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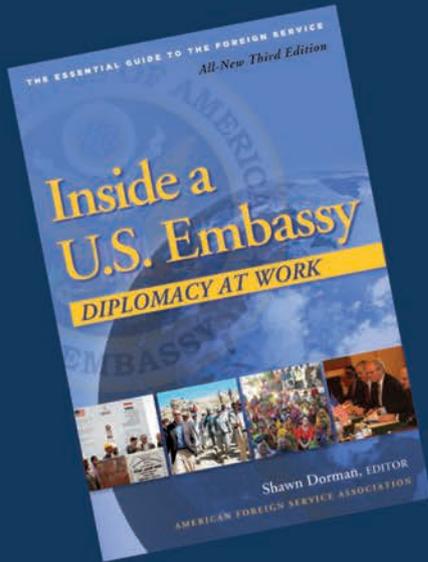
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January-February 2018 Volume 95, No. 1

Focus on U.S. Global Leadership



26

Helping Europe Help Itself: The Marshall Plan

On the eve of its 70th anniversary, the Marshall Plan remains one of the most successful foreign policy initiatives in U.S. history and a model of effective diplomacy.

By Amy Garrett

31

Working with Ghana to Prevent the Spread of Ebola

The U.S. role in helping Ghana stave off a deadly epidemic showcases American diplomats' perseverance, political astuteness and creativity, as well as interagency teamwork, in fulfilling a vital mission.

By Jim Bever

35

The Global Coalition to Defeat ISIS: A Success Story

The 74-member international coalition illustrates American leadership in action.

By Pamela Quanrud

39

Diplomacy Works Part II

Here are more stories about the day-to-day work U.S. diplomats do around the globe to advance American ideals, protect America's prosperity and national security, and help maintain a peaceful world.

53

Reimagining the Future of American Leadership

American leadership today will be defined by our grasp of future trends. The under secretary of State for political affairs reflects on diplomacy for the 21st century.

By Thomas A. Shannon Jr.

FS Know-How



57

Are You Retirement Ready?

Experts explain how to prepare for retirement throughout your career, from your first days on the job until you turn in your badge on the last day.

By Donna Scaramastra Gorman



THE FOREIGN SERVICE JOURNAL

Perspectives

7

President's Views

A Foreign Service Wish List
By Barbara Stephenson

9

Letter from the Editor

Global Leadership
By Shawn Dorman

22

Speaking Out

Applying Behavioral Economics to
the State Department
By Rob Kirk

109

Reflections

Meeting the Spirit Man
in Caliquisse
By Raymond Maxwell



110

Local Lens

South Kalimantan, Indonesia
By Maria Ining Nurani

Departments

- 10 Letters
- 13 Message from the Hill
- 15 Talking Points
- 94 In Memory
- 100 Books

Marketplace

- 103 Classifieds
- 105 Real Estate
- 108 Index to Advertisers

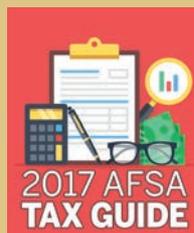
AFSA NEWS

THE OFFICIAL RECORD OF THE AMERICAN FOREIGN SERVICE ASSOCIATION

- 63 AFSA President's Column Becomes Headline News
- 63 AFSA Meets with House Appropriations Committee Chair
- 64 State VP Voice—Membership Has Its Privileges (and It's a Bargain!)
- 65 FCS VP Voice—U.S. Economic Security Through Trade Agreements
- 65 AFSA Governing Board Meeting, November 2017
- 66 Retiree VP Voice—News You Can Use
- 66 AFSA: Your Partner in Retirement
- 67 AFSA on the Hill—Partnering with Congress and Others to Defend Our Institution
- 67 Good News for Foreign Service Parents



- 68 AFSA Dues Change in 2018
- 68 Hail and Farewell
- 69 Recognizing FS Children for Their Sacrifices
- 69 After the Equifax Breach: What You Can Do
- 70 AFSA Welcomes 192nd A-100 Class
- 70 Book Notes: *Peacemakers—American Leadership and the End of Genocide in the Balkans*
- 71 Readers, FS Writers and a Literary Agent Gather to Talk Books
- 72 Holiday Happy Hour at AFSA
- 73 2017 AFSA Tax Guide



On the Cover: Illustration by Earl Keleny.

A Foreign Service Wish List

BY BARBARA STEPHENSON

As AFSA president, I promised to raise awareness of the Foreign Service across our great country. I am grateful beyond words for the national conversation that has taken shape about the tremendous value not only of American diplomacy but of American *diplomats*, the extraordinary people in the Foreign Service who spend two-thirds of their careers deployed around the world. Especially now, as Christmas lights go up around my neighborhood, their service and sacrifice, *our* service and sacrifice, speak to me.

All of us active-duty members of the Foreign Service owe deep thanks to the Foreign Service alumni (as I like to call our retirees) who have pitched in across the 50 states to make the case that a strong professional career Foreign Service is very much in the national interest—and in the interest of our fellow Americans.

I am thankful for the remarkable bipartisan support on Capitol Hill, where members from both sides of the aisle have spoken out and insisted on preserving the diplomatic capacity that underpins America's global leadership role.

And I am thankful to every journalist who has been working to tell this story.



The free press is a critical guarantor of the constitutional order we are sworn to uphold, and the journalists who have covered State with such

dedication and sophistication have done a great service to the American people.

Looking ahead to the new year, what is at the top of AFSA's wish list for the Foreign Service?

First, a return to normal promotion numbers. The extraordinary, and perhaps even unprecedented, decision of early 2017 to slash FSO promotion numbers into and within the Senior Foreign Service by more than half cannot be repeated next year without doing grave, long-term harm to the U.S. Foreign Service. The number of promotions from FS-01 to OC fell from 91 last year (2016) to just 43 this year (2017), and the number of promotions from OC to MC fell from 61 to 29.

Keep promotion numbers this low again next year, and not only will the size of the Senior Foreign Service officer corps continue to shrink, but top-flight FS-01s will also be forced out of the Service. These are the very officers we need to lead this institution for the next 15 years.

Second on our wish list is lifting of the self-imposed hiring freeze and a return to normal hiring levels. The State Department has now confirmed its intent to hire only 101 new Foreign Service officers (including 55 Pickering and Rangel Fellows) in 2018, down from 366 in 2016 (which was in no way a high-water mark).

That hiring target—101—is the lowest in at least a quarter of a century. Even in the depths of the mid-1990s cutbacks, the annual intake of new officers never fell below 100.

We remember how that turned out: a dozen years later, the Foreign Service was desperately short of seasoned officers. We were able to fill Foreign Service positions in Iraq and Afghanistan only at the cost of gutting staffing at embassies across the world, undermining America's ability to keep allies in the fight.

Our wish for a return to normal hiring includes Foreign Service specialists, many of whose specialties are in deficit, creating cascading management challenges. And it includes ending the counterproductive hiring freeze on eligible family members, which is eating up precious management time, jeopardizing critical post operations, and putting a significant strain on Foreign Service families.

Again, it is time to ask why. Why slash promotion numbers? Why continue this self-imposed hiring freeze?

As I have said repeatedly, including in my May 2017 column "Seizing Transition Opportunities," we, the members of the career Foreign Service, are eager to be partners in an effort to streamline cumbersome bureaucratic processes, increase efficiency and refocus on core diplomatic priorities.

We love serving and want nothing more than to pull together to achieve the mission.

Remove these impediments and give us a strategy to guide our work for America and for our fellow Americans. That would make being far from home for the holidays completely worth it. ■

Ambassador Barbara Stephenson is the president of the American Foreign Service Association.

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Global Leadership

BY SHAWN DORMAN

We know nine in 10 Americans favor U.S. global leadership, but what does that look like, and how can we show the critical role the U.S. Foreign Service plays? Those are the questions we started with in shaping this month's focus, which follows naturally from last December's discussion of how diplomacy works and why it matters.

A thought-provoking look ahead from the highest-level active-duty member of the Foreign Service today is the capstone of this issue. In "Reimagining the Future of American Leadership," Under Secretary of State for Political Affairs Tom Shannon emphasizes that U.S. leadership today must be defined by our grasp of future trends.

Dr. Amy Garrett from the State Department Historian's Office looks back at a seminal example of U.S. global leadership, the European Recovery Program, better known as the Marshall Plan, on the eve of its 70th anniversary.

We move then to some ground-level accounts of U.S. diplomacy in action on contemporary challenges—from pandemic disease threats to international terrorism.

First, Jim Bever, USAID mission director for Ghana in 2014, describes the vital work done by U.S. diplomats and development professionals, through an interagency effort led by USAID, on site in that country

to help contain and defeat the spread of Ebola.

Then Pamela Quanrud, who just retired following a 30-year For-

eign Service career, explains the U.S. role in creating and working with partners from 70 countries that are part of the Global Coalition to Defeat ISIS.

Part II of our Diplomacy Works series offers more brief accounts from practitioners, illustrating how the day-to-day work of diplomacy over past and more recent decades has served our national interest and contributed to a better, more peaceful world. (Foreign Service readers, please continue to share your stories. Send to journal@afsa.org.)

This issue of the *Journal* also contains the ever-popular annual AFSA Tax Guide. And while you're facing taxes, we thought it would be useful to offer a bonus article from Donna Gorman sharing experts' advice on planning for retirement, at each stage of your career. And this month's Speaking Out, from IMO Rob Kirk, looks at "Applying Behavioral Economics to the State Department."

The President's Views column from December, "Time to Ask Why," continues to contribute to what has become a national conversation about the need for a strong Foreign Service and U.S. global diplomatic role (see Talking Points). Ambassador Stephenson follows this month with a "A Foreign Service Wish List."

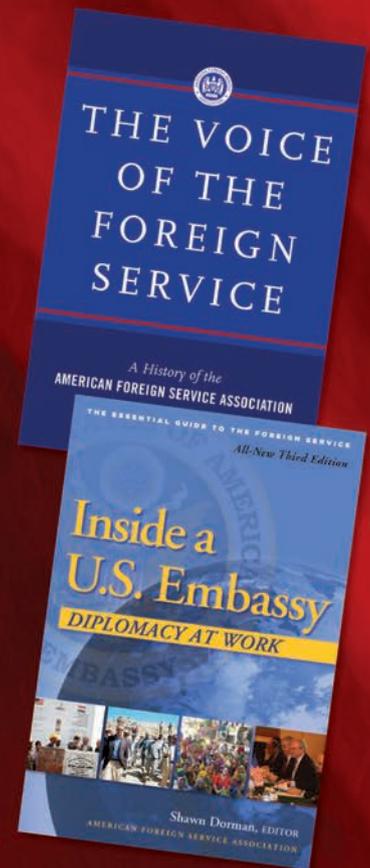
I close by calling your attention to the heightened support for the Foreign Service that we are seeing from Congress. In this issue, we inaugurate a new feature, Message from the Hill, in which a member of Congress speaks directly to the Foreign Service. Representative Tim Walz of Minnesota leads the way. ■



Shawn Dorman is the editor of *The Foreign Service Journal*.

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Bringing It All to Life

Now that I'm retired, I have more time to actually read the *FSJ* cover to cover. The October issue is a real home run!

I liked the focus on Iran (I joined the Foreign Service in 1979, and the hostages were taken shortly after I began training at the U.S. Information Agency), and I learned a lot that I didn't know. I thought Roy Melbourne's use of language was lyrical, harkening back, perhaps, to a time when we spent more time refining language.

The tragedy of Alexander Sergeyevich Griboyedov ("Love in Tiflis, Death in Tehran") was also new territory for me, and I enjoyed Ambassador Limbert's story immensely.

The reports from AFSA's officers had just the right balance of trepidation about the future of the department and our profession, and encouragement to persevere even under difficult circumstances. Indeed, the whole issue was well written and well edited.

Thank you for your work in bringing life to our day-in/day-out efforts and for putting it all into context.

Michael Korff
FSO, retired
Arlington, Va.

We Be They

My friend and entry-level classmate Michael Pelletier's excellent piece, "Owning Leadership" (November), reminded me of an inspiring speech I once heard.

Admiral Mike Mullen, who later became chairman of the Joint Chiefs of Staff, was Chief of Naval Operations when he spoke to my class at the Eisenhower School (then the Industrial College of the Armed Forces).

Bemoaning the phenomenon of

senior officers saying "they should do this" and "they should fix this," Mullen's three-word distillation of owning leadership was "We Be They."

Thomas Hodges
FSO
Consulate General Hong Kong

Owning Leadership

We should rightly be concerned by the loss of leadership in our ranks, but we should also—as Michael Pelletier reminds us in the November *FSJ*—acknowledge and develop the leaders who remain.

What's more, we should admit that even when we were "full strength," we could not claim to have a robust culture of leadership in the

State Department. Perhaps now is the time to recognize that there are State employees at every level who could move our organization forward.

These leaders could take ownership of some of our most nagging deficiencies, including reform of the 360 review process and the EER system. They could also initiate new personnel policies that better support Locally Employed staff—the backbone of our workforce.

Finally, they could push to empower FSI's excellent Leadership and Management School to create, develop and enforce changes in the organization that foster a sustained culture of leadership.

John Fer
FSO
Embassy Riga

Iran's Religious Revolution

Congratulations to the *Journal* for the concentration of articles on Iran in the October issue, at a time when Iran has again become a prominent factor

in American politics.

However, from my perspective, having served as interim deputy chief of mission and political counselor at U.S. Embassy Tehran through the 1979 revolution, I have to point to the elephant in the room that was not identified in these articles.

Very simply, the Iranian revolution was a religious revolution, the first such revolution since Britain's several centuries ago. But unlike warrior-politician Oliver Cromwell's use of religion to establish his secular power, Ayatollah Ruholla Khomeini's revolution was intended to establish government by religious leaders and to export religious revolution to its neighbors (though Khomeini originally hid that intent).

The problem was—and remains to this day—that Khomeini's Shiite Islam immediately challenged the Sunni Islam of its neighbors and of the majority of the Islamic world. Fear of Shia insurrection in Iraq drove Saddam Hussein's 1980 invasion of Iran.

Iran's Shia revolution also challenged Saudi Arabia, whose status as the guardian of Islam's holiest sites has largely protected that kingdom in an area fraught with rivalries and conflict despite its relatively weak military and small population.

Without a doubt Gary Sick is right when he says in his magisterial "Iran Inside and Out" that the governing class of Iranians "are realist to the core and driven almost entirely by the perception of the long-term interests of the nation," and suggests that the shah himself might have followed a similar course if similar conditions had allowed.





Moreover, I agree with Dave Schroeder's and Kenneth Quinn's suggestions that a better American relationship with Iran is not beyond our imagining, provided the American people can ever forget the yearlong hostage crisis nearly 40 years ago that partisan politics, money and other factors now keep alive, as Dennis Jett writes.

But none of that is relevant today as long as the new Shia-Sunni conflict rages in the region and threatens to drag in the Trump administration, like the Bush administration before it. This is also whetting President Vladimir Putin's appetite to re-establish Russia's presence in the area, even in Iran, despite that country's fraught history with Russia (as John Limbert's article reflects).

Finally, it was good to be reminded in the archive piece by Roy Melbourne, my predecessor in Tehran, of how the United States was viewed as Iran's friend up until the crunch came in 1953, when the United States had to decide between its close ally, Britain, and Iran, which resulted in CIA/MI-6 assistance to the coup reinstating the shah.

This was a heavy burden for the American embassy in Tehran to carry as the revolution built up over 1978 and 1979. It led Secretary of State Cyrus Vance to advise President Jimmy Carter against counseling the shah to use his military (contrary to the urgings of National Security Advisor Zbigniew Brzezinski and Iranian Ambassador to the United States Ardeshir Zahedi).

Thus we can hope that political developments in Iran and the United States might someday result in a friendlier relationship, however distant that prospect now seems.

George B. Lambrakis
FSO, retired
Paris, France

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The Young African Leaders Initiative

I would like to inform *Journal* readers about the Young African Leaders Initiative. This noble endeavor by the United States is a signature effort to invest in the next generation of African leaders. Nearly one in three Africans are between the ages of 10 and 24, and approximately 60 percent of Africa's total population is below the age of 35.

Former President Barack Obama launched YALI in 2010 to support young African leaders as they spur growth and prosperity, strengthen democratic governance, and enhance peace and security across the continent. Since then, the State Department has held numerous exchanges for young African leaders, and U.S. embassies have awarded small grants to YALI alumni groups supporting youth development in Africa.

The YALI program, along with the Young Southeast Asian Leaders Initiative launched in 2013, could be emulated across the globe, especially in places where there is a lack of understanding of basic governance and the rule of law.

As a former reader for the YALI program, I have encountered many talented individuals who aspired to become leaders; but, sadly, due to a lack of resources and opportunities at home they were unable to develop their true potential.

Programs like YALI and YSEALI are an investment in the future of those nations. They promote the values that we hold dear in our own nation: democracy, human rights and the rule of law.

Krish Das
Information Officer
Consulate Karachi

Déjà Vu

Surely I am not alone in drawing a parallel between the “attacks” on U.S. diplomats in Havana resulting in hearing loss and traumatic brain injury and the microwave bombardment of U.S. Embassy Moscow from 1964 to 1979.

The how or why of the Moscow microwave radiation scandal, “Operation Pandora,” remains a mystery. This was the Cold War. The Soviets hoped either to alter the mental state of our personnel, activate embassy listening devices or jam our electronics.

Hundreds of Americans were exposed, including my husband (as the Air and Defense attaché in about 1970), myself and our three children. Our quarters were on the sixth floor of the embassy.

Johns Hopkins' School of Hygiene and Public Health [now Johns Hopkins Bloomberg School of Public Health] conducted a detailed biostatistical and epidemiological survey of medical records of concerned personnel. The results were never made available to me, but I recall reports of high white blood cell counts, incidences of leukemia and the deaths from cancer of two ambassadors.

Imagine my shock and sense of betrayal to learn years later that our government had withheld information from us to avoid damaging chances for détente.

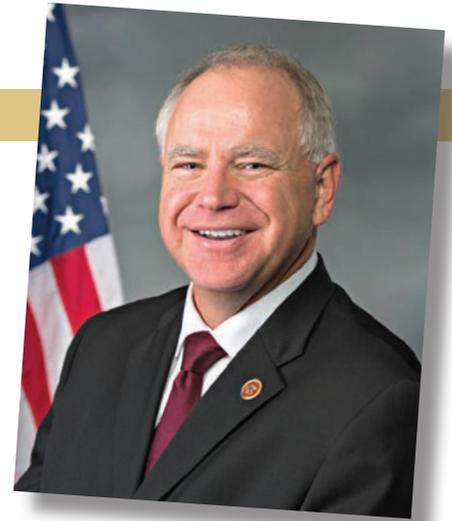
Could another country operating in Cuba, namely Russia, be responsible for harassing our personnel?

Diplomats and military officers serving in foreign nations are state guests. It is loathsome to tolerate any affront to hospitality and courtesy.

Lois Mansfield
FS family member
Fairfax, Va. ■

Dear Foreign Service: We've Got Your Back

BY REPRESENTATIVE TIM WALZ



Editor's Note: This is the first in a series of messages from members of Congress to the Foreign Service.



As our nation faces complex problems around the globe, we once again lean on our Foreign Service to lead. From Embassy Seoul to Consulate General Ciudad Juarez, your professionalism and dedication help keep our nation safe and promote global peace. Now, more than ever, it is critical that our nation not retreat from its position of global leadership.

Equally important is the responsibility our nation has to strengthen its Foreign Service, and the decision-makers on Capitol Hill need your help to do so. The good news is that you can use the invaluable skills and expertise you use in service to our country abroad to effect change at home.

Over the last 10 years, I have had the honor and privilege of serving the people of Minnesota's 1st Congressional District, including as the current ranking member of the House Committee on Veterans'

Representative Tim Walz (D-Minn.) is serving in his sixth term representing Minnesota's First Congressional District. He is the ranking member on the House Committee on Veterans' Affairs and serves on the House Committee on Agriculture.

Affairs, as a longtime member of the House Committee on Agriculture and as a former member on the House Committee on Armed Services.

After spending 24 years in the Army National Guard, I am humbled to be the highest-ranking enlisted soldier to serve in Congress. I am also a high school geography teacher by trade, and spent time teaching in China during the 1990s. My experience in the military and in the classroom make up the foundation for my appreciation, respect and admiration for the work you do. The service you and your families give to our nation is immeasurable and critical to the work of our democracy.

AFSA's Voice Needed on Capitol Hill

From advocating against the hiring freeze to championing an appropriately sized foreign affairs budget, the American Foreign Service Association provides a voice for our Foreign Service to both the administration and to members of Congress. AFSA President Ambassador Barbara Stephenson has been instrumental in efforts to bring the story of the Foreign Service not only to decision-makers in Washington, D.C., but to their constituents back home, as well.

In August, I invited Amb. Stephenson to Minnesota Farm Fest, a trade and policy forum that brings together about 40,000 people in the Minnesota agriculture community each year. Her message

was simple yet poignant: the work our FSOs do throughout the globe has a direct and substantial impact on the citizens of this great nation.

From connecting the dots about the creation of agricultural export markets to explaining the importance of working with our international partners to foster peace, Amb. Stephenson is doing her part to refute the adage that foreign affairs issues lack a constituency in members' districts and thus lack influence in the legislative process. The truth is that these issues matter to constituents—the trick is to take the time and effort to make that connection for Congress.

For those skilled in the art of diplomacy, I can understand why the notion of engaging with Capitol Hill may not be an appealing thought. However, that is precisely why your diplomatic expertise is so needed. I've had a few military officers and other government employees tell me, "Congressman, I'm just not interested in politics." I always answer them, "Well, politics is interested in you, so you might want to think about learning how our system works."

To be clear, this is not a call to engage in *partisan* advocacy in your official capacities, but rather to engage in the process as our founders intended: to educate members of Congress while respecting our separation of powers. The two are not mutually exclusive.

While AFSA serves as the lead organization charged with advocating for the

U.S. Foreign Service on Capitol Hill and elsewhere, there are methods FSOs can use in their official capacity to tell your stories to members of Congress. There are many opportunities to educate legislators and their staff on issues important to the Foreign Service, while complying with the Hatch Act.

Reaching Members of Congress

In many instances, decisions in Congress are not made out of malice; many are simply made out of ignorance. I would encourage you to consider engaging in one or more of the following opportunities to assist members of Congress in understanding the needs and capabilities of our Foreign Service:

- Congressional delegation trips abroad and briefings in Washington to lawmakers and staff are probably the most direct way to interact with members of Congress. I know these interactions are a rite of passage for many entry-level officers and take a lot of work; but I can tell you from experience that they are a critical piece of spreading an understanding of the Foreign Service and the value of diplomacy, and well worth the effort.

- The Pearson Fellowship is an excellent opportunity for an FSO to work in a legislator's personal office or on a committee. Last year, I was proud to welcome to my office an 18-year veteran of the Foreign Service who integrated quickly as a full member of my team. This integration helped the FSO learn about our legisla-

tive branch from the inside, which will assist his parent organization—the State Department in this case—in the long run. It also helped my office understand the work of diplomats and the nuances associated with many issues dealing with foreign affairs.

- When and if you ever decide to leave the Foreign Service, I urge you to continue your service to the nation in Congress—as a legislator, staffer or advocate. From engaging with stakeholders and building coalitions to analyzing policy, many of the skills you learned as a diplomat directly translate to work in Congress.

These roles present great opportunities to further the objective of strengthening our diplomatic service. One of my deputy chiefs of staff served as an FSO in Havana, and I count on him to keep me informed and up-to-date on the state of the Foreign Service so that we can fight to get you the resources and authorities you need.

A Growing Coalition for Diplomacy

Decisions are being made right now about the budget, resources and policies you need to do your job, and we need your voice to lay out why those tools are so vital to our security and a more stable world.

Making sure you have what you need is a critical investment this country makes in a safer, more prosperous homeland and world, and there is a growing coalition in Congress, especially among newer members, who understand the importance of our Foreign Service to national security and prosperity.

The work you do matters, and I want you to know that there are folks in Congress who have your back. Together, we can ensure the Foreign Service has what it needs to meet the challenges of global leadership in the 21st century. ■

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The State of State: Concern Widens

As 2017 wound to a close, the chorus of prominent foreign policy professionals, pundits and legislators calling for support for diplomacy and the Foreign Service, and sounding the alarm about “dismantling,” “decapitation,” “deconstruction” of the State Department had not abated. AFSA President Ambassador Barbara Stephenson’s December *FSJ* column, “Time to Ask Why,” was still being quoted widely a month after its Nov. 7 early release.

National and international media coverage prompted an outpouring of support for the Foreign Service. Members of Congress from both sides of the aisle joined forces to question the collapse in morale at the State Department and insist on the necessity of maintaining a strong, professional diplomatic service.

