authorization language, State will not be able to continue closing this pay gap which would be a tremendous blow to the Foreign Service. I would also like to take this opportunity to thank Secretary Clinton and Deputy Assistant Secretary Pat Kennedy for their dedication and effort on this issue, and for working closely with AFSA to find a solution to this issue.

I urge this committee to talk to your colleagues on the House Foreign Affairs Committee, as well as the Senate Foreign Relations Committee and encourage them to get a Foreign Relations Authorization bill signed into law, and that the appropriators ensure that each agency has the funds to implement this change.

As this report highlights, there is also continuing ambiguity about civilians' eligibility to receive care at DoD medical facilities while deployed. Foreign Service Officers should not have to worry about being able to receive the medical care they need while deployed abroad, and should have clear guidelines from State and the DoD as to their rights to care. AFSA agrees with the GAO that this policy needs further clarification, and encourages the DoD and State to coordinate and communicate this to its employees deployed abroad.

Overall, AFSA supports the recommendations made by the GAO to State in this report, and additionally agrees with State's response and action plan to implement these recommendations, particularly the mandatory medical screenings upon completion of their assignment in a combat zone. Ensuring the health and well-being of the Foreign Service is of the utmost importance to AFSA. State has also recently implemented the The Deployment Stress Management Program (DSMP), which is located in Mental Health Services within the Office of Medical Services. The DSMP is a community based program to support the psychological health of Foreign Service Officers, Department of State (DoS) employees, and their families who are or will be assigned to high stress/high threat/unaccompanied tours. The DSMP provides information, referrals, initial assessment and brief treatment for problems related to the stress of deployment. AFSA applauds State on this newly developed program.

One area that was not covered by the GAO report that AFSA would encourage this committee and the GAO to review would be the services available to the dependents of Foreign Service Officers and other civilian employees deployed aboard at unaccompanied posts, compared to the services provided by the Department of Defense (DoD) to military dependents in similar situations. With post assignments lasting anywhere from one to three years, Foreign Service families go through a burdensome transition when their spouse is sent to an unaccompanied post, particularly when children are involved. The DoD has an excellent resource in Military OneSource, which provides a one stop shop for military dependents. While State's Family Liaison Office does provide very useful information, it does not have the same breath or depth as Military OneSource, which provides information for those deployed and those who stay behind. A civilian website like this one would be a clear benefit to all civilians deployed abroad.

AFSA remains committed to service all members of the Foreign Service, and to guarantee that they receive the benefits that they work hard for under increasingly dangerous and difficult conditions, and that those benefits reflect their service. We will continue our fight to fully close the locality pay gap, which is the biggest compensation inequity facing Foreign Service Officers. Again, thank you for the opportunity to testify and for your support. We appreciate the leadership you have shown in convening this hearing. AFSA will continue to be a resource to you and this subcommittee in representing the views of the Foreign Service. I will be happy to answer any questions you may have.

BIOGRAPHY OF SUSAN R. JOHNSON
PRESIDENT, AMERICAN FOREIGN SERVICE ASSOCIATION

Susan R. Johnson is a member of the Senior Foreign Service and a seasoned diplomat and manager. She was twice Deputy Chief of Mission, and served in Iraq as Senior Advisor to the Ministry of Foreign Affairs, and in the Office of the High Representative (OHR) in Bosnia and Herzegovina as Deputy High Representative and Supervisor of Brcko District. Her Foreign Service career has integrated traditional bilateral and multilateral diplomatic work with assignments of a non-traditional nature including first Director of the Ambassador's Assistance Coordination Unit in Embassy Moscow, and first Director of the USAID funded International Executive Service Corps (IESC) in Central Asia, establishing programs in Kazakhstan, Kyrgyzstan and Uzbekistan. Earlier in her career she served at the US Mission to the United Nations in New York, and at the US Interests Office in Havana. In Washington she has served as senior coordinator in the Resources, Plans and Policy Office of the Secretary of State, as Special Assistant in the Office of the Undersecretary for Political Affairs, in the office of Senator Bill Bradley on a Pearson Fellowship, and on detail to the National Endowment for Democracy. She recently served as Senior Coordinator in the Front Office of the Bureau of Democracy, Human Rights and Labor. She is an alumnus of the Department's 45th Senior Seminar, and received the Department's Deputy Chief of Mission of the Year Award. She speaks French, Italian, Russian and Spanish. She holds an M.A. degree in International Relations from SAIS and a B.A. in history from Principia College. Her term as AFSA President began on July 15, 2009.

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