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United States House of Representatives Committee on Appropriations
Testimony Addressing the Foreign Commercial Service (FCS)

Congress's continued efforts to support the role of commercial diplomacy are of great importance to AFSA's nearly 17,000 members, who are dedicated diplomats on the front lines of our nation's security and prosperity. **As you begin your work on the Fiscal Year (FY) 2025 Commerce, Justice, Science, and Related Agencies appropriations bill, AFSA respectfully requests that Congress provide robust funding for the International Trade Administration's (ITA) Foreign Commercial Service (FCS) – a part of Global Markets within the U.S. Department of Commerce. Specifically, AFSA requests funding of at least \$775 million to make the mission-critical investments in Global Markets, which will pay dividends for the U.S. economy and America's foreign policy priorities.**

Located in 80 strategically selected countries, 240 FCS Foreign Service officers engage in commercial diplomacy to reduce barriers to foreign markets, win foreign government procurements for U.S. companies, and attract investment into the United States. Commercial diplomats and their dedicated teams have brought more than \$200 billion in investment, bolstering domestic industries of strategic importance, such as critical technologies and clean energy, thereby creating over 200,000 American jobs, and increasing national supply chain resiliency. Additionally, the Foreign Commercial Service helps U.S. companies compete against foreign firms to win foreign government contracts, helping American businesses grow globally. Commercial diplomats have also successfully advocated for over \$787 billion in U.S. exports which has supported approximately 4 million U.S. jobs. These are federal programs that work directly to grow the economy, support U.S. businesses, and create American jobs. However, this can only happen with sufficient funding.

With this testimony, AFSA wanted to bring to your attention budgetary concerns that are negatively affecting our members and their safety and security. While the budget for Global Markets has remained relatively flatlined in recent years, expenses beyond the Agency's control have vastly increased. AFSA recently conducted a survey to see how budget challenges are impacting FCS officers serving overseas. The results were shocking as members cited 30%+ reductions in staffing, 100%+ increase in demand for services, and a lack of strategic organizational direction. This has led to a decline in the physical and mental health of our members, and an inability to effectively compete against the People's Republic of China (PRC), which has 10 times the number of officers in some markets than the United States. Select survey results are below:

- 96% of officers indicated that budget constraints have impacted their ability to perform their primary duties.
- 96% of officers indicated that budget constraints have negatively impacted team morale at their post.

- 93% believe that the budget cuts have led to a decline in the quality of the organization's impact.
- 56% of America's commercial diplomats are considering leaving the service due to budgetary constraints.
- Basic training, including tradecraft and security, is no longer offered for officers, locally employed staff, or spouses.

Economic security is a national security priority, and the Foreign Commercial Service is critical to advancing U.S. economic and commercial engagement abroad and in the United States. The FCS has a tangible effect on the U.S. economy, leveraging global opportunities for American workers and businesses. Not only does FCS work grow the U.S. economy, but it is pivotal to confronting the PRC, which increasingly targets economies in Latin America, Africa, Europe, and the Indo-Pacific. Given the ever-rising demand for services and a significant reduction in staffing overseas, FCS requires adequate resources to effectively carry out its mission. Doubling the funding of FCS will ensure that this proud and dedicated service is adequately resourced to help American businesses grow their presence overseas, to advance American strategic interests abroad, and to compete against China.

We urge Congress to prioritize this request, so FCS can continue to help America compete effectively in FY25 and beyond. Thank you very much for your leadership on this important issue.

Sincerely,

Tom Yazdgerdi, AFSA President