The editorial boards of major newspapers also joined the fray. On Nov. 24 *The New York Times* wrote about the “mass exodus” of senior-level diplomats, quoting several who describe the long-term damage being done to the institution. *The Washington Post* echoed the concerns on Nov. 12 in “Tillerson’s ‘Redesign’ for State Looks a lot like a Retreat.”

In a Nov. 22 article for *The Cipher Brief* titled “Secretary of State Rex Tillerson Just Doesn’t Get It,” Ambassador (ret.) Richard Boucher, a former assistant secretary of State, offered a “back to basics” explanation of how diplomacy works. He emphasized the preparation and teamwork required of diplomats, who “fan out across the region and the globe to set up and build on the Secretary’s goals.”

“In the long run, none of us individually really matter; our institutional capability and our alliances do,” Boucher wrote. “You can lead if we lead as a nation, and if you lead a robust diplomatic campaign to

advance American interests in the world. There are over 70,000 dedicated people in the State Department waiting to help you.”

A Nov. 27 *New York Times* op-ed by Ambassadors (ret.) Nicholas Burns and Ryan Crocker warned of the crisis facing both the Foreign Service and the world at large because of the cuts being made at the State Department. “While we count on our military ultimately to defend the country, our diplomats are with it on front lines and in dangerous places around the world,” they stated.

Former Secretary of State Madeleine Albright spoke out in a Nov. 29 *Washington Post* op-ed, “The National Security Emergency We’re Not Talking About,” concurring with Amb. Stephenson’s assessment.

Albright stated: “This is not a story that has two sides. It is simply a fact that the United States relies on diplomacy as our first line of defense—to cement alliances, build coalitions, address global problems and find ways to protect our interests without resorting to military force. When we must use force, as in the fight against the Islamic State, our diplomats ensure that we can do so effectively and with the cooperation of other countries.”

The former Secretary of State also criticized the continued hiring freeze at State, noting that as a professor at Georgetown’s School of Foreign Service, “I see the consequences of all this firsthand.” More students are telling her they don’t see a future for themselves in government, she said, adding: “In some cases, this is because they disagree with administration policies, but more often it is because they fear that their efforts and pursuit of excellence would not be valued.”

However, she still encourages students to serve in government, Albright said, because “The government is us, and public service is both a great privilege and a shared responsibility.”

#MeToo in National Security

As the “#MeToo” movement denouncing sexual harassment and assault spreads across the United States (it has been named *Time* magazine’s Person of the Year), women in national security weighed in with their particular angle: #metoonatsec.

On Nov. 28, an open letter signed by 223 women from the national security community, titled “#metoonatsec,” was released and has received major media attention, including stories in *Time*, *Foreign Policy*, NPR, *Defense News*, *Quartz* and elsewhere.

In the letter, ambassadors and other members of the U.S. Foreign Service, military officers, Defense Department civilians and others write, “We, too, are survivors of sexual harassment, assault and abuse or know others who are.”

Such abuses are “born of imbalance of power and environments that permit such practices,” they claim, pointing out that in the federal agencies that make up the national security community fewer than 30 percent of senior leaders are women. (On that point, the letter links to the March 2016 *FSJ* article, “Foreign Service Women Today: The Palmer Case and Beyond.”)

The letter notes that many women are held back or driven from the field “by men who use their power to assault at one end of the spectrum and perpetuate—sometimes unconsciously—environments that silence, demean, belittle or neglect women at the other. Assault is the progression of the same behaviors that permit us to be denigrated, interrupted, shut out and shut up.”

The women call on the national security community to take action to reduce the incidence of sexual harassment and abuse in the workplace. The recommendations

they present include: leadership from the top that these behaviors are unacceptable; creation of multiple clear, private channels to report abuse without fear of retribution; and mandatory exit interviews for all women leaving federal service.

In *Foreign Policy* on Nov. 29, Georgetown University law professor Rosa Brooks, a former counselor to the U.S. defense undersecretary for policy and former senior State Department adviser, writes of her reaction to the request to sign the #metoonatsec letter and her own experiences with sexual harassment—which had led her to resign from her position at State.

Several media outlets ran headlines highlighting top women ambassadors who had spoken out about harassment. *The Washington Examiner* on Nov. 27; and *Time* and *Voice of America* on Dec. 1, quoted Ambassador (ret.) Gina Abercrombie-Winstanley, citing the July-August 2017 *FSJ*.

In the *Journal* article, based on interviews with seven female ambassadors by Ambassador Leslie Bassett, Amb. Abercrombie-Winstanley had briefly discussed her experiences with sexual harassment in the White House and at embassies overseas.

According to the Dec. 5 *Washington Post*, the U.S. Merit Systems Protection Board is working on a report on the topic of sexual harassment in the federal workplace. Preliminary findings show that in the previous two years, 18 percent of women and 6 percent of men experienced “at least one occasion of sexual harassment” at their federal workplace.

This figure was down from a similar survey conducted in 1994, in which 44 percent of women and 19 percent of men reported experiencing harassment.

As *Time* magazine notes, the State Department’s policies on harassment are posted online. State’s Office of Civil

Rights handles all harassment complaints; they can be reached at socr_direct@state.gov.

Resignation Letter May Point to Mid-Level Distress

There has been much media attention on the departures of top State Department career FSOs and on the hiring freeze limiting intake into the Foreign Service, but not so much coverage of the state of the mid-level Foreign Service. A Nov. 7 resignation letter, published online by *Foreign Policy* on Dec. 9, in which now-former FSO Elizabeth Shackelford offers harsh words for the administration, might be a sign of growing discontent at the mid-levels.

Shackelford joined the Foreign Service in 2010 “in order to promote U.S. interests and values overseas: advancing democracy, promoting human rights and establishing a more secure global order for the American people. In Somalia, South Sudan, Poland and Washington over the past seven years, I was confident I was contributing to these goals. This is no longer the case under current leadership.”

She concludes her letter, addressed to Secretary of State Rex Tillerson, as follows: “The [State] Department is a durable and vital institution. I am sure it will endure and ultimately overcome this period of marginalization, but the consequences will affect our global leadership and status abroad for many years to come.

“I have deep respect for the career Foreign and Civil Service staff who, despite the stinging disrespect this administration has shown our profession, continue the struggle to keep our foreign policy on the positive trajectory necessary to avert global disaster in increasingly dangerous times. With each passing day, however, this task grows more futile, driving the department’s experienced

and talented staff away in ever greater numbers.

“I would urge you to stem the bleeding by showing leadership and a commitment to our people, our mission and our mandate as the foreign policy arm of the United States. If you are unable to do so effectively within this administration, I would humbly recommend you follow me out the door.”

Ouch.

SFRC Democrats Call for End to the Hiring Freeze, Increased Transparency

In a Dec. 6 letter to Secretary of State Rex Tillerson, the 10 Democratic members of the Senate Foreign Relations Committee ask that the State Department hiring freeze be ended and request a briefing by Dec. 20.

The letter is signed by Senators Ben Cardin (D-Md.), Bob Menendez (D-N.J.), Jeanne Shaheen (D-N.H.), Chris Coons (D-Del.), Tom Udall (D-N.M.), Chris Murphy (D-Conn.), Tim Kaine (D-Va.), Ed Markey (D-Mass.), Jeff Merkley (D-Ore.) and Cory Booker (D-N.J.).

The 2,300-word letter begins by expressing its authors’ “continued and increasing concern regarding your plans to reorganize the State Department, the arbitrary downsizing of the department’s budget and cutting of personnel, and public statements of disdain by administration officials for the people who work at the department and the important work that they do.”

It continues: “To ensure the department is following the law and fulfilling its mission of promoting the foreign policy interests of the United States, the Senate Foreign Relations Committee must be a full partner in the development of the department’s reorganization effort, budget and spending cuts, workforce

SITE/PODCAST OF THE MONTH

Ambassador (ret.) Peter Romero, working with writer and videographer Laura Bennett, and assisted by web designer Angela Martins, has started a new podcast: "American Diplomat: The Stories Behind the News."

The mission: "To provide informative entertainment to the listening public from our nation's diplomatic practitioners. The conversations with this elite cadre of career diplomats seek to give the listener a better understanding of the very human dimensions of those serving on the front lines of war, crises and conflict around the world."

Romero explains that they want to "increase understanding by the American people of what it is that their diplomatic practitioners do to advance our national interests."

Each weekly podcast features a 20- to 40-minute conversation with active-duty and retired U.S. diplomats, focusing more on personal stories than career highlights. By getting to know the people behind the word "diplomacy," the hosts hope to create a closer connection between

the American public and those who serve around the world on their behalf.

"We have three primary audiences," says Romero. "The first is the general public, who can be entertained and informed by human stories by diplomatic practitioners. The second group would be those who follow the news and who would find our discussion of the news behind the news a useful supplement to what the other reporting presents. Finally, this podcast is for members of the Foreign Service and their families to celebrate what it is we do, and to enjoy listening to the tales of other people in the Service."

As of this writing, five installments of the show are available, featuring retired ambassadors Gina Abercrombie-Winstanley, Lino Gutierrez and Tim Carney. Visit www.amdipstories.org/podcast, or get the podcast from iTunes. To participate, go to amdipstories.org/contact.



changes, and other significant plans. To date, unfortunately, this has not been the case.

"We believe the long-serving diplomats of the department could be your best assets in helping formulate meaningful reforms for an institution to which they have dedicated their professional lives. We encourage more involvement of these employees—relying on outside consultants is not an appropriate model for reforming a diplomatic institution.

"Not only do we have deep concerns about how State is seeking to achieve attrition goals, we think that attrition as a strategy for managing a workforce is problematic because it does not allow management to control for the skills, experience, and workforces that it actually needs. When dealing with national security, the potential costs of such a mismatch can be fatal."

The letter goes into great detail regarding hiring and particular hiring



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programs, staffing procedures and promotion processes, and lays out specific concerns and areas for improvement.

The letter requests improved transparency on the “redesign” effort, spending and personnel moves, including regular briefings; a clear justification for the hiring freeze and workforce reduction; and expeditious staffing of senior vacancies. It also asks that the State Department’s mission and role in foreign policy be upheld.

It concludes: “We remain committed to working with you on next steps to ensure the State Department has all the resources it needs to complete its mission.”

Tracking Diplomatic Appointments

The U.S. Senate confirmed a slew of nominees for ambassadorships and senior positions at the Department of State before taking its Thanksgiving break.

Nineteen ambassadors were confirmed in November, of whom 11 were career members of the Foreign Service.

The Senate also confirmed nominees for under secretary of State for public affairs and public diplomacy, assistant secretary for diplomatic security, assistant secretary for economic and business affairs, and chief of protocol.

As of this writing, 14 ambassador nominees await confirmation, as do nine nominees for senior positions at State and USAID.

AFSA’s ambassador tracker indicates that 40 out of 188 positions are currently vacant (excluding countries with whom the United States does not currently exchange ambassadors).

Vacant, in this instance, means that no one has been nominated or confirmed for the position of ambassador and the previous incumbent has left post.

Embassies and consulates without

Contemporary Quote

ee I try to stay steady. I try to remain calm. But of all the things stuck in my craw these surreal days, the willful and deliberate decimation of the United States Department of State by President Trump and his Secretary of State Rex Tillerson is a turn of events that is both bewildering and so obviously dangerous that it begs for reason in an age already plagued by a striking lack of reason.

This is an attack on the very health and security of the United States. It undermines our political, cultural, economic and moral power around the globe. Yes our military forces are important; and yes, the aircraft carriers and fleets of tanks and airplanes are impressive. And yes, the courage and dedication of our fighting men and women are impressive. But so, too, is the courage and dedication of our diplomatic corps who wield words and the power of persuasion to further our national interests, along with the aspirations of peace and justice.

Their budget is but a fraction of our defense budget, but dollar for dollar they do more than almost anyone I can think of to make America what it has been, what it is, and what I believe we hope it to be.

—Dan Rather, Facebook, Nov. 26, 2017.

an ambassador are still being ably led by career diplomats acting as chief of mission or chargé d’affaires, but foreign governments take note when the ambassador post in their capitals remains vacant.

As of press time, President Donald Trump has put forward a total of 60 ambassador nominations.

Check AFSA’s website, www.afsa.org/ambassadorlist, for up-to-date information about nominations and appointments of career and political ambassadors.

Diversity Visa Program Under Fire

On Oct. 31, 2017, Uzbek national Sayfullo Saipov, a professional truck driver, plowed into a crowd of pedestrians and bicyclists just blocks away from the World Trade Center in New York City, killing eight people in the city’s deadliest terror attack since 9/11. A note found near the scene, handwritten in Arabic, expressed Saipov’s affinity for the Islamic State group.

The following day, President Donald Trump tweeted that Saipov, though a legal permanent resident of the United States, had come to America in 2010 on a “diversity visa,” and called on Congress to abolish that program.

The president blamed Senate Minority Leader Chuck Schumer (D-N.Y.), who as a U.S. representative in 1990 introduced the House bill that helped create the program, for making it possible for Saipov to enter the country.

Schumer was also part of a bipartisan group that in 2013 had advocated phasing out the program as part of a comprehensive immigration reform bill, but the House never took the measure up.

More obscure than traditional ways of immigrating into the country like family or work ties, the Diversity Visa Lottery benefits up to 50,000 people per year from countries with lower levels of immigration to the United States.

Its roots can be traced to the Immigration and Nationality Act of 1965, which eliminated the previous quota system

and prioritized reuniting families and attracting skilled laborers.

As a result, Asian and Latino immigration rose while immigration from Ireland, Italy and other Western European countries dropped. In 1986, Representative Brian J. Donnelly (D-Mass.) proposed an

amendment that would provide 10,000 visas on a first-come, first-served basis for nationals of countries “adversely affected” by the 1965 changes. Senator Ted Kennedy (D-Mass.) filed similar legislation in the Senate. Then-House Speaker Tip O’Neill—yet another Irish-

50 Years Ago

An Early Proposal to Reorganize the Department of State

For more than a half-century after it was created, the Department of State was a department of clerks. Foreign affairs were the personal functions of the Secretary of State and the President. ...

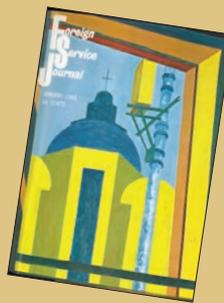
As the consular and diplomatic appointees of the department grew, and as foreign relations became more important and demanding, various Secretaries hoped either to shed the domestic responsibilities or get more help for the demands of foreign affairs. But Congress was slow to recognize the problem and slower still to approve plans for reorganization.

The approval of President Andrew Jackson in 1833 made it possible for the Secretary of State to divide the Department into seven bureaus: 1) Diplomatic; 2) Consular; 3) Home; 4) Archives, Laws and Commissions; 5) Pardons and Remissions, Copyrights, and Library; 6) Disbursing and Superintending; and 7) Translating and Miscellaneous. But it was not until 1853 that Congress gave the Secretary some help by establishing the office of Assistant Secretary.

In view of these developments, it is significant that the first comprehensive plan for the reorganization of the Department of State, placing a greater emphasis on foreign affairs, was published and circulated by a judge A.B. Woodward, who first submitted his ideas to a Washington newspaper in the spring of 1824. His [planned] Department of Domestic Affairs would take charge of ... the arts, science, agriculture, manufactures, internal commerce, internal improvements, copyrights, weights and measures, the survey and distribution of public lands, Indians, the mail, justice and public economy.

With all of these matters being handled by five bureaus in the new Domestic Affairs Department, the way would be cleared to reorganize the State Department. The State Department was to be renamed the Department of Foreign Affairs and organized on the principle of language and geographical association into eight bureaus.

—Harold D. Langley, excerpted from his article
by the same title, FSJ January 1968.



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I feel like I have been asking “Why?” of the administration and the State Department on a lot of issues lately, including the myriad personnel, budget and reorganization matters, [and] I’m not getting a lot of answers. Just as one small example: although the Trump administration lifted the federal hiring freeze in April 2017, the State Department (and USAID) has elected to keep its own hiring freeze in place—why? ...

If this is the sort of high-level decapitation of leadership were going on at the Defense Department, ... I can guarantee you that Congress would be up in arms, yet here there is silence—why?

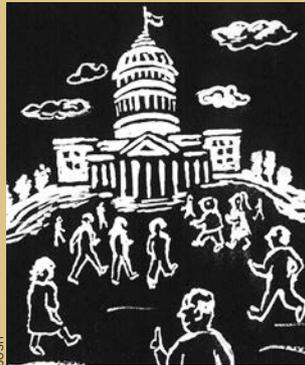
The State Department and USAID are, I would offer, every bit as vital and critical an element to our national security as our Department of Defense, the intelligence community, law enforcement and a myriad of others in the federal government who work tirelessly every day to protect our security, expand our prosperity and promote our values.

Folks, this situation is *alarming*. We put our country in danger when we do not have adequate voice and resources to all of our country’s national security tools. Secretary of State Madeleine Albright once said, “In a turbulent and perilous world, the men and women of the Foreign Service are the front lines, every day, on every continent, for us.” This committee needs to continue to press this issue. It’s our responsibility to make sure that we have the diplomatic assets in place in order to represent our national security.

—*Sen. Ben Cardin (D-Md.), Senate Foreign Relations Committee meeting, Nov. 14, 2017.*

America’s diplomatic power is being weakened internally as complex, global crises are growing externally. These decisions ultimately will not only degrade the United States’ leadership role in the world, but will also impact our constituents who have come to rely on the Foreign Service to keep them safe while traveling overseas; to provide timely information

Heard on the Hill



and guidance in the event of a manmade or natural disaster overseas; and to lead our diplomatic efforts to address a myriad of international challenges, including emerging nuclear crises, the threat of war and outbreaks of global pandemics.

—*Senators John McCain (R-Ariz.) and Jeanne Shaheen (D-N.H.), in a Nov. 15, 2017, letter to Secretary of State Rex Tillerson.*

Let me just say we had a very unsatisfactory meeting last week with the State Department, our two staffs did. I think the con-

cerns about the State Department are bipartisan in nature. I don’t think they’re anywhere close to having a plan to present relative to the reforms they want to make there, and I do think that we need to be much more focused on holding them accountable.

—*Sen. Bob Corker (R-Tenn.), Senate Foreign Relations Committee meeting, Nov. 14, 2017.*

As members [of Congress] particularly focused on American engagement abroad, we believe strong, direct engagement with key actors who deliver and support U.S. development and assistance abroad is critical—translating lessons learned into policy that makes aid as effective and efficient as possible.

To that end, we ask that you make the State/USAID redesign proposal publicly available to enable a full discussion of the proposed changes with Congress and the development community. ...

A well-thought-out development strategy, combined with effective engagement with Congress and the development community, will help to ensure that the tangible impacts of proposed structural changes on U.S. strategic interests are well known.

—*Representatives Ted Yoho (R-Fla.) and Adam Smith (D-Wash.), co-chairs of the Congressional Caucus for Effective Foreign Assistance, and a bipartisan group of 67 other members of Congress, in a letter to Office of Management and Budget Director Mick Mulvaney, Nov. 6, 2017.*

American Democrat from Massachusetts—ensured that the amendment passed.

Donnelly's program was created as a temporary fix to increase Irish immigration, but he and others in Congress, including Schumer, fought for a permanent version of the green-card lottery in the Immigration Act of 1990, pushing it as a program to support "diversity."

And after a four-year transitional period, during which the Irish economy improved and the number of applicants declined, the current visa lottery—which excludes high-immigration countries such as India, China and Mexico—went into effect in Fiscal Year 1995.

In 2017, Senators Tom Cotton (R-Ark.) and David Perdue (R-Ga.) introduced the Reforming American Immigration for a Strong Economy Act. The RAISE Act would eliminate the diversity lottery and certain categories of family-based green cards, and transform the remaining employment-based visas into a point system that favors highly skilled, highly educated, English-speaking immigrants.

But despite President Trump's endorsement of the updated bill, the Senate has not yet taken any action.

State Department Adds Sex Offender Warning to Passports

On Oct. 31, according to the PBS NewsHour, CNN and several other media outlets, the State Department began requiring registered child sex offenders to use passports containing a warning inside the back cover stating that they have been previously convicted of a sex offense against a minor.

The new policy does not prevent registered sex offenders from leaving the United States, but it may prevent them from entering other countries that

prohibit or place restrictions on travel by convicted felons. The goal is to stop sex tourism and child exploitation.

The policy change comes in response to "International Megan's Law," which the U.S. Congress passed in 2016 to prevent child exploitation. The law was named after Megan Kanka, who was raped and murdered in New Jersey in 1994 by a convicted sex offender. The 7-year-old's murder led to the creation of sex offender registries in several states.

The new policy has drawn some criticism. The nonprofit group Alliance for Constitutional Sex Offense Laws sued the government over the issue, *The New York Times* reports, arguing that the passports violate the constitutional rights of registered sex offenders.

The group is concerned about the "slippery slope" represented by the measure, warning that it could potentially be expanded to target other groups.

There are approximately 400,000 registered sex offenders in the United States who have been convicted of sexual crimes against children. However, some of these offenders are minors themselves, *Newsweek* reports.

The *Chicago Sun-Times* reported on the case of a woman who "hooked up" with a 14-year-old boy when she was 19 years old and has in the 15 years since been unable to hold a steady job or even take her own children to the park.

The *Sun-Times* also reported that four convicted sex offenders have challenged the law, arguing that it brands them with a "scarlet letter" and prevents them from traveling, earning a living or visiting relatives abroad. ■

This edition of Talking Points was compiled by Donna Gorman, Dmitry Filipoff, Shawn Dorman, Steve Honley and Ásgeir Sigfússon.



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Applying Behavioral Economics to the State Department

BY ROB KIRK

Few organizations employ as many professional economists as the State Department. But sadly, that economic muscle doesn't seem to be applied to the department's internal policies. In order to operate more efficiently and economically, the State Department should apply the copays, incentives and free market principles common in American society to our own employment policies and allowances—and even to the Foreign Service bidding system.

In the following, I borrow a number of concepts common in private industry and suggest how they could be employed advantageously at the department.

Copays Save Money and Discourage Overconsumption

Twice I have shipped cars to post that were worth less than the cost of shipping them. Stealing a lesson from the Health Maintenance Organization industry, if I had even a 10 percent copay, I might opt out of the \$3,000 shipment of my \$800 car, and choose to sell it instead. These 100 percent allowances encourage

overconsumption—costing more money and hurting the environment. Copays could be applied to many allowances: household effects (HHE), unaccompanied air baggage (UAB), consumables, unclassified pouch, the Diplomatic Post Office, etc. All allowances would still be heavily subsidized, but the employee would share a portion of the cost, reducing both consumption and cost to the organization.

The copays could be budget neutral, going into a pot for rewarding and giving incentives to employees for making green and fiscally responsible decisions such as those outlined below. As an aggregate, the copays and incentives could then be budget neutral to employees.

Many of our allowances are entitlements, meaning it costs the employee nothing to take advantage of them. Why not take all you can if it doesn't cost you anything? What if, instead, you were rewarded for *not* taking an allowance? I'd suggest giving 5 percent of the savings to any employee who chooses not to take an allowance. If I choose not to ship a privately owned vehicle, then I get 5 percent of the estimated \$3,000 cost of shipping

one. If I choose to only ship 1,000 pounds of my allotted 7,200 pounds of HHE, then I get 5 percent of the savings. The money saved could go into a pot earmarked to first pay out as incentives.

We already have some incentives for not using allowances: other allowances! For example, taking family members (EFMs) to post is expensive, because the department has to pay for plane tickets, private schools, R&Rs, larger housing, larger cost of living adjustments, etc. In exchange for not taking EFMs to post, employees are eligible for a Separate Maintenance Allowance that, overall, saves the government quite a bit of money. I see SMA as an incentive to save the department the money associated with having EFMs reside at post—an incentive to forgo an allowance. We could develop similar incentives for our other allowances.

If the copays and incentives do not equal out and are imbalanced in the government's favor (we should have such problems!), money can build up in the incentive account until it is needed. If the imbalance is in the employee's favor and the pot is empty, then instead of fixed percentages of incentives we can give people shares of the total pot proportionate to the government savings created by their choices. A combination of copays and incentives would encourage employees to spend taxpayer money more like their own money and less like other people's money.



Rob Kirk, a Foreign Service specialist since 2002, has served as an information management specialist in Paris, Doha, Berlin and Malta. He is currently deputy financial management officer in London. As a child, Mr. Kirk and the rest of his family were expelled from Ethiopia, where his father was defense attaché. During the 1990s, he worked in international development in Africa and Latin America, including stints as deputy headmaster of a school in The Gambia and chief executive officer of a furniture factory in Guatemala.

A combination of copays and incentives would encourage employees to spend taxpayer money more like their own money and less like other people's money.

Two Employee Evaluation Systems: A Target for Savings

Foreign Service members must go through two evaluation processes: the annual Employee Evaluation Review we all write, and the evaluation that takes place when we bid on posts. Why do we need two systems? It is a waste of time and resources.

We should rid ourselves of the EER system, which is clearly broken. If an EER were truly valuable, it would be the document requested by bureaus when you bid on one of their positions. Instead, bureaus are using the 360-degree reviews to evaluate bidders.

If the promotion system worked, there would rarely be handshakes given to out-of-cone and below-grade candidates. The in-cone and at-grade candidate would always be preferred. Instead, the preferred candidate goes to a shootout; and if there is an in-cone and at-grade candidate, that person wins no matter how bad their reputation.

The EER system seems designed to maximize the time input into the system while minimizing the ability to distinguish between actual candidates. We should pursue the opposite goal: a minimum investment in time spent on employee evaluations that maximizes the ability to evaluate the candidates' qualifications and performance.

Bidding for posts is a much cleaner system and takes much less time. It works.

Why mess with it? Why even keep the rank-in-person system? It is clearly expensive, and its results are constantly questioned—we should jettison it and convert to rank-in-position. Pay people for the positions they occupy as they do in the Civil Service and private industry.

Instead, allow employees to bid on positions one grade above, at grade or below grade. Good candidates will rise more quickly. Low performers will be forced to take lower and lower grades over time until they leave to find other employment.

When in doubt, assess what others are doing: our bidding system looks a lot more like the private sector than our EER system does. I would like to see a report from the Bureau of Human Resources measuring and justifying the cost of the promotion system. I don't believe we can justify the return on that investment to the taxpayers.

Free Market vs. Controlled Economy: How Much Is a Position Worth?

Free market principles are among the bedrock principles of our foreign policy. But the department doesn't use those free market principles when designing its own policies. Instead, we set up bureaucratic procedures to determine the market price for specific jobs at certain posts. When that price is still inadequate to attract bidders, we design program after program to patch the hole, which results in a confusing hodge-podge of policy.

For example, a post can have a differential up to 35 percent, a cost of living adjustment (COLA) up to 70 percent, danger pay up to 35 percent, a "historically difficult to staff" designation, a "service need differential" designation, a larger housing allowance—all to assure there are bidders for all posts.

When it is still difficult to staff some posts, we react bureaucratically by creating yet another program to measure and add to the incentives. We had problems staffing in war zones, so we created a new program called "priority staffing posts." What's next? There are numerous justifications to keep all these allowance programs going, but the system still doesn't adequately ensure enough bidders for all posts.

Some high-differential posts, such as Bangkok and Manila, never have trouble getting bidders. Because of some intangible element, those posts are considered desirable. Apparently we have more differentials than we need for such posts. On the other hand, some non-differential posts have difficulties attracting bidders. Reykjavík, for example, needs help to attract more bidders. Rather than follow the lead of apparatchiks working on five-year plans for a command economy, let's use the invisible hand of the market.

Posts and Positions

Why measure all these categories of hardship and try to second-guess what we hope will encourage bidders? We already have a metric in the Foreign Service to measure a post's desirability: bidders. We can use the number of bidders at each post to establish the price of those positions. If all bidders have to submit six bids, then all positions should receive six bidders for each bid cycle (assuming staffing matches positions).

If a post is getting that many bidders, great! The differentials are working and

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The EER system seems designed to maximize the time input into the system while minimizing the ability to distinguish between actual candidates.

are set adequately. If a post gets fewer than six bidders for a class of position several years in a row, then that class of position needs an incentive—raise the differential by 5 percent to attract more bidders. If a post gets more than six bidders for a class of position for several years in a row, then it is being overcompensated and needs fewer incentives—lower the differential by 5 percent.

Let the market handle it, in other words. One-size-fits-all solutions produce just what you'd expect: an ill-fitting suit. Paris usually has plenty of bidders for most positions, but not for junior information management specialists. Some positions in Moscow, like the deputy chief of mission position, have plenty of bidders, while others are less popular. Why provide the same incentive for all positions? Instead, we need incentives for those groups of positions that historically don't receive enough bidders.

Think of all the Foreign Affairs Manual verbiage that you could cut with such a system. You would no longer need staff to conduct surveys, write justifications and sit on panels. Once again, the proposal could be budget neutral, using an algorithm to calculate the existing costs and adjust the post allowance for bidders to balance out increases and decreases.

The aggregate cost to the department would be the same, but it would be distributed in a way that advances our staffing policy. Bidders should be grandfathered into the post allowance they bid on; changing the price after they bid would destroy trust and wouldn't help the market work.

Once a price is established in the form of the differential and allowance package, you'll have a contract in place to provide a service (tour of duty) at that price.

Could this cover all allowances? No. It would not be practical for COLA or natural disasters, for example. But it could cover a number of our current allowances better than the existing bureaucratic approach. Rather than concentrating on various characteristics of posts for allowances, we instead jump straight to the goal of ensuring an adequate number of bidders by examining the recent bidding history.

Materiality: Do More by Doing Less

Materiality is an auditing and accounting concept relating to the significance of an amount, transaction or discrepancy. Have you ever been asked to reimburse \$0.80? Or to close a contract with an obligation of \$5.23 requiring several levels of approval? I have.

Is it a worthwhile use of time to ask an employee for the 80 cents, or to ask me to close a contract and get all the approvals for the \$5.23 obligation? Surely we need some sort of limits—our systems and procedures should be set to round off and close such problems. Set any small amount—\$100, \$50—we just need to establish the concept.

We can still conduct audits. If there is a pattern of abuse and the sums are material, investigate. If not, don't waste people's time.

Or take travel vouchers. We currently

examine every single travel voucher *manually*. Why? No private-sector entities conduct this level of audit. They all audit small percentages. Instead make it a policy to audit the first two travel vouchers (which might contain errors if new employees do not yet understand the regulations), and afterward audit just 5 percent of vouchers at random. If material abuse is found in the voucher of one traveler, zero in and audit all vouchers for that specific traveler—no mercy.

Another consideration is the amount of funds recovered. Would you pay \$100 to recover \$1? The State Department does. Voucher auditors should cover their salaries with the discrepancies they find that prove recoverable. If not, they should audit an increasingly smaller percentage

of vouchers until the savings justify the costs.

If voucher examiners recover a million dollars per year, then we need to hire more voucher examiners. If we are recovering only \$1,000 per voucher examiner per year, we are spending too much on auditing and need to reduce that workforce.

The department has many unfunded mandates. Continuing to prioritize manually examining every single voucher over other mandates, such as the cybersecurity mandates to scan and monitor emails and shared drives, is a questionable allocation of resources, given the potential threats and security risks associated with the department's computer network and systems.

Change the Law, Change the Department

The changes I am proposing would require changing laws and regulations. And I realize that the Department of State Standardized Regulations cover the whole executive branch. But given the current environment of restructuring and fiscal austerity, now is the time to use behavioral economics and free market theory to our advantage.

Let's try some pilot programs and, if successful, propose changes to legislation and regulation. If ever there were a time to install some of these commonsense business practices at the State Department, that time is now. ■

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Helping Europe Help Itself: The Marshall Plan

On the eve of its 70th anniversary, the Marshall Plan remains one of the most successful foreign policy initiatives in U.S. history and a model of effective diplomacy.

BY AMY GARRETT

The European Recovery Program, better known as the Marshall Plan, is often cited as one of the most effective U.S. foreign policies of modern times. When there is a natural disaster, a humanitarian crisis or a national struggle with a social or economic challenge that demands immediate attention, American politicians and opinion-makers often call for “another Marshall Plan.”

Announced on June 5, 1947, by Secretary of State George C. Marshall and signed into law by President Harry Truman on April 3, 1948, this famous initiative—which offered assistance to help European nations recover from the massive infrastructural

Amy C. Garrett has served as the chief of the Policy Studies Division in the U.S. Department of State’s Office of the Historian for almost a decade. She directs this team’s efforts to provide high-quality, professionally researched historical expertise relevant to current policy issues and institutional decision-making to Department of State officials, bureaus and offices. Previously, Dr. Garrett worked as a staff historian in the Office of the Historian. She has also served as deputy press director of the U.S. Agency for International Development. The views expressed here are the author’s alone and do not necessarily represent those of the U.S. government or Department of State.

and economic damage wrought by World War II—will soon celebrate its 70th anniversary. Yet even though it is widely considered successful today, many Americans were highly skeptical in the late 1940s that spending billions of dollars to help pull Western Europe out of economic distress was in the U.S. interest.

Formulating the Marshall Plan

In contrast with the massive direct food assistance the United States had shipped to starving Europeans immediately after the war ended, the Marshall Plan at its core was focused on the intricate, sometimes obscure details of long-term economic restructuring, industrial and agricultural infrastructure, international finance and trade. The legislation setting up the European Recovery Program consisted of a relatively complex set of stipulations and interventions formulated by economists, technocrats and industrialists to rebuild European money markets and economic infrastructure.

In its simplest terms, then, the Marshall Plan was, as its official title implies, an economic recovery program rather than a humanitarian relief effort. It grew out of a consensus that developed within the Truman administration that, without help, struggling European economies with dwindling reserves of hard currency would be unable to participate in an international economy based on increased production, an efficient global distribution of products and an integrated global economy governed by liberal trade policies. That handicap, in turn, would

render those governments vulnerable to communist takeovers.

Conceptually, the plan was rooted in a neoliberal world view advanced by powerful corporate interests that played a key role in Washington's postwar planning. These proponents supported free markets, limited government intervention in the economy, and sustained economic growth. President Harry Truman, like Franklin Delano Roosevelt before him, drew the likes of W. Averell Harriman of the Union Pacific fortune, Edward Stettinius Jr. of U.S. Steel and James Forrestal of Dillon Reed into their innermost circles and appointed them to important government positions: Secretary of Commerce, Secretary of State and Secretary of Defense, respectively. Both FDR and Truman also sought input from a number of committees populated by influential members of the private sector, including the Committee for Economic Development, to develop economic plans for the postwar period.

The CED, in particular, was intimately connected to the implementation of the Marshall Plan. Its chairman, Paul Hoffman, was the president of the Studebaker Automobile Company, and would go on to become the chief administrator of the agency that oversaw the program. The committee's vice chairman, advertising executive William Benton, had been assistant secretary of State for public affairs from 1945 to 1947, while another key member, William Clayton, had served as under secretary of State for economic affairs from 1946 to 1947. Other CED members included top executives at General Foods, the Coca-Cola Company, Scott Paper, Quaker Oats, General Electric and Goldman Sachs, many of whom testified before Congress in support of assistance to Europe.

These leaders argued that unless Washington helped bolster European currency markets, to ensure that those nations would be able to purchase American-made goods on the global markets, the U.S. economy would suffer. This group of well-placed executives represented the interests of large consumer-goods corporations and favored large, capital-intensive units, global flows of capital and expanded international markets that would allow for easy accumulation of capital, increased consumer demand and more individual prosperity. This model, they argued, was crucial to sustaining the U.S. balance of trade, preserving American wealth and establishing a stable global market system.

It would be an oversimplification, however, to state that the



From left to right, President Harry S Truman, General George Marshall, Paul Hoffman and Averell Harriman in the Oval Office discussing the Marshall Plan, Nov. 29, 1948.

Marshall Plan sprang only from the minds of these scions of industry and was primarily designed to benefit their narrow interests. Foreign Service officers within the Department of State also saw great promise in this approach to rebuilding Europe. In their view, the economic crisis in wartorn Europe represented an opportunity not just to assist key allies, but to remake the political and economic makeup of the region. The Marshall Plan's efforts to integrate European markets and create a common trading area were the economic counterpart to the Department of State's, and also the Pentagon's, geopolitical policies focused on encouraging European political and military integration, policies that were ultimately embodied in such arrangements as the North Atlantic Treaty Organization.

Under the leadership of Foreign Service Officer George Kennan, who had recently returned from Embassy Moscow, the State Department Policy Planning staff participated in the detailed groundwork for European recovery planning. A variety of interagency committees staffed by junior Foreign Service officers sprang up around this effort and informed the work of the Policy Planning staff, and ultimately the department's senior leadership—including William Clayton and George Marshall, who became Secretary of State in early 1947.

Kennan and other members of the Foreign Service's rank and file agreed that Western European integration was the key to achieving an economically and strategically stronger continent. Specifically, this would require rebuilding the German economy

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while assuaging French concerns about a resurgent Germany. Both the Marshall Plan and military security arrangements like NATO required a balance of power within Europe, one that would reassure French concerns about a renewed Germany and also build a European political, strategic and economic infrastructure that would compel the United Kingdom to play a more direct role in European affairs. As a bonus, the plan was designed to lessen the appeal of communism and socialism in Western Europe.

Given general agreement within the executive branch and leadership circles that European recovery was essential to both U.S. economic and international security interests, Secretary of State George C. Marshall officially announced the Truman administration's intent to pursue a major foreign assistance program in Europe during a brief commencement address at Harvard University on June 5, 1947. It would not be signed into law until nearly a year later.

Enacting the Marshall Plan

Despite its popularity in later years, the European Recovery Act generated genuine political opposition in the United States. Even within the executive branch, there was no consensus yet on how to administer European assistance, or even which agency should take the lead. So attaining congressional approval was no easy task.

While there was some general discomfort in Congress and other circles with the idea of the United States committing to sustained international involvement following a major war, the most vocal and specific opposition to the Marshall Plan came from a conservative coalition of Midwestern and Western members of the Republican Party, including Ohio Senator Robert Taft and former President Herbert Hoover, who were non-interventionist isolationists. But opposition also emerged in sectors of the U.S. economy whose interests did not align with the vision presented by Truman's economic advisers.

For instance, owners of U.S.-based, labor-intensive manufacturing businesses and Midwestern agricultural interests, with strong Republican representation in Congress, initially favored protectionist tariffs over liberalized trade and argued that the United States should revert to a more isolationist economic stance after the war. Midterm elections in 1946 had delivered a Republican

Congress in 1947 and caused some concern in the Truman administration that this setback would interfere with passing legislation for European recovery on the Hill.

However, Secretary of State George Marshall's speech unveiling the plan had been well-timed. It came less than three months after President Truman had gone before Congress on March 12, 1947, to articulate what came to be known as the Truman Doctrine. In the course of asking Congress for support for the governments of Greece and Turkey against the threat of communist uprisings, Truman had announced that the United States was compelled to assist "free peoples" in their struggles against "totalitarian regimes," because the spread of authoritarianism would "undermine the foundations of international peace and, hence, the security of the United States."

In the words of the Truman Doctrine, it became "the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures." This stance would dominate U.S. foreign policy for decades to come and played a large role in providing a compelling argument for strong bipartisan support in Congress for U.S. assistance, both military and economic, to nations that might be susceptible to communist influence sponsored by the Soviet Union.

Congressional debate on the legislation that would fund the Marshall Plan began in the last weeks of 1947. By February 1948, polls suggested that 56 percent of the population surveyed viewed the proposal favorably. The business community, many farmers, internationalist "elites" and other groups favored it, recognizing the importance of European recovery for American prosperity. But isolationist Republicans, along with some conservative Southern Democrats, initially opposed the plan, arguing that vigorous overseas investment abroad would sideline key domestic priorities like the tax cut many Republicans wanted Truman to pass.

At Harvard, Marshall had promised that the U.S. commitment to reconstructing Europe would not only restore markets for American goods, but would ameliorate "poverty, desperation and chaos" and promote "economic health in the world, without which there can be no political stability." This framing, as well as a number of other factors, served to mitigate the objections of the stronger voices of opposition. Sen. Taft and other legislators endorsed the use of aid to strengthen Europe against Soviet aggression but, being less susceptible to the argument that it would help sustain U.S.



Rebuilding in Germany, circa 1948. The sign on the wall says "Berlin Emergency Program, with Marshall Plan help."

prosperity, argued that it should be limited in scope and not place an undue burden on American taxpayers.

The final authorization placed much of the onus of planning on the Europeans themselves, restricted the plan geographically, limited its scope and prescribed a delimited appropriation and duration for the disbursement of funds. This approach brought congressional Republicans on board as stakeholders in the plan.

The deep involvement of the Senate Foreign Relations Committee, chaired by Senator Arthur Vandenberg (R-Mich.), was critical. Vandenberg permitted the committee hearings to be a

Despite its popularity in later years, the European Recovery Act generated genuine political opposition in the United States.

forum for dissenting views, which enabled senators on both sides to hear from many experts. It also demonstrated the close partnership between Vandenberg and Marshall in forging the legislation.

Ultimately, congressional Republicans, including key isolationists like Taft, calculated that accepting a modified Marshall Plan, with a final allocation cut down from Truman's request of \$17 billion to \$13 billion, and implementation mechanisms external to the State Department, like the Economic Cooperation Administration and the Organization for European Economic Cooperation, was better than opposing the ERP outright.

Thanks to bipartisanship and the Truman administration's willingness to make some concessions, the legislation passed overwhelmingly in both houses. The Marshall Plan represented not only a moment of consensus within the executive branch on foreign policy, but also a domestic U.S. political success.

Implementing the Marshall Plan

Given that the Marshall Plan was an important diplomatic venture, the State Department had originally assumed that it would take the lead in the administration of the recovery program, both in Washington and overseas. High-ranking officials, including Under Secretary of State Robert Lovett (who held the second-ranking position at State at the time), recommended establishing a new bureau within the department, led by a new assistant secretary, to oversee Marshall Plan operations and other foreign assistance programs.

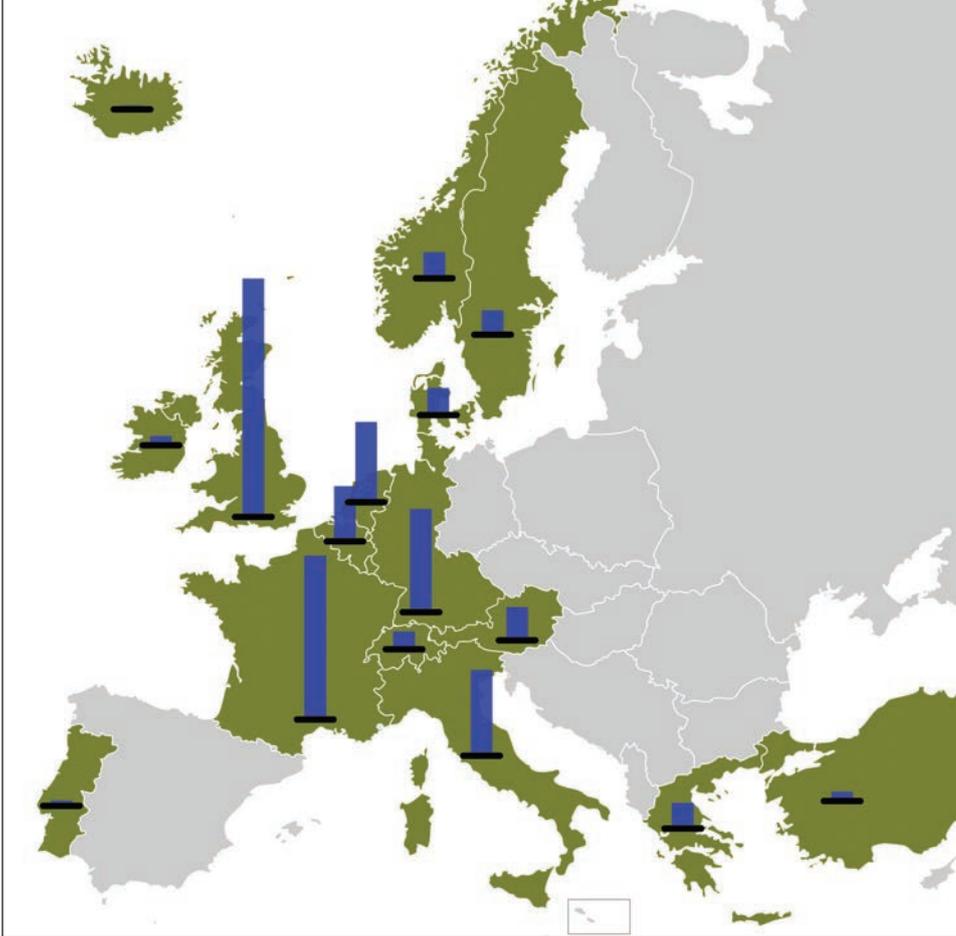
Initial State Department recommendations also envisioned U.S. embassy staff administering the program, with Marshall Plan personnel falling under the direct purview of the Foreign Service. However, interagency competition and the threat that congressional pushback might result in restrictions on funding led to the decision to locate the European Recovery Program bureaucracy within the independent European Cooperation Administration, rather than within the State Department or the Foreign Service.

Thus the ECA's administrator, Paul Hoffman, oversaw all operational aspects of the Marshall Plan with the assistance of the Office of the Special Representative, which was based in Paris to orchestrate the various ECA missions in the 16 aid-recipient

countries. Former Secretary of Commerce W. Averell Harriman served as the first Special Representative and oversaw the work of more than 600 Americans and 800 locally employed staff in Europe. Although it did not directly oversee implementation of the Marshall Plan, the State Department

played an important role continuing the usual business of maintaining bilateral relations with host nations and negotiating the bilateral agreements necessary to set up each of the ECA country missions.

The ERP also required that the European aid recipients play an active role in their own recovery. The 16 Marshall Plan nations established the Organization for European Economic Recovery as a regional organization to help coordinate the assistance program, and also to present a coherent assessment of their individual and regional needs. Each recipient country



Map of Cold War-era Europe showing countries that received Marshall Plan aid. The blue columns show the relative amount of total aid per nation.

The final authorization placed much of the onus of planning on the Europeans themselves, restricted the plan geographically, limited its scope and prescribed a delimited appropriation and duration for the disbursement of funds.

established its own national unit, responsible for liaising with the OEEC in Paris and with the relevant ECA office country director. Their job was to advise the two entities of their specific needs in various sectors so that the OEEC could make allocation recommendations to Washington.

As with the initial assessment of assistance needs, the recipient nations each played a large role in requesting and processing the disbursement of Marshall Plan aid—a setup Congress specified in the empowering legislation to save administrative costs. While the various ECA country units evaluated each request against the OEEC allotments, local European entities processed the approved procurements and met local banking and transportation needs.

Although the ECA paid U.S. suppliers of commodities in dollars, the program required aid recipients to pay for any goods received in local currency and deposit them in national counterpart funds. A small portion of these funds paid for ECA admin-

istrative costs, while the remainder became available to recipient governments for rebuilding their industrial, agricultural and financial infrastructure.

Evaluating the Marshall Plan

All told, the U.S. provided \$13.3 billion (about \$140 billion in 2017 dollars) in assistance between 1948 and 1951 to 16 Western European countries through the ECA, with the vast majority of funds allotted to commodity purchases. Historians have generally agreed that the Marshall Plan contributed to reviving the Western European economies by controlling inflation, reviving trade and restoring production. It also helped rebuild infrastructure through the local currency counterpart funds.

What is notable about this assistance is that the Europeans themselves played a major role in the planning and implementation of the ERP. U.S. assistance may have provided the margin the recipient countries needed to help themselves get on a path to stable postwar recovery, but the fact that

Europeans generally agreed with the basic stipulations of the assistance package—that some form of capitalism should inform postwar economics and governance—ultimately made the Marshall Plan a success.

Congress did not renew Marshall Plan funding beyond its originally legislated end date of 1952. With strides already made, it was harder for supporters to argue for additional assistance funds under the ERP. Moreover, following the outbreak of the Korean War in 1950, American interest in international assistance turned away from a focus on economic development toward defense funding, and supporting military strength and rearmament in Europe as a bulwark against the Soviet Union and international communism.

Even so, there is no denying that the Marshall Plan played a major role in setting Western Europe on a long-term path to recovery and political and economic stability. ■

Working with Ghana to Prevent the Spread of Ebola

The U.S. role in helping Ghana stave off a deadly epidemic showcases American diplomats' perseverance, political astuteness and creativity, as well as interagency teamwork, in fulfilling a vital mission.

BY JIM BEVER

By early October 2014, Ebola had already devastated Liberia, Guinea and Sierra Leone. Like a wildfire, it leapt across national boundaries, spreading via infected people traveling into Senegal, Mali, The Gambia and Nigeria. The deadly disease, first identified near the Ebola River in 1976, in what is now the Democratic Republic of the Congo, almost made it into Ghana, where I was posted as USAID mission director. A couple of months earlier, in July, an infected Liberian-American citizen had spent time in the Accra Airport transit lounge before flying on to Nigeria, where he spread the disease before dying.



Jim Bever, a Foreign Service officer with USAID for 35 years, recently retired with the personal rank of Career Minister. Prior to his last posting, as acting assistant administrator for legislative and public affairs, he served as mission director in Ghana, Egypt, the West Bank/Gaza Strip and Afghanistan, as well as in senior deputy assistant administrator positions for Iraq, Afghanistan, Pakistan and the Middle East. He is a recipient of the President's Distinguished Service Award and the USAID Administrator's Distinguished Career Service Award. He is a member of the FSJ Editorial Board.



Ghanaian health workers train to suit up completely in case of an Ebola outbreak.

USAID/GHANA'S SYSTEMS FOR HEALTH PROJECT



Participants learn to decontaminate medical equipment at Central Regional Training in Cape Coast, Ghana.

U.S. Ambassador to Ghana (and Senior FSO) Gene Cretz and others on our country team at the embassy gathered to plan for a potential outbreak. We knew it was highly likely that Ebola could not be stopped at the border. The virus is transmitted through direct contact with blood or other bodily fluid from an infected person, and the illness raged only a few hundred miles to our west. Yet we believed it incumbent on us to do our utmost to help the government of Ghana contain and defeat Ebola's spread should it get past the doorstep.

We wanted to show them what Nigeria, the most populous country on the continent, had done to keep the disease from becoming a catastrophe of unthinkable proportions.

This conviction reflected both humanitarian and political considerations. The human suffering was horrible to see, but we also knew the disease had the potential to destabilize this key politically and economically progressive democratic country located in a region not known for either. The task was even more urgent because Ghana, unlike the other three most seriously affected countries, hosts more than one million visitors a year, many of whom fly back and forth from the United States.

The Ghanaian Government's Initiatives

As the disease spread in surrounding countries, the government of Ghana tracked down and checked those citizens who were exposed to the Liberian-American in the Accra Airport's transit lounge. Government officials set up rudimentary screening and temperature testing at airports and official border crossings, and procured 10,000 protective clothing suits for medical personnel to be used if needed. Ghanaian personnel built an Ebola isolation center just outside the capital, and two more around the country were under construction.

Ghana's President John Dramani Mahama, who was also the head of the Economic Community of West African States at the time, immediately agreed

to the United Nations proposal to set up its regional response logistical base at the airport in Accra. This would allow U.N. experts to quickly service the three most-affected countries without burdening those countries' absorptive capacities at their time of extremis. A few months earlier, Ghana had, with U.S. and others' help, developed a "National Preparedness and Response Plan for Prevention and Control of Ebola," which included establishing a Cabinet-level interministerial coordination committee.

Yet the pace of the plan's implementation was slow. We were concerned that two or three levels down, the government of Ghana did not seem to share our sense of urgency or that of its official donor group (which USAID chaired). The people's knowledge about Ebola and about the cultural and behavioral changes that would be needed to contain a possible outbreak was still minimal. The press was full of outbreak rumors.

It was unclear whether the government's security agencies would be prepared for possible massive investigations, quarantining and riot control (already underway in Liberia). There was little confidence that anyone had the authority to direct

We were concerned that two or three levels down, the government of Ghana did not seem to share our sense of urgency.

daily operational command and control in case of an outbreak, and it was unknown whether health workers would stay on the job to battle the disease. We and our fellow assistance donors, along with international security and health experts, judged that, so far, the preparedness actions Ghana had taken were necessary but not yet sufficient for its own protection.

Embassy Strategy to Assist Ghana

FSOs at USAID teamed up with experienced professionals from the Centers for Disease Control and Prevention (CDC), one of whom was on detail to USAID for malaria work and one of whom was on the country team for HIV/AIDS work. We were joined by a small specialized team from CDC, its International Task Force for Unaffected and Less-Affected Countries. With the political leadership of our ambassador, we came up with a strategy for helping Ghana move to a higher and more reassuring level of preparedness. Our strategy was based on what we had learned so far from the three most affected countries—and especially from Nigeria's success at containing its own outbreak.

We knew that having a robust health sector capability would not, by itself, be enough. Ghanaian citizens had to understand what would happen in case of a disease outbreak: there would be quarantines. Security services and police would have to assertively investigate and detain people for health observation, and treatment if infected—using force, if needed, while respecting citizens' rights. Normal sick patient visitation and long-standing cultural and religious burial practices by relatives and religious authorities would have to be dramatically altered, if not curtailed altogether, because any contact with the corpse of an infected person would further spread the disease. Normal transit of people and goods might be stopped; shortages and hoarding were likely. Accurate public information would be at a premium, both to inform and to reassure the people.

In collaboration with the visiting CDC team and with the help of USAID/Nigeria, we decided to try to find a way to expose the very top of the Ghanaian government to Nigeria's experience

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We invited Nigeria's most experienced epidemiologists to come to a gathering in Accra of regional officials, who were coming from as far away as The Gambia, to share lessons learned about Ebola.

battling the disease. We wanted to show them what Nigeria, the most populous country on the continent, had done to keep the disease from becoming a catastrophe of unthinkable proportions—not just for Africa, but for the world, which relies heavily on Nigeria's oil exports and global maritime and aviation systems.

We invited Nigeria's most experienced epidemiologists to come to a gathering in Accra of regional officials, who were coming from as far away as The Gambia, to share lessons learned about Ebola. They would be joined by both CDC's team and by one of our top experts from USAID headquarters.

Stars Align for Straight Talk

Sometimes in life, the stars align: the timing was perfect for a serious, straight-talking briefing with key Ghanaian presidential and Cabinet players. Our USAID health director, an FSO who had diligently led her team on the Ebola issue, worked her magic with the deputy minister of health to support such a briefing, while Ambassador Cretz reached out to the president's chief of staff to convene it.

On Oct. 9, 2014, the combined U.S. embassy team (Ambassador Cretz, USAID, CDC and the Defense Department's defense cooperation officer) and the Nigerian epidemiological team entered the Cabinet Secretariat of the Ghanaian president. President Mahama's chief of staff presided, joined by the minister of health, the minister of the interior, the minister of communications and Ghana's minister of defense. First, Ambassador Cretz laid out America's interest in helping Ghana, and then the Ghanaian officials shared their progress in preparedness. The officers from CDC, USAID and DOD gave their observations and recommendations, offering to continue to assist Ghana and to further marshal the country's official donors group.

Then it was the Nigerians' turn. We held our breath as Dr. Akin Oyemakinde, chief consultant epidemiologist to Nigeria's Federal Ministry of Health, proceeded quietly but with deep conviction to share his country's experience fighting the re-emergence of yet another insidious disease—polio—just one year earlier, followed by the frighteningly lethal Ebola virus that

had arrived in Nigeria just 80 days before this meeting. He humbly and gravely laid out his assessment of the most decisive actions taken in Nigeria, those that made all the difference in containing both diseases' spread—especially that of

Ebola in densely populated Lagos and Port Harcourt.

"The government must be seen to be in control of the situation at all times, with political commitment across the board backed by funding," Oyemakinde emphasized, to make things happen quickly. He concluded by noting that it "engenders citizens' confidence that the government is out to protect their lives and removes suspicion and creates compliance with directives. A state of chaos or fear must not exist." Ghana's press later picked up these thoughts. The government officials thanked us soberly, and our discussion adjourned.

Our Impact

The Ghanaians' discussion, however, did not end there. A normally scheduled full Cabinet meeting was starting immediately after our meeting ended. The Ghanaian officials with whom we had talked were so seized with the briefing and the gravitas of the Nigerian experience that President Mahama agreed to change the agenda so that his officials could brief attendees about what had just transpired.

The next morning we learned in the Ghanaian press the extent of the impact we'd had. President Mahama and his Cabinet had agreed to establish an Inter-Ministerial Task Force on Ebola to streamline the chain of command and control. They also appointed the highly revered deputy minister of health as incident commander for Ebola. In addition, they activated a life insurance package for health workers to motivate them to stay on the job battling the disease in case of an outbreak, knowing that their families would be taken care of if they died due to their service. All of these critically important decisions had been pending for months.

Finally, we knew that Ghana was as prepared as it could possibly be. And we could all sleep a bit easier that night. Perseverance, political astuteness and creative diplomacy in reaching out to the Nigerians; our embassy's timely access to and credibility with the top of Ghana's government; and successful U.S. government interagency teamwork with CDC's outstanding experts made a real difference for Ghana—and, ultimately, for our own country as well. ■

The Global Coalition to Defeat ISIS: A Success Story

The 74-member international coalition illustrates American leadership in action.

BY PAMELA QUANRUD

Sometimes a truth spoken organically that it prompts a collective sigh of relief from its listeners—relief that someone has emerged from the crowd to suggest a path forward, allowing us all to shift our footing from collective outrage to collective action. That is the essence of the story behind U.S. leadership of the Global Coalition to Defeat ISIS.

During the first six months of 2014, the Islamic State of Iraq and Syria (also known as the Islamic State of Iraq and the Levant) made a dramatic debut on the world stage by capturing a wide swath of Syria and Iraq. It rolled seemingly



U.S. Secretary of State Rex Tillerson delivers opening remarks at the meeting of the Ministers of the Global Coalition to Defeat ISIS at the Department of State in Washington, D.C., on March 22, 2017.



Pamela Quanrud recently retired from the Foreign Service after a 30-year career. Her last assignment was as day-to-day manager of the Global Coalition to Defeat ISIS in the office of Special Presidential Envoy Brett McGurk from 2015 to 2017. Overseas, she has served in Bonn, Moscow and Warsaw, where she was deputy chief of mission. She was also chief of staff to Deputy Secretary of State William J. Burns; principal deputy executive secretary to Secretary of State Hillary Rodham Clinton; and a deputy assistant secretary in the Bureau of European and Eurasian Affairs, among other Foreign Service assignments.

No one knew exactly what we were getting into, but the urge to stand up and be counted was strong.

without resistance through Fallujah, Raqqa, Tikrit and Mosul, even threatening the gates of Baghdad, before announcing the establishment of a *caliphate* (Islamic state) and declaring Abu Bakr al-Baghdadi as *caliph*—the successor to the Prophet Mohammed.

The speed of the advance, the confidence portrayed through their polished media arm, and the stories that emerged about the horrors of life under ISIS and the persecution of innocents shocked and horrified the world. In August 2014, President Barack Obama ordered air strikes to prevent the fall of the Kurdish city of Erbil and to break the group's siege on Mount Sinjar, where thousands of ethnic Yazidis had fled after being threatened with genocide. Between Aug. 19 and Sept. 2 of that year, the world witnessed the brutal beheading of U.S. journalists James Foley and Steven Sotloff at the hands of "Jihadi John"—executions that were as carefully captured on film by ISIS media as the take of a Hollywood movie.

On Sept. 10, 2014, President Obama addressed the nation to declare that the fight against ISIS was our fight, but "not our fight alone." American power could make a difference, he noted, but Iraq and our other partners in the region would need to be front and center in the effort. He then announced "that America will lead a broad coalition to roll back" ISIS.

The campaign would seek to "degrade, and ultimately destroy, ISIL through a comprehensive and sustained counterterrorism strategy." This would include airstrikes and other support for forces on the ground in Iraq and Syria. The campaign would go after ISIS funding, interrupt the flow of foreign fighters into Iraq and Syria, and discredit the militants' ideology. It would also intensify our intelligence gathering against the terrorist group and supply humanitarian assistance to those displaced by ISIS.

Concluding his address, President Obama said, "This is American leadership at its best: We stand with people who fight for their own freedom, and we rally other nations on behalf of our common security and common humanity."

The Global Coalition Takes Shape

Two weeks later, on Sept. 24, 2014, standing before the United Nations General Assembly, President Obama reiterated that the United States was prepared to "work with a broad coalition

to dismantle this network of death" and asked the world to join us. Over the next two weeks, more than 40 nations answered that call. By then, the White House had already announced the appointment of General (ret.) John Allen as the Special Presidential Envoy for the Global Coalition to Counter ISIL (now ISIS) and Deputy Assistant Secretary of State Brett McGurk as his deputy.

By the time it held its first formal meeting in Brussels two months later, the coalition had grown to 60, with member-states from North America, Asia and Europe, as well as almost a dozen from the Middle East. They committed themselves to the five lines of effort President Obama had articulated in his Sept. 10 address: the military fight; the work to stem the flow of foreign terrorist fighters; work to cut off the group's access to funding; work to combat its toxic messaging; and provision of humanitarian assistance to the displaced (later expanded to include the stabilization of communities liberated from ISIS).

Although the U.S. Central Command (CENTCOM) sought out some foreign partners for their unique capabilities or geography, the majority of the nations standing with the United States at that first ministerial meeting in Brussels had asked to be included. No one knew exactly what we were getting into, but the urge to stand up and be counted was strong. In contrast with the long, slow 1990-1991 effort in preparation for Operation Desert Shield and Desert Storm, when the United States gathered 35 nations in response to Iraq's invasion and annexation of Kuwait, the Global Coalition to Defeat ISIS came together almost organically in those first months. In fact, the pace was so quick that it forced the State Department to enlarge the initial task force, run out of the Operations Center, into a working group to manage the outpouring of enthusiasm and contributions from partners, and eventually to turn the working group into an office.

Today coalition membership stands at 74, comprised of 70 nations and four international organizations (the European Union, North Atlantic Treaty Organization, Arab League and INTERPOL). Twenty-three partners, including the United States, have collectively stationed more than 10,000 troops in Iraq and Syria, working to build the military capacity of those engaged in direct action against ISIS and supporting efforts to deny it safe haven. The coalition has four civilian working groups, divided roughly along the lines of effort described above. More than 90 countries (including nearly two dozen observer countries) participate in a variety of meetings each quarter, depending on their interests—making this the largest international coalition in history.

While the military effort, Operation Inherent Resolve, is run by CENTCOM and its considerable machinery in Tampa, as well as through a number of forward operating bases in the region that are



U.S. Department of State

U.S. Secretary of State Rex Tillerson meets with Prime Minister of the Republic of Iraq Haider Jawad Al-Abadi in a bilateral session during the Global Coalition meeting at the Department of State on March 22, 2017. Special Presidential Envoy for the Global Coalition to Defeat ISIS Brett McGurk is at the Secretary's left; the Secretary's Chief of Staff Margaret Peterlin is to his right.

closer to the fight, it is important to recognize that most members of the coalition are not active in Operation Inherent Resolve. Some are battling ISIS in their own spaces, like Afghanistan or the countries of the Lake Chad Basin region. Some countries fighting ISIS are not in the coalition at all—for instance, the Philippines, which recently drove ISIS forces out of Marawi on the island of Mindanao.

Some members are not engaged in any active kinetic fighting, but are outraged that their citizens have been the victims of ISIS external operations or fear possible attacks on their homelands. Though the numbers are not precise, it is safe to say that since it appeared in 2014, ISIS has inspired or directed more than 175 attacks in more than two dozen countries, killing more than 2,300 innocent civilians; and the group increasingly claims credit for attacks even when there is no apparent connection.

Fear and moral outrage are undoubtedly strong incentives for countries to join with the United States under the banner of the coalition, but that does not explain why they stay—or why this loose collaborative effort continues to grow (as of this writing, Cameroon is the most recent country to join, in November 2017). But part of the answer may lie in how the United States runs the coalition day-to-day.

The Role of U.S. Leadership

The individuals chosen to lead this coalition have had a big impact on its success. The military leadership from General Lloyd Austin and now General Joseph Votel of U.S. CENTCOM is a critical piece of the puzzle—even though most of the Global Coalition

to Defeat ISIS does not participate in the military effort in Iraq and Syria. Under General (ret.) John Allen and then Brett McGurk and his deputy, Lt. General (ret.) Terry Wolff, the coalition has benefited from both visionary and talented civilian leadership.

As the first special envoy to lead the coalition, Gen. Allen breathed life into its non-military lines of effort, establishing the four working groups and recruiting 10 countries and members of the U.S. interagency community to take on the role of co-leads for these groups. The current co-leads hail from the United Kingdom, the United Arab Emirates, Italy, Saudi Arabia, the Netherlands, Turkey, Kuwait and Germany, as well as from the U.S. departments of State and Treasury.

McGurk, who took over from Gen. Allen in November 2016, brought with him a long history of fighting extremism in the region and continuous service to the cause under now three presidents. Famously, McGurk was visiting Kurdistan, in northern Iraq, when ISIS seized Mosul in 2014.

Our coalition partners have appreciated the steady leadership, regional insight and continuity McGurk and Wolff bring to the U.S. effort. The coalition has also benefited from the strong support of both President Obama and President Donald Trump. Its first-ever all-coalition ministerial meeting in March 2017 was one of the first major events Secretary of State Rex Tillerson hosted. And National Security Presidential Memorandum 3, issued on Jan. 28, 2017, calls for the “identification of new coalition partners in the fight against ISIS and policies to empower coalition partners to fight ISIS and its affiliates.”

While the military effort, Operation Inherent Resolve, is run by the U.S. Central Command, it is important to recognize that most of the coalition is not active in that aspect of the campaign.

For its part, the Global Partner team in the Office of the Special Presidential Envoy for the Global Coalition to Counter ISIS (SECI) has kept its focus on the coalition members themselves. In close coordination with country desks and U.S. embassies abroad, SECI staff work to help partners understand ISIS, follow ISIS adaptations, share best practices, support reinforcing multilateral and bilateral efforts and share insights that might help them battle ISIS or the threat of ISIS in their homelands. We try to bring about a common understanding in ways that suggest practical and timely courses of action. To help us with this work, we enjoy the support of two partner embeds on the team, from the U.K. and Germany, and look forward to welcoming a third, from Australia, soon.

A Collective Effort

Trying to keep ahead of ISIS is, of course, a collective effort. And our partners have shown remarkable leadership and initiative, both under the auspices of the coalition and on their own. The co-leads for our **Communications Working Group** (the U.K., U.S. and UAE) have stood up a network of messaging centers that span the globe and help countries and individuals fight back against the falsehoods ISIS so effectively delivers through its media operations.

Saudi Arabia, co-lead of the **Counter-ISIS Finance Working Group**, has established a multilateral Terrorist Financing Targeting Center with the support of the U.S. Treasury Department, as well as the Global Center for Combating Extremist Ideology. Italy, another co-lead, has helped shape our response to Islamic State's looting of antiquities, and has led our efforts to train the "hold" forces that provide the first layer of the rule of law to communities liberated from ISIS.

Treasury and State have also worked together to help our military target Islamic State's oil revenue and bulk cash sites in Iraq and Syria, to spectacular effect. Our **Counter-Foreign Terrorist Fighter Working Group** has benefited greatly from Dutch and U.S. efforts to cross-fertilize the work of that group with the Global Counter-Terrorism Forum and to promote information sharing through INTERPOL and other avenues.

Coalition stabilization efforts in Iraq and Syria deserve special recognition. To meet the needs of communities liberated from ISIS, the international community pioneered a new model of stabilization in partnership with the Iraqi government and the United Nations—

the Funding Facility for Stabilization. This Iraqi-directed, coalition-funded, U.N.-coordinated effort has facilitated the return to their homes of more than two million Iraqis displaced by ISIS since 2014.

Stabilization Working Group co-leads Germany and the UAE have also worked closely with Washington to plan and fund early recovery work in areas liberated from ISIS in Syria, where the situation on the ground is significantly more complex than in Iraq.

The Fight Is Not Yet Over

While it may have seemed obvious in the heat of the moment back in 2014 that the United States, with its military might and its breadth of political relationships, should lead a group of countries in the fight against ISIS for three full years, it is not as obvious why so many countries would stay with us going forward. Yet our partners have said repeatedly that while they, like us, do not know exactly what lies ahead after the ISIS loss of territory (the so-called "caliphate") in Iraq and Syria, they also do not want the coalition to end.

Looking ahead, the coalition and its leadership are at a turning point. Even as ISIS loses the last bits of its territory in Iraq and Syria, there is an ongoing need to take the group's global ambitions seriously and monitor the evolving threat it poses.

Much depends on what happens next. If ISIS falls apart, that would vindicate those who believe that control of its "core" territory was central to the group's existence. This may not happen. Should ISIS continue to pose a threat to both our homelands and our values, the coalition will need to adapt and perhaps even strengthen its approach. But will the coalition continue to be the central vehicle through which the nations of the world choose to maintain pressure on ISIS, or will other institutions or avenues come to the fore?

At its heart, the Global Coalition is a coalition of the willing, and it will thrive under U.S. leadership if we continue to do our best to understand the threat, share and develop that understanding with our partners, and support one another in our individual and collective efforts to defeat ISIS. ■

Diplomacy Works

Part II



Here are more stories about the day-to-day work U.S. diplomats do around the globe to advance American ideals, protect America's prosperity and national security and help maintain a peaceful world.

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Members of the FS community: We know you have great experiences to add to this collection. Please submit your 500- to 800-word stories to journal@afsa.org, with the subject line "Diplomacy Works."

—The Editors

Post-Tsunami Assistance in Aceh: Changing a Relationship

Indonesia, 2004 • B. Lynn Pascoe

On a sunny morning on Dec. 26, 2004, a gigantic, 9.1-magnitude earthquake unleashed a terrible tsunami that swept the shores of Indonesia's rebellious, deeply religious and isolated province of Aceh, killing at least 170,000 people and injuring tens of thousands more. Foreigners were barred from the province, and we only began to understand the enormity of the tragedy after Indonesia's new President Susilo Bambang Yudhoyono (known as SBY) visited the next day.

When Indonesian Vice President Jusuf Kalla assembled international representatives to plead for help, I asked him privately what was most needed from the United States. His answer: helicopters. I called Commander in Chief of the U.S. Pacific Fleet Admiral Tom Fargo, who said he had ordered the carrier USS *Abraham Lincoln* with its 17 helicopters to move south from Hong Kong. We agreed to ask Washington to send it to Aceh.

SBY made two crucial early decisions: He told the army to quit fighting the rebels, and he agreed to allow the U.S. carrier to be positioned off Indonesia's coast. Only a former top gen-



COURTESY OF B. LYNN PASCOE

Ambassador B. Lynn Pascoe, at left, and USAID Director William M. Frej load supplies for Aceh.

eral such as SBY could have convinced the Indonesian military to stop that long internal war. Moreover the Indonesian military deeply resented the United States because of our embargo on bilateral cooperation and weapon sales in response to its atrocities in Timor-Leste. The Indonesian civilian population had also expressed a low opinion of the United States through massive demonstrations against our invasion of Iraq, and terrorists had added to the tensions by bombing the JW Marriott Hotel Jakarta a year earlier.

The embassy notified Washington that we planned to use \$65 million in unobligated Indonesian aid funds (as well as a \$100,000 contingency fund) for disaster relief. Washington quickly agreed. Our USAID staff began organizing relief convoys from our consulate in Medan, the capital of North Sumatra province. The first convoy was turned back by rebel fire, but it got through a day later. Our attaché office flew Indonesian military personnel on reconnaissance missions, and doctors from the embassy's Naval Medical Research Unit were soon on the ground in Aceh saving lives.

As the *Lincoln* neared Indonesia, its commander, Admiral Doug Crowder, and I agreed over the phone on the modalities of



COURTESY OF B. LYNN PASCOE

An Acehnes woman showing appreciation for the U.S. military (primarily Navy and Marine) effort to aid the tsunami's victims.

the assistance effort. At noon on New Year's Day 2005, the carrier began its helicopter rescue missions. Several U.S. C-130s had arrived in Jakarta to haul supplies to Aceh; the American Chamber of Commerce in Jakarta and USAID staff had lined up trucks of critical items; and members of the embassy joined in to help load the planes.

I held a press conference to reassure the Indonesian public that we were there only to support their government and to help the people of Aceh. The comments were widely reported, along with a picture of USAID Director Bill Frej and me hefting a bag of rice onto an American C-130. One of Crowder's pilots took the advice of an embassy liaison staffer and put a U.S. journalist, CNN's Mike Chinoy, and his cameraman on a relief helicopter. Chinoy's reporting was among the first to bring the enormity of Aceh's disaster to the world's attention and included the iconic picture of locals running to greet the American helicopter as they sought desperately needed water and medical assistance.

This kind of quick thinking was shown repeatedly by the American team. One example was water for the survivors: During our initial meeting with the Marine general leading the overall U.S. effort, Frej noted that the need for water was crowding out other critical relief supplies being sent to Aceh on our planes. When he replied that the carrier could produce vast amounts of potable water, Frej promised to have every new plastic container they could buy in Jakarta on that afternoon's plane. The ship's engineers created an ingenious jerry-rigged system to fill the containers overnight, and the water was on the helicopters the next morning. Everyone pitched in.

The assistance to Aceh was a massive international effort: with our support, the Indonesian government put a new (non-corrupt) agency in charge of relief and reconstruction. Governments and private citizens donated money—more than \$1 billion in private U.S. contributions encouraged by the efforts of former presidents George H.W. Bush and Bill Clinton and

\$500 million from the U.S. government. The *Lincoln* was replaced after a month by the Navy's hospital ship *USS Mercy*, staffed with Project Hope volunteers—an idea of Deputy Secretary of Defense (and former ambassador to Indonesia) Paul Wolfowitz.

Indonesian public opinion quickly shifted. The people knew that Americans were with them from the first, not to score points, but to help fellow human beings in desperate straits. They expressed their appreciation in many ways, including in public opinion polls that consistently showed that Indonesians held the United States in higher esteem than did any other Muslim-majority country.

B. Lynn Pascoe served as U.S. ambassador to Indonesia from October 2004 to February 2007. During almost four decades in the Foreign Service, he also served as ambassador to Malaysia and worked in various positions dealing with China and the former Soviet Union. Amb. Pascoe retired to become United Nations undersecretary-general for political affairs, a position he held for more than five years.

Strong Institutions, Not Strongmen

Africa, 2013 • Jason H. Green

Rarely in the life of a Foreign Service public affairs officer (PAO) will colleagues from across one region have the opportunity to collaborate with each other, and with Washington interagency officials, to advance a specific policy objective. With guidance from leadership in the State Department's Bureau of African Affairs and the White House, Africa-based PAOs had such an opportunity in 2013 as they faced the challenge of successfully facilitating the development of judicial institutions on that continent.

Strengthening democratic institutions is a key State Department policy pillar across sub-Saharan Africa. However, the U.S. government has traditionally given less attention to the judiciary than to the executive and legislative branches, even though

Effective public diplomacy efforts to enhance networking between judiciaries and uniformity of procedures across Africa are now allowing high courts to learn best practices from each other.

—Jason Green



courts make or change law as much or more than the other two branches of government. High courts across the African continent suffer from undue executive influence, lack of expertise in thematic areas of law, and massive case backlogs resulting from poor case and court management.

In 2013, the Bureau of African Affairs, the Office of Public Diplomacy and Public Affairs and the Bureau of

Educational and Cultural Affairs worked with 20 embassies to bring two groups of 10 African chief justices from reformist, democratic countries (both Anglophone

and Francophone) to the United States on International Visitor Leadership Programs. The goal was to expose them to best practices in the U.S. judicial system and to have them meet with U.S. Supreme Court justices and other judicial leaders.

President Barack Obama met with these jurists in the first-ever presidential judicial roundtable with chief justices in Africa when he traveled to Dakar, Senegal, in 2013. At the roundtable, President Obama emphasized that “Africa does not need strongmen; it needs strong institutions.” Washington made it clear that the rule of law and strong, independent judiciaries are both essential to uphold human rights and to facilitate greater trade and investment with fair and predictable legal recourse. The judiciary as an institution, as well as individual judges deciding particular cases, must be able to apply the law without undue influence by the executive or legislative branches of government.

Following the roundtable, missions across Africa were eager to identify public diplomacy programming aimed at assisting the judges. With assistance from the Bureau of International Information Programs, 10 posts held weekly digital programs for two months with U.S. judicial experts and African judicial leaders on court management, court technology, mediation, incorporating and training of law clerks, and various thematic areas of law.

The bureau also facilitated visits by U.S. judicial experts to several African courts to address concerns about the effective use of plea bargaining in criminal cases, the implementation of sentencing guidelines and, with support and collaboration from

relevant ministries, implementation of mandatory mediation to reduce case backlogs.

The United States maintains a strong economic interest in honest and efficient courts operating within rational, fair and predictable legal frameworks to enforce contracts and settle disputes. Effective public diplomacy efforts to enhance networking between judiciaries and uniformity of procedures across Africa are now allowing high courts to learn best practices from each other; confer and continue dialogue on rule of law and court management issues; and, ultimately, lower the court docket backlog.

These continent-wide public diplomacy initiatives support stronger and more stable African societies with greater checks and balances on government power. They help create confidence among citizens that their rights will be protected from arbitrary or capricious actions. And they help ensure that citizens have access to peaceful judicial recourse when they are on the receiving end of injustice.

Jason H. Green is a public diplomacy officer currently serving as deputy public affairs officer at U.S. Consulate Johannesburg.

Christmas at the Vatican

Rome, 1989 • James Creagan

It was almost midnight on Christmas Eve, 1989. My wife and I were nestled in the diplomatic section of St. Peter's Basilica in Rome, looking forward to a long and tranquil Midnight Mass, when I received an urgent message: Call Washington immediately on the secure phone. I dashed back to the chancery and called the Operations Center.

Panama's strongman, General Manuel Noriega, whom U.S. troops were seeking during "Operation Just Cause," had entered the Vatican embassy (papal nunciature) in Panama City. I was told to tell the Vatican emphatically not to give him diplomatic asylum there. We wanted him for criminal offenses. Back to St. Peter's I rushed, and tiptoed through a hushed basilica as the TV cameras followed.



COURTESY OF JAMES CREAGAN

Pope John Paul II with the author.

I tapped the Vatican deputy foreign minister (a French archbishop) on the shoulder and gave him our curt message. Without the blink of an eye, the archbishop responded that the chief of state, Pope John Paul II, was up on the altar; the prime minister (Cardinal Casaroli) was seated with the diplomats; and the mass would be long. "Tell [President George H.W.] Bush and [Secretary of State James A.] Baker that they have about three hours to think. And don't go in to get Noriega," he said. I blurted that that was the last thing on our minds (although U.S. troops had already surrounded the Vatican nunciature).

I spent Christmas Day with Archbishop Sodano at the Vatican foreign minister's residence behind St. Peter's, where I emphasized that Noriega was a criminal who had been indicted in the United States and should be turned over to us. That point was driven home by Secretary Baker in a telephone call to Cardinal Casaroli. The Holy See demurred. The foreign minister bluntly told me that the United States was an "occupying power" under international law; therefore, Noriega could not be turned over to us. I emphasized that it would be dangerous to turn him over to a third party such as Cuba or Nicaragua.

Sodano underlined the Vatican view that the United States makes its policy based on four-year intervals, while the Holy See has to think in centuries. He then outlined reasons why President Bush and Secretary Baker should not be concerned about Noriega's ability to cause trouble (we were worried about the possibility of some action of a guerrilla nature in the mountainous jungle areas). Noriega had been let into the nunciature, but would not get asylum. His phones were cut, he would be denied public contact and he had no rights. While the nuncio could not turn over Noriega to the United States, he might be induced to voluntarily walk out.

The next 10 days were full of classic diplomatic action by Ambassador to the Holy See Tom Melady, Political Officer Deborah Graze and me. At one point the Cardinal Secretary of State asked us to please turn off the rock music our military had blasting at the nunciature in Panama; the nuncio couldn't sleep. After some urging—and suggestions by the Vatican that Washington appeared to have difficulty getting our military in Panama to stand down—the music stopped.

Coordinating public affairs was an issue. At first, the respective press spokespeople were mutually critical. We needed to work on a change in public posture. Cardinal Casaroli had the Vatican spokesperson talk of “serene cooperation” with the United States, while Marlin Fitzwater at the White House said that the Vatican was doing “a fine job.”

By Jan. 4, 1990, Noriega had had enough of living in the papal nunciature. With possibly menacing crowds outside in addition to those patient U.S. forces, he asked for his uniform and general’s cap and then walked out to meet U.S. officials. For those of us at the U.S. embassy to the Holy See, it had been 10 days of pure old-fashioned diplomacy—admittedly, backed by those troops in Panama. Diplomacy, with mutual interests at play, worked.

James Creagan spent three decades in the Foreign Service, serving in Peru, Mexico, El Salvador, Brazil, Portugal, Italy and at the Holy See. He was named U.S. ambassador to Honduras by President Bill Clinton in 1996. After retiring from the Service in 1999, he became president of John Cabot University in Rome, Italy.

Defeating Communism with Cars

Eastern Europe, 1990s • Bob Powers

In the late 1980s and the early 1990s, the countries of Eastern Europe were undergoing radical challenges to their governments. Democratic forces were rapidly organizing to defeat the communist-led dictatorships that had existed during the era of Soviet domination.

During much of this period, I served as director of the Regional Program Office in Vienna. RPO was responsible for providing public affairs support to our embassies in Eastern Europe and the Soviet Union. Naturally, communist governments in Eastern Europe were challenging the efforts of the newly forming democratic forces, which were sorely in need of help.

Considerable help was being provided from the United States. Nongovernmental organizations (NGOs) such as the

The government controlled the sale of all newsprint in Bulgaria, thereby preventing democratic challengers from printing any newspapers presenting their views.

—Bob Powers



Republican and Democratic parties, Freedom House, the George Soros Foundation and others were giving money to buy newsprint, audio/video devices, cars, ballot boxes and seals, and other needed equipment. RPO received an allotment increase of \$150,000 from USAID to pay for copying equipment, computers, printers, the printing of ballot forms, election seals, bands and stamps. The cars and equipment were picked up in Austria by representatives of the non-communist parties, who drove them to their home countries.

Countries in need of help turned to RPO to provide guidance as well as active support for their efforts. In Bulgaria, for example, opposition leaders were sorely in need of transportation. Although nongovernmental funding was available, the vehicles themselves were impossible to procure in Sofia. Donors turned to RPO for assistance. Since speed was of the essence and nongovernmental funds were being spent, I concurred with RPO’s executive officer, Johannes Schmiedt, that as long as no NGO funds passed through our hands, he did not have to apply strict governmental procurement rules, which would have delayed the process considerably.

Schmiedt and his assistant George Mathew worked with contacts in Germany, who bought used vehicles on the open market and had them moved to Vienna. They also arranged for local procurement of other equipment. Bulgarian representatives then picked up the cars and drove them to Sofia. No money ever passed through RPO’s hands in this unusual but effective procedure.

In Bulgaria, the government controlled the sale of all newsprint, thereby preventing democratic challengers from printing newspapers presenting their views. When RPO was asked to help procure newsprint, I immediately contacted Freedom House, which promised to provide the \$70,000 needed for the purchase of newsprint from an Austrian paper mill. When we called to place the order, however, the mill demanded immediate payment. Since the funds were from an NGO and would take several days to reach the company, I asked if they would deliver the newsprint based on my personal guarantee—making me personally liable for the entire amount if Freedom House renege.

The newsprint was quickly shipped to Bulgaria. And, of



Norma Reyes, standing third from left, with members of the DPF/DRE boat units and the U.S. Navy training team.

course, Freedom House came through with the money as promised. Subsequent orders of newsprint were purchased in Norway and shipped by rail to Bulgaria.

The herculean efforts of the RPO staff contributed considerably to the election of Zhelyu Zhelev, the first non-communist official elected to any leading position in the country in more than 40 years. During a trip to Sofia, President Zhelev expressed his enthusiastic thanks for all of the help the RPO staff had provided.

The presence and efforts of diplomatic employees made a tangible and lasting difference in Eastern Europe.

Bob Powers is a retired Senior Foreign Service officer who served in nine countries during a 35-year career.

“Essa Mulher” and the Counternarcotics Partnership

Brazil, 1992 • Norma V. Reyes

A Foreign Service narcotics affairs officer, I left Washington, D.C., in January 1992 to head the narcotics affairs section at U.S. Embassy Brasilia. I had been the Bureau of International Narcotics and Law Enforcement Affairs (INL) program officer for Brazil and the Southern Cone (Argentina, Uruguay, Paraguay and Chile) for more than a year.

INL funded the Southern Cone countries’ riverine or port projects, which were overseen by U.S. Coast Guard attachés. As they were part of my portfolio, I attended quarterly meetings on riverine and coastal projects hosted by General George Jowlan, commander of the U.S. military’s Southern Command in Panama. And as a member of the Riverine Steering Group, I

became acquainted with the U.S. Naval Small Craft Instruction & Technical Training School (NAVSCIATTS), headed by Captain Harry Stanbridge.

At that time counternarcotics funding to Brazil averaged \$4.5 million per year. Of that, about \$700,000 was used by Brazil’s Federal Police Narcotics Division (DPF/DRE) annually to finance engine repairs by several Brazilian companies on 10 Boston Whaler fast boats and two Long John boats. Training members of the boat units in maintenance and effective boat handling could cut these repair costs significantly, freeing the money to be used elsewhere.

After arriving in Brazil, I contacted Capt. Stanbridge and informed him that I wanted his team to provide training for the Brazilian DPF/DRE boat units, but that it might take a while. I had several obstacles to overcome. The first was reluctance by the head of the narcotics division to work with “*essa mulher*” — that woman. He lamented loudly that the embassy couldn’t assign a man to work with him, then assigned his third-in-command to deal with me.

But that was just one problem. The Brazilian military was not permitted to work in counternarcotics, so there were sensitivities about permitting U.S. military personnel to do so, much less to work on a domestic, non-military police project. Capt. Stanbridge assured me his team could travel on commercial flights, wear civilian clothes and report to me instead of our embassy military attachés. The military group commander, who had helped me liaise with the Southern Command, would be the emergency contact.

The next step was to get permission from the Brazilian government for the training project. Since my predecessors had worked only with the deputy minister of foreign affairs, I was directed to contact her. In our meeting, I emphasized the condi-

tions Capt. Stanbridge had agreed to, assuring her that the team would have no contact with embassy military personnel. She was not willing to proceed, however.

I drafted a diplomatic note, signed by Ambassador Richard Melton, asking the minister of foreign affairs to allow me to work directly with the Ministry of Justice. While waiting for a response, I took a trip with my narcotics division counterpart and a U.S. Drug Enforcement Administration agent to the main towns and ports along the borders with Colombia, Bolivia and Peru, the three drug-producing countries ranged along two-thirds of Brazil's western border. I wanted to introduce myself to DPF/DRE personnel and acquaint myself with the issues they faced regarding drug trafficking—one of several issues in their portfolio.

On return to Brasilia, we learned that the Federal Police director had promoted the head of the narcotics division—the same man who refused to work with “*essa mulher*”—to be his assistant. My fellow traveler, the third-in-command, would be the new head of DPF/DRE.

Soon thereafter, I was summoned to the embassy front office and handed a note signed by the Brazilian minister of foreign affairs allowing the narcotics affairs section to work directly with the Ministry of Justice. Within days, I received a signed letter of agreement allowing NAVSCIATTS to train the Federal Police boat units.

On July 10, 1992, U.S. Navy personnel arrived in Manaus to start the three-month training course on maintenance and efficient handling of the fast boats. At the end of the training, the deputy chief of mission and I traveled to Manaus for the training team's presentation of certificates of qualification to the Brazilian Federal Police, Narcotics Division, Riverine Boat Maintenance Unit.

Our collaboration with NAVSCIATTS allowed the police boat units to travel further out from their docks, and to acquaint themselves with smaller towns along the Amazon and its tributaries, and other rivers along the vast border with the major drug producers. Repair costs decreased and narcotics affairs section funding was available to increase other counternarcotics initiatives, like prevention.

It was the beginning of a successful four-year partnership between our respective counternarcotics programs.

Norma Reyes retired from the Foreign Service in 2001 after 12 years with the Bureau of International Narcotics and Law Enforcement Affairs. Ms. Reyes worked for the Department of Labor before joining the State Department.

After the Quake

Ecuador, 2016 • Stacy J. Scott

On April 16, 2016, 10 short weeks after my arrival at post, a massive 7.8-magnitude earthquake struck the coast of Ecuador in the Province of Esmeraldas—just 110 miles from my apartment in Quito. President Rafael Correa declared a state of emergency as the country faced its worst natural disaster in 67 years, which had left nearly 700 dead and more than 16,000 injured.

Over the next few weeks, I supported the country team's work to coordinate \$6 million in official U.S. government assistance, working to plan trips to the affected regions and coordinating calls with assistance agencies. This type of heartache and devastation is hard to witness as a silent bystander, and I felt called to take action beyond my official duties.

I contacted the international nongovernmental organization Pan de Vida (Bread for Life) and volunteered to take part in their assistance efforts for the coastal towns of Manta, Chone and Bahia de Caraquez in my spare time. I went on two relief trips with Pan de Vida, bringing bottled water and food supplies to people in the coastal towns most affected by the disaster—the first assistance many people received.

I also supported embassy community efforts to donate needed supplies and participate in outreach efforts. I volunteered my time, put creative ideas into action for the good of others and forged bonds with the Ecuadorian people. It was heartbreaking to hear their stories—families fleeing their collapsing homes, only to realize that not everyone made it out. My limited Spanish improved as I worked with the Ecuadorians.

We laughed together (often about the Portuguese words I was working to cut out of my Spanish!), and we cried together (for the loss of family members who were gone in an instant). This was grassroots public diplomacy in action; these interactions, beyond being immensely personally satisfying for me, highlighted the importance of civil society work and promoted our American ideals.

Stacy Scott is a State Department office management specialist currently posted in Quito.

After the Coup: From Power Plays to Peacekeeping

Côte d'Ivoire, 1999 • James Stewart

For decades after independence, Côte d'Ivoire was a bastion of political stability and a regional economic power. But on Christmas Eve 1999, a military mutiny changed all that. U.S. Ambassador George Mu, a career FSO, insisted to General Robert Guéï, who had taken power in the coup, that the junta must uphold political and humanitarian rights and return quickly to civilian rule.

Yielding to diplomatic pressure and the voices of Ivorian society, the junta permitted elections in October 2000, but our independent monitoring found them seriously flawed. Gen. Guéï claimed victory over the only viable opposition candidate allowed to run, Laurent Gbagbo. Guéï dissolved the National Electoral Commission part way through the count, and proclaimed himself president.

Laurent Gbagbo insisted that he had won, and the partial polling results seemed to confirm that. Gbagbo called his loyal “democrats” into the streets to protect his victory, and tens of thousands from several political parties followed suit. After days of street fighting, in which several hundred died on all sides, Gbagbo declared himself president.

The vicious struggle for political power, overlaid with ethnic, religious and economic tensions, continued as it had since the mutiny.

Ethnic tensions pitted Ivoirians from the south and center against mainly Muslim northerners. In the south, loyalist radicals spread hate speech while their militias destroyed property. Nativists accused Alassane Ouattara, a prominent northern Muslim (who had been prevented from participating in the 2000 election, but was later elected president), of destabilizing the country. Meanwhile, rebels completely suppressed dissent in the north.

Even worse, death squads were operating across the country. In Yopougon, the most populous sector of Abidjan, death squads killed 150 civilians; in Bouake, in the north, rebels executed 100 national police; and in one night our Reuters contacts counted 180 bodies of

civilians with lethal gunshot wounds in Abidjan morgues. We knew who had likely perpetrated these outrages and reported what we knew to Washington. We also helped the British ambassador move a U.K. company's 250,000 machetes out of the country as we realized what terrible weapons they can be.

This tangle of complex issues was explosive. And explode it did. In September 2002, an armed column emerged from the north aiming to take Abidjan. The Abidjan-based French Battalion stopped the advance on an east-west line across the country. Soon after, the Economic Community of West African States (known as ECOWAS) stationed peacekeepers across the line between the two sides, establishing a demilitarized zone (DMZ). On our several visits to Ghanaian and Beninois peacekeepers (two of the five countries represented), we saw how thin on the ground they were. Still, they kept the sides apart, even when Ivorian Army elements tried to penetrate the DMZ.

Dozens of episodes of machine gun fire, burning roadblocks and killings erupted, shutting down the country for days and keeping the situation fluid, difficult to track. We reduced embassy staff considerably and positioned military support next door in Ghana for a possible evacuation.

To make sense of all this, embassy officers hustled to speak with dozens of government officials; political parties; nongovernmental organizations, especially human rights organizations; the international press; businesses; United Nations agencies; and other embassies, especially the French. Our cocoa company contacts became invaluable sources in the volatile west toward Liberia, itself wartorn. “Contacts, contacts and more contacts” was our motto.

Reporting officers routinely put in 60- and 70-hour weeks to support the ambassador and keep Washington apprised

Reporting officers routinely put in 60- and 70-hour weeks to support the ambassador and keep Washington apprised of events essential to U.S. interests.

—James Stewart



of events essential to U.S. interests and to deliver formal messages from the United States to the host government. The political-economic section worked long and hard to compile thorough and honest annual human rights and religious freedom reports mandated by Congress, as well as the detailed yearly Investment Climate Statement—all part of the essential public record for future reference.

Seeing little progress on the many

complex issues troubling Côte d'Ivoire, in January 2003 Ivorian political parties met in Paris to hammer out the Linas-Marcoussis Agreement, which established a government of national reconciliation to deal with disarmament, citizenship issues, amnesty and hatred in the media.

Implementation was neither smooth nor speedy. The ambassador's seat on the LMA Monitoring Committee afforded insight into the thinking of other committee members, leaders from nearby countries who were, however, reluctant to criticize Gbagbo's actions.

When reconciliation bogged down after some months, the ambassador told us that a United Nations peacekeeping operation was needed and to "make it happen." My team researched whether Ivorians wanted peace and whether peace looked possible. Conversations with our various contacts across the capital and country indicated mostly positive responses to both questions. In the next five weeks, as pol-econ chief, I drafted and sent 27 cables assessing hopes and risks in the country.

Shortly after, in February 2004, the U.N. Security Council established a robust peacekeeping operation (PKO) to facilitate implementation of the LMA. Deep-seated differences remained, but we saw a significant payoff for the diligent diplomatic work of many as the PKO protected civilians, supported disarmament and monitored human rights. Political and social struggle continued, but the PKO reduced violence, saved many hundreds of lives and enabled political progress.

James Stewart is a retired Foreign Service economics officer whose overseas posts included Italy, Botswana, Niger, Côte d'Ivoire, Sierra Leone and Kenya.



Two of the Thomasite teachers who journeyed to the Philippines starting in 1901 to establish schools.

GPS MANILA, RIZAL LIBRARY, ATENEDE MANILA UNIVERSITY

Before There Was a Peace Corps

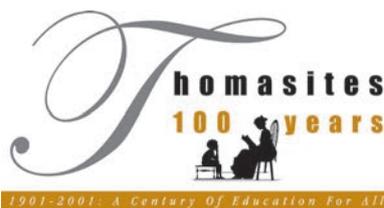
Philippines, 2001 • Michael Anderson

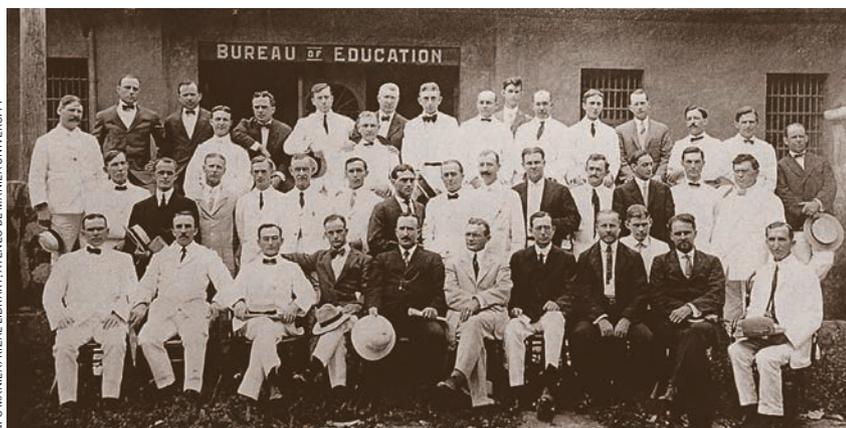
Everyone knows that the Peace Corps was founded in 1961 by President John F. Kennedy, right? Not quite.

The first time the U.S. government sent young, civilian volunteers overseas to promote development and mutual understanding was actually in 1901. That year the U.S. government, under President William McKinley, began sending volunteers to the newly acquired U.S. colony of the Philippines to establish a public school system after a long period of Spanish rule.

The 540 pioneering young educators, recruited from across America's universities, sailed from San Francisco to Manila in August 1901 aboard the U.S. Army transport vessel *Thomas*—hence, their name, the "Thomasites."

Like Peace Corps Volunteers in the Philippines and dozens of other countries decades later, the Thomasites were a hardy band of adventurous, idealistic individuals. Posted around the Philippine provinces to teach English, they established the precursors of today's Department of Education and encouraged democracy and good citizenship that would lead to eventual independence.





A group photo of early education officials and Thomasite teachers who were posted around the Philippine Islands, then a U.S. colony, by the new Bureau of Education.

As one Filipino journalist concluded, “Life was never the same again” after the arrival of the Thomasites.

I learned their inspiring, largely untold story while serving as public affairs officer in Manila from 1998 to 2002. The year 2001 marked the Thomasites’ centennial, and the embassy implemented a nationwide, multimedia public diplomacy campaign to tell their story. The message focused on the far-reaching, positive effects of these early American teachers on building a new nation and fostering bilateral friendship and respect.

Working with local contacts and partners like the Philippine-American Educational Foundation (Fulbright Commission) and the American Historical Collection housed at Ateneo de Manila University, the public affairs section found and shared Thomasite material, much of which had been lost or undiscovered over the decades, and brought relatives of Thomasite students and collaborators together with scholars of the program.

Our section supported numerous efforts to highlight the enduring legacy of the Thomasites. But at the same time, we used the centennial to look ahead and stimulate dialogue about the future of education, including the Fulbright exchange program, and U.S.-Philippine relations. By talking about shared values and the Thomasite experiences, the embassy helped foster countless conversations about the positive U.S. presence in the Philippines.

The frequent feedback was: “This is a story of which both Filipinos and Americans can be proud.” The Thomasite Centennial Project’s many tangible results over a year include a 73-page history of the Thomasites, designed and printed at the State Department’s Global Publishing Solutions office in Manila. Both the cultural affairs office—under Cultural Affairs Officer Dr. Thomas Kral—and GPS were crucial to the success of the

campaign. The GPS, for example, designed a special Thomasite logo and provided a range of other highly professional editorial and printing services promoting the centennial.

The Thomasite Project showed that public diplomacy does work. One clear indication that our campaign generated goodwill and caught public attention was that the embassy received the Philippine public relations industry’s prestigious annual “Anvil Award of Merit.” Another indication was that our various events and products were in great demand and generated positive buzz among diverse audiences and across generations, including many young Filipinos who had never heard of the Thomasites

and were prone to dislike American colonial influences and close military cooperation.

All the Thomasites have long since passed away, but the people-to-people links they began and the spirit of friendship they fostered continue today. Our public diplomacy efforts to share their story have had a lasting impact on U.S.-Philippine relations. Diplomats, Peace Corps Volunteers, Fulbright scholars and development workers came to the Philippines later to establish new connections, but the foundation of much of their work can be traced to the Thomasites. Our project helped ensure that these remarkable American teachers will not be forgotten.

Michael Anderson, a retired public diplomacy FSO, had two assignments in the Philippines. He served as Embassy Manila’s assistant information officer from 1982 to 1985 and was the public affairs officer from 1998 to 2002.

Preventing War between Peru and Ecuador

Peru, 1981 • Edwin G. Corr

On Jan. 22, 1981, a Peruvian Air Force helicopter flying above the Ecuadorean-Peruvian “truce border line” was fired on by Ecuadorean military units deployed on the Peruvian side of the border. I was serving as ambassador to Peru at the time, and knew this would create a serious risk of war between the two countries.

Spain had established a boundary line between the populations (*audiencias*) of Quito and Lima in 1563. After the wars of

independence ended for Peru and Gran Colombia, this line was regarded as the border from 1822 to 1829, when Gran Colombia disintegrated into Ecuador, Colombia and Venezuela. The border dispute began when Peru rejected Ecuador's claim as a successor to Gran Colombia's territory and claimed land north of the 1563 line.

The truce line was established in 1936 during Peruvian-Ecuadorian negotiations under U.S. auspices, and was later included in the 1942 Rio Protocol between Peru and Ecuador, to which Brazil, Argentina, Chile and the United States were guarantors.

The protocol settled the 1941-1942 Peru-Ecuador War (in which Peru had occupied much of Ecuador), and seemingly "settled" the underlying boundary dispute until 1946, when a U.S. Army plane discovered a previously unknown river and watersheds that made part of the prescribed border line inapplicable. Contention resumed, and in 1960, Ecuador unilaterally repudiated the Rio Protocol.

In 1978, when I was Embassy Quito's deputy chief of mission, military clashes at the border threatened to escalate, but the United States helped contain the conflict.

The Peruvian armed forces ousted democratically elected President Fernando Belaúnde Terry in 1968, and ruled for 12 years—expanding the military with the help of equipment, training and aid from the Soviet Union. Belaúnde was again elected president in 1980. He ruled effectively, but with one eye on the armed forces.

On that January 1981 morning, after the Peruvian helicopter was fired on, we knew the situation would grow worse. As the U.S. ambassador to Peru, I established a crisis operations center at the embassy with officers and staff of the State Department, other civilian U.S. government departments and agencies, and U.S. military personnel, all of whom worked with their local contacts to learn and influence what was happening.

I had numerous meetings and telephone conversations with the president and the foreign minister of Peru, along with other cabinet ministers and selected senior military officers. I was on a secure telephone with State Department senior officers and the country

desk. DCM Jerry Lamberty and I approved continuous situation reports streaming to Washington and to our embassies in Quito, Brasilia, Buenos Aires and Santiago. I also informed and coordinated actions with ambassadors to Ecuador from the other Rio Protocol guarantor countries. Embassy personnel worked continuously the first day, first night and second day, gathering information. We made clear to all our contacts that the United States was opposed to war and wanted a peaceful resolution.

On the second day, based mostly on talks with top civilian officials, we believed the danger of war was subsiding. I had reduced crisis operations to give officers needed rest when the Air Force attaché entered to report that the Peruvian Air Force had 100 pilots and crewmembers on standby, with assigned missions for attacks in Ecuador—launch orders were expected the next day. A political officer also arrived to inform me that a senior official of the Peruvian Foreign Ministry had telephoned his daughter, who was married to an Ecuadorean, telling her to get her family out of Quito for safety.

It was after midnight when I called the president's military aide and asked to meet with the president about extremely dangerous actions by the Peruvian military. I brought the Brazilian ambassador with me to represent the guarantor countries.

President Belaúnde met us inside the presidential palace. He led us to a small chapel and asked that we kneel to pray for guidance and peace. We did. The meeting in his formal office was brief. He thanked me for my alert and assured us he would order the Armed Forces not to attack Ecuador.

As we departed the office, we saw Armed Forces Commander-in-Chief General Hoyos and other senior officers arriving. Clearly the president and his aide had gone to work after my call. On my early morning return to the embassy, the air attaché informed me that a few minutes before, instructions had been given to the armed forces to cancel attack plans. Pilots and crews were departing their bases.

U.S. diplomacy played a major, critical role in preventing a Peruvian attack that would have resulted in thousands of Ecuadorean deaths. War would have roiled and divided countries throughout the hemisphere, thus disrupting the security

On my early morning return to the embassy, the Air attaché informed me that a few minutes before, instructions had been given to the Armed Forces to cancel attack plans.

—Edwin Corr





COURTESY OF DAVID COWHIG

Dr. Gao Yaojie with AIDS orphans in rural Henan Province, China.

advantage of living in a relatively peaceful region.

Peruvian and Ecuadorean military units clashed again on the border in 1995. Once more, the United States, collaborating with the Rio Protocol governments and working through the Organization of American States, established a truce; finally, in 1998, Peru and Ecuador established an agreement on boundaries, ending the 150-year dispute.

Diplomacy is our nation's most effective foreign relations tool (and by far the least costly in money and lives) for the protection and promotion of our country's interests and security. Diplomats with well-established contacts and knowledge of the history, culture and language of a country are best able to calm tense situations early and be persuasive voices of reason.

Edwin G. Corr, a career FSO (1961-1990), was U.S. ambassador to Peru, Bolivia and El Salvador; deputy assistant secretary for international narcotics control; deputy chief of mission in Ecuador; and a Peace Corps regional director in Colombia. He also served in Thailand, Mexico and on various State Department desks. He was a captain in the U.S. Marine Corps and is a retired professor and administrator.

Slowing the Spread of HIV

China, 2013 • David Cowhig

During my five years in the science section at U.S. Embassy Beijing, with the strong support of science counselors Marco DiCapua, David Bleyle and Kurt Tong, my reporting on HIV/AIDS and public health in China helped the U.S. National Institutes of Health and the Centers for Disease Prevention and Control (CDC) work more effectively with Chinese partners fighting the HIV/AIDS epidemic.

Dangerous blood plasma collection methods at government blood banks in China had spread the virus to tens of thousands of people from 1994 onward. On the basis of internal reports done in 1995, China began requiring HIV testing of blood sellers, but reports documenting the unsafe practices of local authorities were kept secret. However, an outraged Chinese government official did share some of those secret reports with me at considerable personal risk. In 1997 official blood plasma collection centers using dangerous methods were closed, but some continued to run privately—and illegally—particularly in China's most populous and most impoverished province, Henan.

Many Chinese public health workers, including many government and Communist Party officials, were frustrated by this state of affairs. Chinese journalists published stories about “HIV villages” in Henan province, where peasant blood sellers were dying of AIDS, leaving behind many orphans. Henan province physicians Wang Shuping, the first to speak out about the threat of HIV/AIDS in the blood supply, and her colleague Gao Yaojie campaigned to raise HIV prevention awareness and to help orphans whose parents had died of AIDS.

Dr. Wang had learned epidemiological skills from a CDC field epidemiology course taught in Beijing by Dr. Ray Yip in 1988. Employing those skills as a provincial blood bank worker, she was able to detect the spread of hepatitis C and then to predict the HIV epidemic. At the time, Henan blood plasma collection centers connected sellers of the same blood type to a tank that pooled their blood. Once the blood plasma was separated out using a centrifuge, the liquid fraction of the blood was pumped back into the blood sellers so that they could sell blood more frequently. Dr. Wang discovered that this dangerous practice was spreading hepatitis C, and she predicted that HIV would soon spread through the blood supply as well.

Dr. Wang spoke at many conferences of the Henan provincial health department, arguing that these profitable but dangerous blood collection methods would spread the HIV virus and must be stopped immediately. In response to her activism, the local authorities hired toughs to beat her up and had her fired from her job at the blood collection station.

Many Chinese health workers educated me about HIV in China and pointed me to Chinese books, media reports and medical journals that often hinted at more than they were allowed to say. The big picture is easy to censor, but nobody can fake all the details because it takes considerable background and study to know just what to fake. Chinese physicians, outraged by the cover-up, wrote articles in such a way that careful readers understood that things were more serious than was being disclosed.

Thanks to my skills in reading Chinese science and technology literature (I was a freelance science and technology translator before joining State in 1991), I was able to pick up many of these contradictions. At conferences foreigners were allowed to attend, I always sat with the Chinese, not with other foreigners, explaining, “It is more friendly this way.” I learned a lot from the whispered criticisms and commentary of the Chinese experts sitting nearby.

The official reporting cables I wrote helped Washington organize more effective cooperation on HIV/AIDS. Slightly sanitized

versions of those U.S. Embassy Beijing reports, along with translations of Chinese articles, are still available on the embassy’s internet archive.

A Chinese official told me at the time that our online reports were being read in the office of the minister of public health, whose office thought our embassy reporting was excellent. Embassy reporting was picked up by *The New York Times*, *The Washington Post* and other media. Increased foreign attention, combined with growing public pressure from within China itself, seems to have helped accelerate Chinese government attention to HIV/AIDS and funding for HIV work.

David Cowhig is a retired Foreign Service officer who served in Beijing from 2007 to 2012.

The Making of Plan Colombia

Colombia, 1999 • Peter Romero

It was early 1999, and we were set for takeoff on the American flight from Bogotá. Both of us sat in silence, unnatural for either Director of Andean Affairs Phil Chicola or me. We were stunned and trying to process what we had just seen and heard.

Security had deteriorated markedly throughout Colombia. Kidnapping, killing and extortion were becoming epidemic. If you could afford to fly between cities in the country, you did. Otherwise, you avoided driving beyond the city limits. Truckers, who had to drive, carried rolls of cash to make it through the many checkpoints manned by guerrillas and common criminals.

The country’s borders, particularly those with Hugo Chavez’ Venezuela, were not much more than signposts as guerrilla fighters, weapons, drugs and cash moved back and forth virtually unchecked. Cocaine and heroin production spiked. The annual CIA estimate reported that the guerrilla Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN) coffers were approaching a billion dollars per year. Moreover, the daily visa lines outside our embassy were snaking around the block as the government of President Andrés Pastrana was losing its grip on huge swaths of territory.

Pastrana had been elected as the “Peace President” to follow through on his campaign pledge to negotiate an end to the 40-year conflict with the FARC and ELN. As a show of good faith for negotiations, Pastrana gave the FARC a *despeje* (safe haven) the size of New Jersey. In turn, the guerrillas used the *despeje*

to recruit and train new fighters, including thousands of child soldiers, who swelled their numbers to about 20,000. The Colombian state was failing from its borders inward.

This was bad enough, but what left us speechless as we waited for takeoff were our briefings at the Colombian Ministry of Defense. After the perfunctory slide shows by the police and army chiefs—“Don’t worry, we’ve got this now”—we sat down with two U.S. special forces officers assigned to the ministry to put together all-source target packages for Colombian ops. We’d sat through a lot of these, but the briefings were particularly impressive, covering everything the Colombians would need to have and do to get the job done. It was all there, except offering to tie their shoes for them.

Then came the obvious question: How many of these target packages have you put together, and how many have they acted on? The junior of the two said that about two dozen had been passed to them. The senior officer sheepishly answered that the Colombians had acted upon two in the last year. He then went into why: there is little sharing or coordination among the many intelligence agencies and their operational components; they couldn’t get an airlift when needed; there is intense infighting between the police and army over who would lead; and so on.

Back on the plane, I turned to Phil, “We’ve got to do something, and it has to be big.”

“Yeah,” he said, “but this is going to be hard.”

He knew this better than anybody because his daily grind was to reply to the mountains of outrage leveled at State by Congress, the press, human rights groups and those within the Clinton administration who were justly incensed over the abuses by many in the Colombian army. Far worse, the army was turning a blind eye to the horrendous abuses of the paramilitaries, private armies supported by rural elites and ranchers. And, as Phil reminded me, getting an appropriation for this “big” package would take place in the midst of a presidential impeachment effort.

Yes, all that was true, but the situation was dire; our current assistance was hopelessly conditioned and fragmented. And there were key players in Congress who could be counted on. So we went to work. I reached for a pen, and Phil searched for paper. When he couldn’t find any, he reached into the seatback and pulled out the white barf bag. Good enough.

Phil had been my deputy chief of mission in El Salvador when our mission assistance was designed to support the peace accord, to reform or replace much of the government and the armed forces, and to provide the essential carrots and sticks for the guerrillas to disarm and demobilize. In El Salvador, the basic elements to assist in creating an enduring government presence beyond the

capital (e.g., new police force, rural courts, infrastructure development, job creation and training, village banking, farmland, political party preparation) were all advanced under a peace agreement. In Colombia, their actions and our assistance had to get the guerrillas to the negotiating table, a very different panorama.

By touchdown in Miami we had a set of critical components for the big package. It contained all of the above and more (an all-service intelligence fusion center and a coca and poppy substitution plan), but it was also front-loaded with equipment and training for the military and police. We were mindful that security had to be the umbrella under which social, educational and health benefits would flow to war-weary rural dwellers.

At Colombian urging, the \$1.2 billion initial budget request was dubbed Plan Colombia. We then set out to get the Europeans to pony up. Some 16 years and \$12 billion later, the FARC signed a peace agreement with the government and the smaller ELN has begun talks. From the start, the Colombians owned Plan Colombia, raising more than twice our contribution through “security taxes.” The vision and statesmanship of its elected leaders made the difference.

The strategy’s success has made it a template for counterinsurgency worldwide. Colombian security and development specialists are found in Mexico, Central America and South America, and they have lent their expertise in Iraq, Afghanistan and beyond.

Rather than becoming a failed state next to the currently failing Venezuela, Colombia is at peace. Its people are at home working, and foreign investment is increasing at a brisk 15 percent per year. In August 2017, demand was four times higher than the offering of BBB-rated government bonds.

Plan Colombia’s success was the result of tireless efforts on the part of Under Secretary for Political Affairs Thomas Pickering and so many others at State; strong bonds of trust between our two countries; and superb bipartisanship through 16 years of Republican and Democratic administrations. But, more than anything, it was the courage of everyday Colombians, in uniform and out, who put their lives on the line for the sake of their homeland that made the 1999 tipping point a success.

It didn’t come either cheap or quick, but the policy worked. ■

During a 24-year Foreign Service career, Peter Romero served as ambassador to Ecuador, as chargé d’affaires in San Salvador and as assistant secretary of State for Western Hemisphere affairs under Presidents Bill Clinton and George W. Bush. He is credited with conceiving of Plan Colombia and was instrumental in convincing Congress to fund it. He currently co-produces a podcast, “American Diplomat.”

Reimagining the Future of American Leadership

While acknowledging our strength and past achievements, American leadership today will be defined by our grasp of the future.

BY THOMAS A. SHANNON JR.

Nostalgia is not a virtue in diplomacy. This is especially true in times, like today, of high-velocity, high-impact change.

Jules Cambon, a great French diplomat of the early 20th century, wrote of the melancholy that overtook European diplomats in the aftermath of World War I. He said that an age of publicity, democracy and nationalism had taken the charm out of diplomatic life, and had reduced the ability of diplomats to display “character and initiative.” Yet he recognized the changed nature of the world, and wrote: “We may regret it as Roland regretted the loss of his mare, but it is idle to try to revive the past.” Cambon urged his colleagues to adapt themselves to changing circumstances, and assured them that while the appearance of diplomacy might change, its substance would remain. His confidence was based on two enduring truths: first,

human nature does not change; and second, “Foreign policy is not a matter of sentiment; its object is to shape events in conformity with the laws which govern national destiny.”

Cambon’s words are worth keeping in mind as we engage in a national debate on our purpose in the world and the content of our foreign policy and diplomacy. Currently, that debate tends to harken back to earlier times in the history of our great republic during which bipartisanship, strategic consensus, concerted action with reliable allies, well-defined adversaries and enduring accords protected and advanced our national security interests independent of any domestic discord. Quite apart from the possibility that this past is more imagined than real, it seems evident that the American people want a foreign policy vision that captures and defines the future, and not one that parses the past.

This is not to diminish what we have achieved. Across more than two centuries of national life, our elected leaders and diplomats have carried us successfully through many thresholds of profound national and global change. The genius of American diplomacy has been its ability to see clearly, think grandly and act accordingly.



Thomas A. Shannon Jr., a Career Ambassador, is the under secretary of State for political affairs. Prior to this assignment, he was counselor of the State Department. During 30 years in the Foreign Service, he has also served as ambassador to

Brazil and assistant secretary of State for Western Hemisphere affairs, in addition to assignments in Caracas, Johannesburg and Guatemala City.

The Purpose of American Diplomacy

For instance, Dean Acheson, in his magisterial *Present at the Creation*, describes how the United States built “order out of chaos” in the aftermath of World War II. He describes the effort in terms reminiscent of Genesis. But as Acheson told this story of

“large conceptions, great achievement and some failures,” he was careful to highlight the uncertainty of the task. He wrote that the enormity of the task that lay before them “only slowly revealed itself.” He noted that “the state of the world in those years and almost all that happened during them was wholly novel within the experience of those who had to deal with it.” But ignorance of the task they faced, and the obstacles they would be required to overcome, never deterred what Acheson called the energy and buoyant determination with which they faced this challenge.

Acheson’s point was echoed by Hans Morgenthau in his book, *The Purpose of American Politics*: “Greatness is vouchsafed to us not because we are the heirs of great men (like Lincoln and Washington) but because we are still animated by the principles and purposes that defined their lives.” He asserted that the United States is not a status quo or revanchist power. Instead, he said, “Our purpose is not to defend or preserve the present or restore the past; it is to create the future. When we struggle, it is to defend one kind of future against another.”

How we define American leadership depends on how we define the future. While our accomplishments give us primacy of place, and our power demands the world’s attention, we live in a world of accelerating change where power abhors not only a vacuum, but the status quo. The American people, as well as our allies and partners, recognize that we are in the uneasy position of protecting what we have built while we imagine our next important achievement. In this environment, our greatest fear should be that of stagnation. We face a simple truth: He who moves forward wins.

Understanding the Drivers of Change

We must restore vitality to our dialogue and engagement and inventiveness to our work if we are to match the pace of life. To understand the major drivers of global change, and the context in which we must address them, we need look no further than the work of our National Intelligence Council. Every four years, our colleagues at the NIC’s Strategic Futures Group produce a report on what former NIC Chairman Gregory Treverton called “the forces and choices shaping the world before us over the next two decades.” The NIC has produced six such Global Trends reports. The most recent—“Alternate Worlds” (2013) and “Paradox of Progress” (2017)—are prescient and mind-stretching.

At the risk of oversimplifying through summary, I will share the four major drivers of global change identified by the NIC:

First, the rise and empowerment of the individual as a national and global actor. The emergence of a global middle class is the dominant social phenomenon of the 21st century. Unlike President Woodrow Wilson at Versailles, who had to manage the

emergence of peoples onto the global landscape and address their demand for a role in determining national destiny, today we must address the demand of *individuals* for a role in fashioning their own destiny. In other words, increasingly political legitimacy lies not solely in political rights, but in the opportunities and resources that governments provide their citizens. Democracy becomes a social phenomenon, and identity becomes its expression.

Second, the transformation of power, or the flattening of the world. As the winner of the Cold War, the United States is the only surviving superpower. However, our ability to project our power anywhere at any time is tempered by the recognition that we cannot commit our power everywhere all the time. This, compounded by the emergence of regional powers with global ambitions, means we must act judiciously. We must determine which of our interests require the exercise of our power, and where stability requires accommodation.

Third, the aging of the world. As a social phenomenon, this is a corollary to the rise of the individual and the middle class. It is the product of increased wealth, better education and health care, and enhanced security. Within democracies, this phenomenon will reshape the allocation of economic resources, increase demands for stability and redefine national interests. For our authoritarian competitors, such as Russia and China, the risk of “aging out” becomes a major concern and shortens their perceived window to accomplish their global goals. And, on the other hand, there is a persistent youth bulge on the periphery of the global economy. Absent significant economic growth and job creation, the young men and women who make up this bulge will feed instability, mass migration and conflict.

Finally, the growing nexus between food, energy and water. This is tied to the previous drivers of change. A growing global middle class wants to eat better, live better and have access to the energy necessary for its comfort. An aging population is increasingly a consuming, not a producing, population. The remaining youth bulge will not give up its aspirations to accommodate those who have already arrived. And competition and conflict within regions will increasingly occur around these resources.

Challenges for Governance and Diplomacy

These drivers of change create a challenging context for governance and diplomacy. While opportunities abound, the NIC notes that our new century will be defined by a world with the following characteristics: (1) The rich are aging, and the poor are not; (2) The global economy is shifting and incapable of large growth due to shrinking workforces in major economies and diminishing productivity gains; (3) Technology is accelerating but will aggravate

differences between winners and losers; (4) Identities and ideas are driving a new wave of exclusion; (5) Governing is getting harder, and the institutions of governance are overtaxed by increasing demands and declining capacity; (6) The nature of conflict is changing; and, (7) Historically deferred decisions—especially related to health care, the environment, transnational crime and social justice—will demand attention at a moment when governments will have a declining ability to address them.

There is a darkness in this depiction of a world with rising conflict, regional struggle, incompatible economic and social demands, and an increasing number of people and countries with veto power over concerted action. Yet these scenarios also point to a future where resilient nations and societies can prosper. The “Paradox of Progress” report notes: “The most powerful actors of the future will be states, groups and individuals who can leverage material capabilities, relationships and information in a more rapid, integrated and adaptive mode than generations past.” It continues: “The ability to create evocative narratives and ideologies, generate attention, and cultivate trust and credibility will rest in

overlapping but not identical interests and values.” In other words, our salvation will lie within our own society, in our respect for the diversity of interests, and in our diplomatic ability to build the partnerships and alliances necessary to create “webs of cooperation” that are driven by their immediate relevance to the well-being of our people and those of our partners.

The challenge to American leadership lies in our ability to shape narratives that capture the imagination of others, to build the engagement and cooperation necessary to provide substance to this narrative, and to provide the stability and peace necessary for the full flourishing of the dynamism that exists within our society. Hans Morgenthau wrote: “The world has been conscious of American purpose in the measure that America was determined to achieve it.” This determination requires a vision of the future in which we become alert, in the words of Walter Lippmann, “to a process of continual creation, an unceasing invention of forms to meet constantly changing needs.”

In short, we must act to amplify the possibilities of life and human engagement. ■



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Are You Retirement Ready?

Experts explain how to prepare for retirement throughout your career, from your first days on the job until you turn in your badge on the last day.

BY DONNA SCARAMASTRA GORMAN

When it comes to preparing for retirement, there are a lot of different strategies out there. One of the most common, and least useful, is the file-and-forget approach. You know this one: you sign all of the required papers

when you join the Foreign Service—Thrift Savings Plan allocations! Bank accounts! Life and health insurance!—and then you jump feet first into A-100 and promptly forget what you signed. One day, a decade or so later, you start to wonder—what exactly did I sign? Am I saving enough for retirement? And where did I hide my TSP password, anyway?

It's easy to let this happen when you're not sure where



Donna Scaramastra Gorman is the Journal's associate editor. A writer whose work has appeared in Time Magazine, Newsweek, The Washington Post and The Christian Science Monitor, she is the spouse of a Diplomatic Security agent. She has lived in Amman, Moscow, Yerevan, Almaty, Beijing, and currently resides in Washington, D.C.

to start. But we've talked to multiple financial experts, all of whom are experienced in designing retirement plans specifically for members of the Foreign Service, to figure out what you should be doing at every stage of your career, from the very first day until the last.

Here's what they told us.

In the Beginning: New to the Foreign Service

Most people aren't thinking about retirement on their first day on the job. But all of our experts agree that now is the time to begin taking action for a secure retirement. Thomas Cymer, the president of Opulen Financial Group, recommends that all new Foreign Service members focus first on building a solid cash reserve. He encourages his FS clients to create a budget estimating monthly expenditures and then "systematically put money aside until you have at least a six-month cushion in place."

Patrick Beagle, owner of WealthCrest Financial Services, works almost exclusively with Foreign Service and other federal employees and members of the military. He tells clients to "maximize the Thrift Savings Plan to the greatest extent that you can" in these early years. He recommends saving no less than 10 percent of your pay in the TSP, saying that "the time value of money in

these early investments has a profound impact on retirement success.”

William Carrington, a Foreign Service family member, financial planner and retirement management analyst who founded Carrington Financial Planning, advises FS members to create a written retirement plan. Additionally, he recommends that you buy a home as soon as you can. Christine Elsea Mandojana, a certified public accountant and financial planner currently posted in Barcelona with her FSO spouse, agrees that “a solid real estate investment can help diversify your overall investment portfolio, and it helps you plan for housing needs when you leave the Foreign Service.”

Be sure to consult a tax adviser if you invest in a rental property, because rental properties can create complicated federal and state tax issues. Beagle also recommends looking for housing outside the Beltway to reduce costs. And, he says, “try to hold housing costs to less than 35 percent of your income.”

You might not be making much money in those lean early years. Still, Hui-Chin Chen, a certified financial planner and Foreign Service family member who runs the website Money Matters for Globetrotters, reminds her clients that “any extra pay goes to savings.” Additionally, she says, “when you get a raise, put at least 50 percent into savings” rather than spending the extra cash.

Halfway There: What to Do in the Mid-Career Stage

This is the “decade of complexity,” says Carrington. Mid-level officers and other Foreign Service members are making more money, but they often face more expenses. Perhaps they have children and need to save for college and other related expenses. Some have gone through divorce and the accompanying financial distress. Still others have increased medical expenses, or expenses incurred caring for elderly parents.

Cymer suggests that married couples “discuss and prioritize” their goals in order to decide what expenses to prioritize. He asks his FS clients to think hard, for example, about whether paying for their children’s college is more important to them than retiring early.

Max out that TSP, says Mandojana, and maintain a solid emergency fund. At this point in your career, she also recommends that you review your will and life insurance needs and consider college savings if you have children. But, she warns,

Most people aren’t thinking about retirement on their first day on the job. But all of our experts agree that now is the time to begin taking action for a secure retirement.

do not save for college at the expense of saving for retirement.

Hui-Chin Chen recommends making “a household financial plan to give your savings purpose and strategize your investments.” She also says that now is the time to “develop networks and skills for careers

or income potential *after* the Foreign Service and *outside* the federal government.”

Twenty Years In: Ready to Retire?

“Remember that retirement eligible does not mean *ready*,” says Beagle. “Just because you can, doesn’t mean you *should*.” Before you make a move, you need to “take stock of investing success, future job prospects, retirement goals and family demands.”

At this stage of the game, it’s time to re-evaluate your goals. If you’ve been through a divorce, asks Cymer, how is the loss of income and assets going to affect you? If you have children who live elsewhere, you need to think about where you’d ideally like to retire. It’s a good time, too, to check in on your spending—have you accumulated enough to slow down on savings or start a second career?

“Most FSOs are in the ‘golden handcuffs’ at this point,” warns Carrington, adding, “leaving the FS is simply not an option.” And if you’ve gone through a divorce or other financial calamity since joining the Foreign Service, you’ll need “five to 10 additional working years to recover a pre-divorce standard of living.”

Mandojana urges her clients to take tax planning seriously at this point, because “a mix of assets, higher salary and life complications such as college and/or divorce can create opportunities and pitfalls that need careful planning.” She recommends that you maintain an annual spending and saving budget and an estimated retirement budget. Check annually if you are on target to meet your retirement goals, and make adjustments as needed.

Going Beyond 20

Can you really leave the Foreign Service when you hit 20 years of service? Should you?

There are actually quite a few benefits to staying on after you reach the 20-year milestone. According to Carrington, your pension will continue to increase by 1 percent per year, meaning TSP contributions can add \$30,000 in new money each year. “Very few FSOs seriously consider leaving after 20 years, in my experi-



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Making Ends Meet in Washington, D.C.

Save as much as you can, and then save a little more. You know what you need to do, but how do you save anything at all when you're posted to D.C. and just trying to make ends meet?

Chris Cortese, a retired Foreign Service officer and founder of Logbook Financial Planning, advises his clients to estimate their cash flow before returning to Washington, D.C. "Coming back to D.C. is going to require some changes," says Cortese, because you will suddenly add rent, electricity, water, sewer, homeowner's insurance and other big-ticket items to the budget.

Software programs like Mint or You Need a Budget can help you get started. "Start with taxes, fixed expenses and a minimum of 5 percent into the TSP," Cortese says. Then look at the variable expense side, and ask: Are there items I can eliminate or reduce to continue to fund the TSP at a higher level?

As a former FSO and father of four, Cortese has plenty of ideas for cutting expenses. He suggests trying to live with just one car and finding alternative ways to commute. If you have homeowner's insurance, consider raising your deductible or bundling your coverage with your auto insurance. Food, he notes, can be "a budget breaker." For families, he suggests using a credit card that gives cash back on groceries.

For example, he says the American Express Blue Cash Preferred gives back six percent on groceries for the first \$6,000; after their \$95 dollar fee, this nets \$265, which he calls "the easiest \$22 a month in grocery coupons I don't have to clip." He also wants you to download your preferred grocery store app and, of course, brown-bag to work.

To cut phone expenses, says Cortese, look at companies such as Total Wireless or Tracfone, which "use the big networks, but usually are 50 percent cheaper." Entertainment? "Time to enjoy all the free offerings in D.C. and Northern Virginia, along with the great public libraries," he says. Instead of a gym membership, his family uses online videos to work out. For clothing, he says, "the average American only wears 20 percent of their clothes," so institute a "something in, something out policy" to cut down on impulse clothing purchases.

Cut the cable cord and read more, he advises. And finally, "a D.C. assignment is the perfect time to teach the kids about energy conservation."

Other ways to make ends meet?

Save as much as possible in an emergency fund while you are posted outside the United States, so you have a cash cushion while in D.C.

Don't think of TSP contributions as optional. Continue to contribute as much as you can—because it is automatically withdrawn before you receive your paycheck, you shouldn't miss it much.

FS spouses should look for employment. "If there is any city where it pays for the spouse to work," says WealthCrest's Patrick Beagle, "a high-cost area is it, because it also likely means higher wages for workers."

Finally, know what is coming your way. Take a deep breath, says William Carrington of Carrington Financial Planning, and "accept that money will be tight if you have just one income. Expect to burn through much of your cash reserves." And, he says, whatever you do, don't go into debt.

—Donna Gorman

ence," he says, "unless they are over 60 or have some special circumstance."

"There is credit for additional years of service past 20, and the high-three salary will likely increase, as well," says Beagle. "Face it: you likely have the best paying job you will ever have. Don't leave until the goals you have are met, or until you have a follow-on plan to do so."

Thomas Cymer tends to disagree. "There are certainly benefits that will continue to accrue, but depending on the person's life priorities, it may be time to put their expertise to use in a different arena. With 20-plus years of experience, a person could potentially

land a higher-paying private-sector job. So at this point it's time to do a goal check-in, and see where you want life to take you next."

Whatever you decide to do, Mandojana wants you to understand that "there are ongoing discussions on possible changes to government retirement systems," and all FS members need to stay fully informed of those developments.

The Life of Leisure

Congratulations! You made it to the end of your FS career: You turned in your badge, and you're ready for whatever comes next. Not so fast, though: You still need a plan. Many people splurge on

Mid-career is the time to develop networks and skills for careers or income potential *after* the Foreign Service and *outside* the federal government.

big-ticket items right after they retire, but Beagle suggests avoiding overspending. “The safe withdrawal rate from your investments is about 4 percent of the balance a year,” he says. “Spending beyond what you get from your annuity and 4 percent of the balance can potentially cause plan failure.”

It’s also important, says Cymer, to monitor your investment allocations and make sure you have a distribution plan in place. Folks in retirement need to focus on keeping as much in their pockets as possible, looking at how to continually minimize taxes and making sure they aren’t being too aggressive with their retirement funds.”

But remember what you worked for, says Carrington, and “don’t live an unnecessarily constrained life.” Many FS members have more flexibility than they think. “If you have a pension, Social Security, TSP and a paid-off mortgage,” he says, “you are golden.” Consult a professional and work out a cash flow and spending plan so you know what you can comfortably afford to do.

Now is the time to update your will and medical care directives, advises Mandojana. “Be sure your financial plans include end-of-life care plans, such as a nursing home, in-home care, etc. Be sure you have a plan in place of who will take care of your financial responsibilities when you are no longer able to do it yourself,” she says.

What about Family Members?

This is all useful information—if you’re the employee. But what should family members be doing to prepare for retirement? Many have sketchy work histories and no TSP of their own. Most of our experts recommend that spouses find some sort of employment at every post to ensure their family’s financial security.

“With today’s technology we can be connected to each other while we are virtually anywhere on the planet,” says Cymer. “Look for a flexible position that allows for working remotely. Some of the more creative jobs my work-from-home clients have had included things like transcribing services, coding, web design and social media marketing.”

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At the 20-year point it's time to do a goal check-in, and see where you want life to take you next.

"I meet with couples all the time where the spouse has little to no Social Security or pension," says Beagle. "The bottom line: work if you can. Find those skill sets that can work remotely." Beagle's FS spouse clients have skills that include transcription, editing, physical therapy and computer support. "Think of skills that you can transfer anywhere and be self-employed or remotely employed," he recommends. "Then bank more than half of that pay."

Carrington adds that spouses need to maintain their own financial identity, and keep credit cards and checking accounts in their name.

Look for a need and find a job or start a business to fill that need, says Mandojana: "Be creative and persevere. If you aren't concerned about working, then enjoy the adventure—but be sure to save for retirement, too!"

Take Action

It's a complicated topic, but don't put off thinking about, and planning for, your future retirement. If you haven't started saving yet, start today. Not saving early in your career is the biggest mistake you can make. FS members "need to understand that paying themselves first (by saving 10 percent in the TSP) is an imperative, not an alternative," says Beagle. "I see many who failed at this and cannot retire as a result."

But don't let your TSP savings lull you into complacency. "Count the huge blessing you have in the pension system," says Beagle. "More than 85 percent of Americans have no pension plan." It's a great start, he says, but it isn't enough. FS members "often make the mistake of thinking that the pension will suffice in retirement. It will not."

Plan for your future: Start a separate account to save for a house. Write down your short- and long-term goals. Track your day-to-day spending. Talk to a tax adviser or financial planner who can help you build a realistic plan.

Yes, you're busy at work. And at the end of the day, you have gym buddies to meet, children to ferry around town, laundry to be done, work functions to attend. But don't let today's roadblocks keep you off the path to a comfortable retirement. ■

AFSA President's Column Becomes Headline News

At the front of every issue of *The Foreign Service Journal*, we run a column by the AFSA president. Ambassador Barbara Stephenson's December President's Views column, "Time to Ask Why," was shared with the membership in advance of publication. The column was immediately picked up by multiple media outlets, generating interest on the Hill and ultimately changing the narrative to better reflect the critical role of the Foreign Service.

On Nov. 8, Amb. Stephenson appeared on the PBS NewsHour to discuss AFSA's

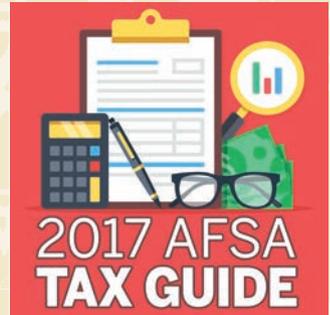
concern over the rapid depletion of senior ranks at the State Department and a set of data she shared in her column supporting that claim. The column was also covered by *The Washington Post*, *Foreign Policy*, *Time*, *The New York Times*, *ABC News*, *Vanity Fair*, *The Hill*, *The Rachel Maddow Show*, *Vox*, *Bloomberg* and many others.

AFSA's long-term goal is to raise awareness of and appreciation for what the

Foreign Service does for our country. We are grateful for this national media coverage that showcases the Foreign Service as an institution vital to our national security. ■



Ambassador Stephenson with PBS Newshour correspondent William Brangham.



P. 73

CALENDAR

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January 15
Martin Luther King Day:
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January 16
Deadline: Sinclair
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Nominations

January 17
12-1:30 p.m.
AFSA Governing
Board Meeting

January 25
12-1:30 p.m.
AFSA Book Notes:
Peacemakers by
Ambassador James Pardew

February 19
Presidents Day:
AFSA Offices Closed

February 21
12-1:30 p.m.
AFSA Governing
Board Meeting

March 5
Deadline: AFSA
Scholarship Applications

AFSA Meets with Chair of House Committee on Appropriations



On Nov. 11 AFSA and the American College of National Security Leaders discussed management and appropriations issues with Representative Hal Rogers (R-Ky.), chairman of the House Appropriations Subcommittee on State, Foreign Operations and Related Programs, and Representative Tom Cole (R-Okla.). Pictured from left to right: Rep. Tom Cole; retired Major General Peter Cooke, the director of congressional engagement for ACNSL; AFSA President Ambassador Barbara Stephenson; Rep. Rogers; retired USN Rear Admiral Mike Smith, president of ACNSL; and Mary Daly, AFSA's director of advocacy and speechwriting.



Membership Has Its Privileges (and It's a Bargain!)

The Foreign Service is under extreme pressure, in an almost unprecedented way. Even during the mid-to-late 1990s when the State Department hired very few officers and specialists, the impetus was budgetary, rather than disdain for who we are and the work we do. Morale today is low, people are on edge, and the future seems uncertain. We've watched over the past year as many of the department's leaders have departed in frustration.

AFSA is busier than ever defending the Foreign Service and our members. AFSA President Barbara Stephenson's columns have laid out the work we are doing to ensure that members of Congress, the media and the American people understand the value of what we do.

Here in our Labor Management (LM) office, our caseload has more than doubled as the number of AFSA members grew over the past decade. And just as members of the Foreign Service continue to do their best work during a difficult time, we here at AFSA strive to provide our members with the best service possible, even as our caseload grows.

In order to address current realities, we are updating our procedures. Presently, if a non-member needs AFSA's help, they are

allowed to join and immediately receive free technical and legal assistance from our small team of labor attorneys and grievance counselors. Effective July 1, 2018, however, only members who have been in good standing for at least six months will be able to receive grievance counseling from LM. This will ensure that AFSA's limited resources are dedicated to supporting our members in good standing. Of course, AFSA continues to represent and advocate for the entire bargaining unit, members and non-members alike.

As you can imagine, we are currently working on a host of different issues. At the institutional level, as we've discussed in a recent AFSANet, we are working to ensure that those who take advantage of the buyouts are able to participate in the Career Transition (Job Search) Program at FSI.

When we learned that the department had neglected over several years to nominate some of our best and brightest for presidential awards, we took action and are working on ways to redress this issue.

At the same time, we're working closely with Foreign Service families who have children with special needs to push MED to support our members and help them continue to serve where they are most needed, in

AFSA is busier than ever defending the Foreign Service and our members.

support of the national interest. We're pressuring the department to support those affected by the sonic attacks in Cuba. And we're continuing to push for more EFM hiring.

Of course, this work benefits all members of the Foreign Service and, in many ways, all employees of the State Department. I've always said my hope is to make State a little more user-friendly and make it a little bit better place to work, for all of us. And our work on these issues is part of that effort.

On the individual level, LM is the place that all our members can turn when they need help. Many may never need it, but if a problem develops at your workplace, we're here to provide support. These are matters that affect our careers, our lives and our families. We know how important our help can be, and we always do our best; indeed, we try to give our members superlative assistance.

All this takes time—in some cases, years. When the agency oversteps, it can drag its feet in admitting wrongdoing.

For instance, when the department paid Meritorious Step Increases (MSI) in 2013-2016 to fewer Foreign

Service employees than our collective bargaining agreement called for, we filed implementation disputes, the first two of which were decided in favor of all members of the Foreign Service harmed by the department's actions.

When a group of Diplomatic Security agents was denied reimbursement for costs during an authorized house-hunting trip, we filed a cohort grievance on their behalf and successfully obtained compensation for them.

When locally hired entry-level officers were placed in long-term training and their assignments were delayed due to visa issues, we filed a cohort grievance and obtained locality pay for them. In short, AFSA is here to help, and we do.

Times are tough, and our members deserve the best assistance we can provide. As we work to protect, defend and strengthen the Foreign Service, know that we're here for you, working harder than ever.

As an AFSA member, if there's anything we can do for you, please do not hesitate to reach out to us at afsa@state.gov, because membership really does have its privileges. ■



U.S. Economic Security Through Trade Agreements: Helping U.S. Companies Export to New Markets

The U.S. has trade agreements in force in 20 markets worldwide. In 2015, 47 percent of all U.S. goods exports went to these 20 markets, which together have experienced a 52 percent growth premium over non-trade agreement markets in the last few years.

The U.S. Commercial Service's worldwide network of trade and investment professionals is uniquely positioned to help U.S. companies take advantage of these markets. Our network helped 30,000 U.S. companies in Fiscal Year 2017 alone. These companies are not large, but they make world-class products that are in demand in markets overseas—if they can just get their products to market.

That's where we come in.

Lower Tariffs = U.S. Export Opportunities

We host trade shows for U.S. companies and foreign buyers to highlight new opportunities. We offer seminars on export mechanics, helping companies understand how to use content of origin documentation, for instance, to gain advantage in lower tariffs.

Our posts in these markets work with foreign representatives, agents, distributors and end users to help them identify U.S. suppliers who can now sell

to them faster and cheaper.

We work with logistics and export financing providers to ensure that companies can close the sale. In the last two years, our overseas offices in these 20 markets alone assisted 5,710 U.S. companies.

Our domestic field offices assisted thousands more U.S. companies and foreign buyers from these countries.

But matchmaking is often not enough. So we do more.

Implementing and Enforcing Trade Agreements

The U.S. companies we assist tell us when they hit export barriers. In the last two years, we tackled problems for 352 companies in the 20 trade agreement markets, working through our embassy teams to challenge foreign governments to treat American companies fairly.

Tackling a market barrier for one company can have a tremendous impact. For example, the work that our Central America-based team did in 2015 to assist Baxter Healthcare navigate an allegedly corrupt government procurement process in order to provide dialysis treatment was a real hat trick. It brought the Guatemalan government back into compliance with the Dominican Republic-Central

The U.S. Commercial Service's worldwide network of trade and investment professionals is uniquely positioned to help U.S. companies take advantage of these markets. Our network helped 30,000 U.S. companies in Fiscal Year 2017 alone.

America Free Trade Agreement, it helped other U.S. providers in the sector and it saved lives. (See the story in the December *FSJ*.)

Our casework capture on Salesforce reveals gaps in areas like government procurement, customs corruption, and technical barriers to trade that hurt U.S. companies. Our Commerce representatives on the U.S. Trade Representative's negotiating team use this

knowledge to make future trade agreements fairer for U.S. companies.

The Commercial Service is unique in its footprint and reach throughout the U.S. business community and overseas. It is therefore in a key position to ensure that when the U.S. government has a trade agreement in place, American companies will be able to take advantage of it and contribute to our economic security. ■



AFSA Governing Board Meeting, November 15, 2017

Resolutions

2018 AFSA Budget: Governing Board members held an extensive discussion of the proposed budget. It was then moved and seconded that the AFSA Governing Board approve the proposed 2018 budget. The motion was adopted unanimously. Please look for a report from the AFSA treasurer on the budget and AFSA's financial situation in the March edition of AFSA News. ■



Views and opinions expressed in this column are solely those of the AFSA Retiree VP. Contact: naland@afsa.org | (703) 437-7881

News You Can Use: The 2018 AFSA Retiree Directory Is Here

Watch your mail this month for your copy of the 2018 *AFSA Directory of Retired Members*.

In it, you will find contact information to help you stay connected to your Foreign Service legacy by keeping up friendships, renewing contacts with former colleagues and meeting new Foreign Service retirees in your area.

You will also find information on the nearly 20 Foreign Service retiree associations that are scattered around the United States. Those groups, such as the Northern Virginia group to which I belong, bring Foreign Service retirees together to socialize and hear interesting guest speakers. If there is a group near you, please

consider joining.

New in the directory this year is a section, "Reviewing Your Retirement Plans," that details 25 areas that are important to managing your retirement.

There you will find a discussion of, for example: beneficiary designations, survivor benefits, Thrift Savings Plan, Social Security, Medicare and health insurance.

A useful rainy—or snowy—day activity this winter would be for you to review those 25 topics to determine if you need to make any mid-course corrections in your retirement plans. For example: rebalancing TSP fund allocations, updating an old will, or signing up for online access

to Annuitant Express and My Social Security.

Another topic that is new to this year's directory is information on discounts available to AFSA members from a variety of magazines, vendors and retailers.

Younger retirees will find information to help make future decisions about when to apply for Social Security and whether to pay for Medicare Part B. There is also information about how divorce or remarriage after retirement can impact Foreign Service retirement benefits.

As always, the directory explains which State Department offices do what in terms of answering retiree questions or processing annuitant benefits changes.

In case you are not satisfied with an answer they give, or you cannot get an answer from them at all, the directory lists contact information for AFSA staff members who are ready to assist you.

Finally, the directory explains how retirees who are now free from decades of restrictions by the Hatch Act can speak out about the importance of well-funded and properly resourced diplomacy.

We hope you will find your 2018 AFSA Directory of Retired Members to be a valuable resource that you refer to throughout the year.

If you have suggestions for topics to add to next year's edition, please send them to me at naland@afsa.org. ■

AFSA: Your Partner in Retirement



AFSA President Ambassador Barbara Stephenson (far right) and Jim Benson, president of DACOR, offer a toast to the graduates of the Foreign Service Institute's Job Search Program. Amb. Stephenson reminded participants of the value of their AFSA membership and encouraged them to rejoin AFSA as retirees (since membership does not automatically carry over). She invited them to continue to take advantage of the benefits of membership and the chance to stay in touch with the Foreign Service during retirement.

AFSA/ERIKA BETHMANN



Partnering with Congress and Others to Defend Our Institution

As I write this, nine days remain before the Continuing Resolution expires on Dec. 8. By the time this issue of the *Journal* is published, we'll know whether Congress has passed its FY 18 authorization bill or a second CR, or whether instead the government has shut down. Congress faces difficult issues as leaders try to negotiate a deal to lift the caps on defense and non-defense spending, vote on the tax plan, fund disaster relief and deal with immigration issues.

So where does funding for foreign affairs agencies stand in all this? AFSA has been pressing for funding at Fiscal Year 2017 enacted levels. This is a "big ask," especially after appropriators spared us the 32 percent cut the administration requested, but left us somewhere between the 19 percent cut recommended by the House and the 10 percent cut recommended by the Senate. The only way to fund us

fully this late in the game is if the caps are lifted on defense spending, a deal is cut to lift non-defense spending, and some of the new money comes to us. Not easy, and in fact, all budgets remain in peril until a deal on caps is made.

Wherever the numbers end up, however, the dialog is shifting among supporters in both houses and both parties, from pride in avoiding the 32 percent cut to growing consensus for fully funding foreign affairs, concern about the loss of Foreign Service leadership and strangled intake, and consternation about the so-called redesign. Members of Congress also are researching how they can compel the department to spend appropriated funds.

We are witnessing a historic split between the administration's desire to diminish U.S. diplomacy and the support of many in Congress who know that the world's best

diplomatic corps is a foundation of America's greatness. No doubt you have seen in the press the letters Senators Jeanne Shaheen (D-N.H.) and John McCain (R-Ariz.) and the Democrats on the House Foreign Affairs Committee sent to the State Department, and the comments of Senate Foreign Relations Committee Chairman Bob Corker (R-Tenn.) and ranking member Senator Ben Cardin (D-Md.).

They share our desire to maintain U.S. power and influence. We want to see the United States field a winning team.

Let me close with a shout-out to our partners in support for the Foreign Service.

Thank you to the American College of National Security Leaders, a group of retired flag officers, ambassadors and senior executive service members. Your letter to congressional leaders, and the visits we paid them together, sent the clear message that

defense and diplomacy are inextricable elements of power. When a retired general and admiral walk in the door of a congressional office with two Foreign Service officers, it sends a powerful message.

Thank you also to the U.S. Global Leadership Coalition, which brings together over 500 businesses and non-profits to advocate funding for diplomacy and development, and with whom we are working closely.

Thank you to the American Academy of Diplomacy, and to the scores of retired diplomats who are making the case for diplomacy both in the press and on the Hill.

And thank you to all active members of the Foreign Service. Time and time again, members of Congress cite their experiences with you in the field as the foundation for their support of the Foreign Service. ■

—Mary Daly, Director of Advocacy and Speechwriting

Good News for Foreign Service Parents

A significant expansion of AFSA's 91-year-old scholarship program was included in AFSA's 2018 budget, approved by the Governing Board at its November meeting.

Thanks to prudent management of the now-\$9.3 million AFSA Scholarship

Fund, including efficiencies to trim the cost of administering the program, AFSA will nearly triple funding for Merit Aid in 2018—from \$45,500 in 2017 to \$129,000. That will allow AFSA to award 41 scholarships, up from 24 last year. The value of the typical award will also rise from

\$2,500 to \$3,500. With 105 applications received last year, the program is highly competitive.

Funding for AFSA's Financial Aid program will remain at \$221,550 in 2018—with \$156,000 coming from the AFSA Scholarship Fund and \$64,500 from gener-

ous donors such as DACOR. Awards range from \$3,000 to \$5,000 based on need. In 2017, 98 Foreign Service youth applied and 67 received grants.

The deadline for applications for AFSA's scholarship programs is March 5. See the AFSA website for details. ■

AFSA Dues Change in 2018

AFSA has increased dues for 2018 by 2.2 percent for all individual membership categories. In concrete terms, this amounts to an increase of between 6 and 36 cents per pay period, depending on an individual's membership category.

In accordance with Article IV of the AFSA bylaws, the Governing Board can increase dues by no more than the cumulative increase in the national Consumer Price Index, published by the Department of Labor, since the effective date of the previous dues increase. AFSA last increased its membership dues rate in January 2017.

This increase will provide the association with a stable and predictable income source, which allows AFSA to continue offering excellent member services and advancing member priorities.

Active-duty and retired members paying dues via payroll and annuity deduction will see a small increase in the amount automatically deducted from their paychecks and annuities. Those paying annually will be billed the new rate on their regularly scheduled renewal date. ■

Active Duty

Foreign Service Grade	2018 Annual	2018 Bi-Weekly	Annual Increase	Deduction Increase
SFS	\$412.43	\$15.86	\$8.88	\$0.36
FS 1, 2, 3	\$318.86	\$12.26	\$6.86	\$0.26
FS 4, 5, 6	\$182.58	\$7.02	\$3.93	\$0.17
FS 7, 8, 9	\$96.53	\$3.71	\$2.08	\$0.06

Retiree

Annuity Level	2018 Annual	2018 Monthly	Annual Increase	Deduction Increase
Annuity under \$25K	\$70.82	\$5.90	\$1.52	\$0.10
Annuity of \$25k-50K	\$111.30	\$9.27	\$2.40	\$0.17
Annuity of \$50k-75K	\$148.65	\$12.39	\$3.20	\$0.29
Annuity over \$75K	\$186.11	\$15.51	\$4.01	\$0.31
Retiree Spouse	\$55.65	\$4.64	\$1.20	\$0.09

Associate

Category	2018 Annual	Annual Increase
Associate Membership	\$114.36	\$2.46
Retired Associate	\$70.01	\$1.51

ANNOUNCEMENT

HAIL AND FAREWELL

AFSA is pleased to announce that following a nationwide search, we have selected Russ Capps to become AFSA's chief operating officer. Russ comes to us from the Construction Specifications Institute, where he was the chief financial officer. As COO, his duties will include oversight of AFSA's finance and accounting department, management of human resources and oversight of our IT platform. We will include a complete biography in the March issue of *The Foreign Service Journal*.

We would also like to thank outgoing Executive Director Ian Houston for his 11 years of service to the association. Ian started with AFSA as the legislative affairs officer, and became executive director in 2009 following several stints as acting executive director in 2007 and 2008.

During his time at AFSA, he helped oversee the renovation of the headquarters building and managed a period of continued growth as the Foreign Service expanded and AFSA's membership grew in tandem.

Among other accomplishments, Ian also played a vital role in supporting the establishment of AFSA's imprint, Foreign Service Books, and the publication of two best-selling editions of *Inside a U. S. Embassy*. ■

Recognizing FS Children for Their Sacrifices

In today's Foreign Service, employees are frequently separated from their immediate families while on overseas assignments, typically because the State Department deems an overseas post too dangerous for family members. Separations create hardships for all members of the family, but can be especially difficult for children.

In 2006, to acknowledge the sacrifice that children make when their parents serve at an unaccompanied post, the Family Liaison Office created the Children's Medals and Certificates of Recognition program.

Through this program FLO arranges for the presentation of more than 500

medals and personalized certificates, signed by the Secretary of State, to Foreign Service children every year.

Children can receive awards from family members, at school celebrations, from local public officials or at community events. Farouk Khan, who recently completed an unaccompanied tour, asked his congressman to present the awards to his children at their school in New York (see photo).

Says Khan, "A huge thank you to my wife Rosemary for the stability and support she provided to me and our children during my unaccompanied tour."

The program is available

to all foreign affairs agency employees (Department of State, USAID, Commerce, Agriculture, APHIS and the Broadcasting Board of Governors) serving permanent change of station or long-term temporary duty assignments at posts designated "unaccompanied" or limited accompanied. All eligible Foreign Service, Civil Service and Locally Employed staff employees may submit a nomination.

For more information or to nominate a child, go to www.state.gov/flo/ut. Email questions to FLOAskUT@state.gov. ■

—Ilene Smith,
Unaccompanied Tours
Support Officer,
Family Liaison Office



U.S. Rep. Tom Suozzi (D-N.Y.) presents the Unaccompanied Tours certificate and medals to the children of Foreign Service Officer Farouk Khan. Pictured from left to right are Sameer Khan, Rep. Suozzi, Nadia Khan and mom Rosemary Khan.

After the Equifax Breach: What You Can Do

If there's any silver lining to take away from the recent Equifax security breach, it's the increased awareness of credit freezing—an option offered as part of the Equifax response, free of charge.

AFSA knows that concern over security breaches like these has been high since the 2015 announcements of two Office of Personnel Management data breaches. While we're unable to give specific financial advice, we do want to make sure our members are aware of all the options

available to them—especially those available overseas.

While credit monitoring has seemingly become a consumer standard, the relatively low-cost option of freezing one's credit when not expecting to use it for making large purchases or securing loans has emerged as an alternative. It is an option that gives the consumer greater control over when their credit can be accessed.

Credit freezing has been endorsed by Chi Chi Wu, a lawyer with the National

Consumer Law Center, as the most effective measure for protecting against identity theft, provided that it is applied to all three credit bureaus (Equifax, Experian and TransUnion).

A decision about whether to freeze one's credit must take into account personal lifestyle and short-term credit needs, so we encourage our members to consult respected guidance, such as that offered by the Consumer's Union or Ron Leiber's Sept. 28, 2017 "Your Money"

column in *The New York Times*.

Should you decide that a credit freeze is the best choice for you, it's as easy as visiting the following sites to ensure the freeze is effective across all credit bureaus:

- <https://freeze.transunion.com/sf/securityFreeze/landingPage.jsp>
- https://www.freeze.equifax.com/Freeze/jsp/SFF_PersonalIDInfo.jsp
- <https://www.experian.com/freeze/center.html> ■

AFSA Welcomes 192nd A-100 Class

On Oct. 25, AFSA welcomed new members of the 192nd A-100 Class for a luncheon at the association's headquarters building.

AFSA President Ambassador Barbara Stephenson hosted the luncheon. AFSA General Counsel Sharon Papp spoke about AFSA's labor management responsibilities.

FCS Vice President Daniel Crocker and State Representatives Lawrence Casselle and Martin McDowell were on hand to speak with the new Foreign Service members. They answered



AFSA/DONNA GORMAN

AFSA President Ambassador Barbara Stephenson explains to new FSOs what AFSA does for them.

questions about AFSA and the many ways the association can assist, protect and advocate on their behalf. ■

Below: Diplomatic Security Agent Lawrence Casselle (center), an AFSA State representative, talks with some of the incoming class members.



AFSA/DONNA GORMAN

Book Notes: *Peacemakers: American Leadership and the End of Genocide in the Balkans*

On January 25, AFSA welcomes Ambassador James Pardew to discuss his new book, "Peacemakers: American Leadership and the End of Genocide in the Balkans." The program takes place at AFSA headquarters, 2101 E St NW, from 12-1:30 p.m. Please RSVP to events@afsa.org.

Peacemakers is the first inclusive history of the successful multilateral intervention in the Balkans from 1995-2008 by an official directly involved in the diplomatic and military responses to the crises. A deadly accident near Sarajevo in 1995 thrust James

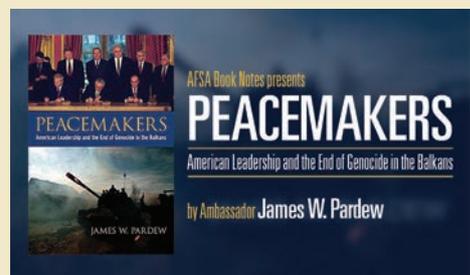
Pardew into the center of efforts to stop the fighting in Bosnia. In a detailed narrative, he shows how Richard Holbrooke and the U.S. envoys who followed him helped to stop or prevent vicious wars in Bosnia, Croatia, Kosovo and Macedonia. Pardew describes the human drama of diplomacy and war, illuminating the motives, character, talents and weaknesses of the national leaders involved. Pardew demonstrates that the use of U.S. power to relieve human suffering is a natural fit with American values. *Peacemakers* serves as a

potent reminder that American leadership and multilateral cooperation are often critical to resolving international crises.

James W.

Pardew was at the heart of U.S. national policymaking throughout the humanitarian crises in the Balkans, from Richard Holbrooke's negotiations on Bosnia in 1995 until the independence of Kosovo in 2008. Amb. Pardew was the primary U.S. negotiator of the

Ohrd Agreement in Macedonia. He also led Balkan task forces for the Secretaries of Defense and State and served as a policy advisor at NATO. Prior to his diplomatic service, he spent twenty-seven years in the U.S. Army as an intelligence officer. ■



GRAPHIC BY JEFF LAU

Readers, Writers and a Literary Agent Gather to Talk Books

On Nov. 16, AFSA welcomed 17 Foreign Service authors to our headquarters for the third AFSA Book Market. Attendees had the chance to meet the authors, ask for writing advice and buy autographed copies of their books. All of the authors had been featured in the November 2016 or 2017 “In Their Own Write” edition of *The Foreign Service Journal*.

A highlight of this year’s event was the participation of literary agent and editor

Deborah Grosvenor, who counts several former Foreign Service members among her clients.

Grosvenor, best known for “discovering” author Tom Clancy, gave a talk about the state of the publishing industry today and what it takes to get a book published, and then stayed to meet prospective authors and answer their questions.

Ben East, author of *Patchworks*, said “The best part about the AFSA Book Market was a chance to meet all the authors I’d been reading about, in some case for years, in the *FSJ*’s annual Foreign Service book roundup. The November *FSJ* is a highlight for me every fall, and this year it really came alive. I enjoyed grabbing a bite with the

many readers and old friends who dropped by. Hearing about the publishing industry from veteran literary agent Deborah Grosvenor was eye-opening and reas-

suring—she reiterated an important tenet for anyone interested in getting published: every book that should get published finds its way into the world.”

AFSA would like to thank our Foreign Service author participants: Corrinne Callins, Ben East, Amb. (ret.) Dennis Jett, Judith Heimann, Shawn Kobb, Harry Kopp, Matthew Palmer, Bill Penoyer, Laurie Pickard, Amb. (ret.) Steve Pifer, Amb. (ret.) Charlie Ray, Barry Riley, Louis Sell, Debbie

Trent, Leon Weintraub, Dan Whitman and Robin White.

It’ll soon be time to start next year’s roundup of books by Foreign Service authors. If you have a book coming out and you’d like it featured in the *Journal*, let us know at journal@afsa.org and send a review copy: The Foreign Service Journal (Attn: ITOW), AFSA, 2101 E St. NW, Washington DC 20037. You can find Ms. Grosvenor’s talk at www.afsa.org/video. ■



Authors and guests at the 2017 AFSA Book Market.

AFSA/DONNA GORMAN



Author Amb. (ret.) Steve Pifer with literary agent Deborah Grosvenor.

AFSA/DONNA GORMAN



Authors Laurie Pickard, Corrinne Callins, Matthew Palmer and Shawn Kobb share their work.

AFSA/DONNA GORMAN



Journal staffers Susan Maitra, Dmitry Filipoff and Ed Miltenberger, along with *Journal* Editorial Board member Priyadarshi “Pri” Sen, greet attendees at the AFSA table.

AFSA/SHAWN DORMAN

AFSA Rings in the Holiday Season

On Dec. 13, more than 100 AFSA members and guests gathered at AFSA headquarters to celebrate the holiday season at our annual Holiday Happy Hour.

Guests mingled, catching up with friends and colleagues from previous posts and comparing notes about holiday plans and onward assignments.

Current and past AFSA leadership was on hand as AFSA President Ambassador Barbara Stephenson welcomed the crowd, reflecting on AFSA's achievements in 2017 and the organization's goals for the new year. Amb. Stephenson shared an advance copy of her January-February President's Views



DONNA GORMAN/AFSA



column, "Foreign Service Wish List" for 2018, which includes hopes for a return to normal promotion numbers and a lifting of the hiring freeze.

Amb. Stephenson also noted the large turnout at the event, saying it was indicative of the "silver lining of the tough year the Foreign Service

has had." She reminded the crowd of the good news from 2017: "Our Foreign Service family is united," said Amb. Stephenson, while "members of Congress from both parties are rallying behind the need for a strong professional, career Foreign Service," and the media has "focused on maintaining America's core diplomatic capacity."

We at AFSA look forward to working with you and for you in 2018. ■



2017 Federal and State Tax Provisions for the Foreign Service

The American Foreign Service Association's annual Tax Guide is intended as an informational tool. Although this update accurately summarizes the law, it is merely a starting point. The language of the actual tax provisions is always more technical than what follows here.

AFSA therefore recommends that you use this guide with caution and consult a tax adviser with specific questions, as the IRS may impose penalties for understating tax liabilities (please see the Circular 230 notice on page 79).

Although tax reform has been a hot topic in Washington, D.C., this year, gross income remains the starting point for figuring state and federal income tax. It includes "all income from whatever source derived" and, barring major reform, that includes foreign income from outside the United States.

Adjustments to gross income, deductions and tax credits are matters of legislative grace. Congress passes, the IRS applies and the courts scrutinize the law and its application. The result is federal tax law. State legislatures may adopt the federal system or deviate from federal law, sometimes requiring residents to add back amounts for a higher taxable state income. Consequently, no tax benefit should be claimed without knowing state and federal law.

IMPORTANT NOTE

This guidance applies to the 2017 tax year *only*, for individual income tax returns due on Tuesday, April 17, 2018. Any major changes to the tax code for 2018 will be covered in next year's guide.

By filing Form 4868, the automatically granted extension of six months extends the deadline to Monday, Oct. 15. Although the 2017 AFSA Tax Guide is correct at publication, bear in mind that there will likely be changes to the tax code for the 2018 tax year. At present, however, we are not aware that any possible such changes will apply to 2017 tax returns.

This update begins with federal tax law, headlined by the 2017 tax brackets and rates. From there the personal exemption, foreign earned income exclusion, extension for taxpayers abroad and standard and itemized deduction rules are presented. Special attention is devoted to the topics Foreign Service employees most frequently ask AFSA about: moving, interest, home leave and official residence expenses; and home ownership and sale of a principal residence. New this year is a section about gifts, retirement and estate tax planning.

This update concludes with each state's domicile rules.

AFSA Senior Labor Management Advisor James Yorke (YorkeJ@state.gov), who compiles the tax guide, would like to thank Sam Schmitt, Esq., for preparing the section on federal tax provisions.

2017 Federal Tax Provisions

The table on page 74 summarizes the marginal income and corresponding capital gains tax brackets.

Personal Exemption

For each taxpayer, spouse and dependent, the personal exemption remains \$4,050. A personal exemption phase-out is in place for 2017. Unmarried taxpayers who earn more than \$261,500 individually

(\$287,650 for head of household, \$313,800 for those married filing jointly) should contact a tax professional to calculate the amount by which their personal exemption must be reduced.

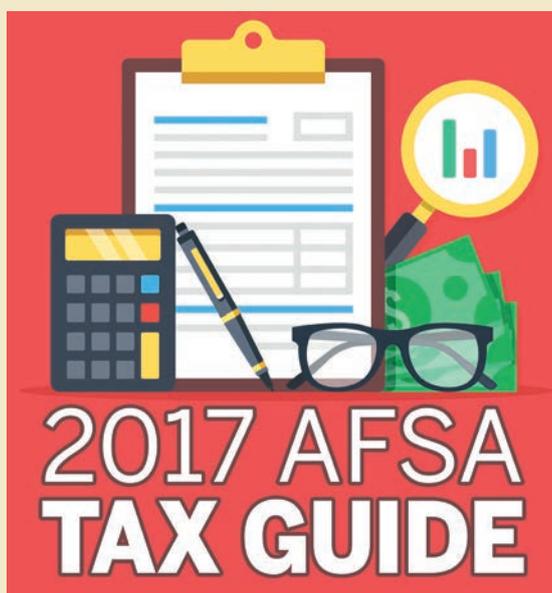
Foreign Earned Income Exclusion

Americans living and working overseas may be eligible for this exclusion, but not if they are employees of the U.S. government. The first \$102,100 earned overseas as an employee or self-employed may be exempt from income taxes.

To receive this exclusion the taxpayer must:

(1) Establish a tax home in a foreign country, which is the general area of the taxpayer's "main place of business, employment or post of duty." In other words, where the taxpayer is "permanently or indefinitely engaged to work as an employee or self-employed individual." And,

(2) Either (a) Meet the "bona-fide residence" test, which requires that the taxpayer has been a bona-fide resident of a foreign country for an uninterrupted period that includes an entire tax year or (b) Meet the "physical presence" test,



which requires the taxpayer to be present in a foreign country for at least 330 full (midnight-to-midnight) days during any 12-month period (the period may be different from the tax year).

Note: The method for calculating the tax on non-excluded income in tax returns that include both excluded and non-excluded income was changed, beginning in 2006, resulting in higher tax on the non-excluded portion. (See the box on page 78 for a full explanation.)

2017 Marginal* Income Tax Brackets and Rates							
Personal Income Tax Rate (%)	Individual		Married** Jointly		Head of Household		Long Term*** Capital Gains Rate (%)
	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	
10	\$0	\$9,325	\$0	\$18,650	\$0	\$13,350	0
15	\$9,326	\$37,950	\$18,651	\$75,900	\$13,351	\$50,800	
25	\$37,951	\$91,900	\$75,901	\$153,100	\$50,801	\$131,200	15
28	\$91,901	\$191,650	\$153,101	\$233,350	\$131,201	\$212,500	
33	\$191,651	\$416,700	\$233,351	\$416,700	\$212,501	\$416,700	
35	\$416,701	\$418,400	\$416,701	\$470,700	\$416,701	\$444,550	20
39.60	\$418,401	Unlimited	\$470,701	Unlimited	\$444,551	Unlimited	

*All taxpayers are taxed equally on income falling within each tax bracket at the rate in that bracket, beginning with the first. So an individual taxpayer earning \$38,700 pays 10 percent (\$933) tax on the first \$9,325 of income plus 15 percent on the next \$28,625.

**Same-sex couples legally married in a jurisdiction in which such marriages are permitted must file as married.

***Tax applied to gain on income from capital assets held for more than 12 months.

tion. The 2017 phase-out for itemized deductions begins at \$261,500 AGI for unmarried individuals (\$287,650 for head of household, and \$313,800 for those married filing jointly).

Extension for Taxpayers Abroad

Taxpayers whose tax home was outside the United States on April 17, 2017, are entitled to an automatic two-month extension to June 15 to file their returns (without filing Form 4868). When filing the return, these taxpayers should write "Taxpayer Abroad" at the top of the first page of their 1040 form and attach a statement of explanation. There are no late-filing or late-payment penalties for returns filed and taxes paid by June 15, but the IRS will charge interest on any amount owed from April 17 until the date it receives payment.

Standard Deduction

Taxpayers who do not itemize are entitled to take a standard deduction in the following amounts in 2017:

Individual: \$6,350

Married Filing Jointly: \$12,700

Head of Household: \$9,350

An additional amount is allowed for taxpayers over age 65 and for those who are blind.

Itemized Deductions

Taxpayers itemize (1040 Schedule A) because they cannot take a standard deduction or because the itemized deductions to which they are entitled are greater than the standard deduction.

Unreimbursed employee expenses constitute one itemized deduction to the extent they exceed 2 percent of adjusted gross income (AGI). Professional dues and subscriptions to publications; employment and continuing education expenses; home office, legal, accounting, custodial and tax preparation fees; home leave, representational and other employee business expenses are all examples of this deduc-

Home Leave and Unreimbursed Representational Expenses

These generally qualify as unreimbursed employee business expenses. They may be deducted as miscellaneous itemized deductions and claimed on Form 2106, subject to a 2 percent floor for all deductible expenses and a 50 percent cap for business-related meals and entertainment. All unreimbursed travel and lodging exceeding 2 percent of AGI may be deducted here. However, only the employee's (not family members') home leave expenses are deductible.

AFSA recommends maintaining a contemporaneous travel log and retaining a copy of home leave orders, which will help if the IRS ever questions claimed expenses. It is important to save receipts—without them a taxpayer may deduct only the federal meals-and-incidentals per diem rate at the home leave address, no matter how large the actual bill is. Lodging is deductible as long as it is not with friends, relatives or in one's own home.

The IRS will deny per diem and expenses claimed for family members. If a hotel bill indicates double rates, the single room rate should be claimed. Taxpayers should save the hotel's rate sheet, if possible. Car rental, mileage and other unreimbursed travel expenses, including parking fees and tolls, may be deducted. The 2017 rate for business miles driven has dropped to 53.5 cents per mile. Those who estimate mileage expenses need not keep detailed records of actual mileage cost. They must, however, keep a contemporaneous and detailed odometer log to justify the business use of the vehicle and track the percentage of business use. This optional mileage method also applies to leased vehicles.



Family members who are educators (K-12) can take additional advantage of up to a \$250 Educator Expense Deduction (1040 line 23) for unreimbursed business expenses even if they do not itemize. Qualifying expenses include books, supplies, computer equipment and software, classroom equipment and supplementary materials. Itemizers may claim more for unreimbursed business expenses, subject to the 2 percent floor.

Unreimbursed Moving Expenses

Both taxpayers who itemize and those who claim the standard deduction may claim unreimbursed moving expenses as an adjustment to income. To take advantage of this deduction, taxpayers must meet three threshold requirements. First, the move must be closely related to the start of work (expenses incurred within one year of the start date for a new job and the taxpayer must move closer to the new job). Second, taxpayers must meet the distance test (the new job must be at least 50 miles farther from their old home than the old home is from the old job). Third, taxpayers must meet the time test (they must work full time for at least 39 weeks during the first 12 months after arriving to new job area). For an illustration of these requirements, please see Figure A in IRS publication 521, www.irs.gov/publications/p521.

If those requirements are met, deductible expenses include the cost of transportation, storage and travel costs of moving the taxpayer, possessions (including pets) and the taxpayer's family. Note that the cost of meals during the move does not qualify.

Official Residence Expenses

ORE reimbursements defray the "unusual" expenses from the operation of an official residence while extending official hospitality, receiving foreign dignitaries and holding official ceremonies. Conversely, a principal representative is expected to bear the burden of "usual" household expenses of 3.5 percent of their salary (3 FAM 3253.1; DSSR 040(1)). None of the 3.5 percent of "usual" household expenses is deductible because it is "payment for ordinary, everyday living expenses, and is not excludable from gross income" (Revenue Ruling 90-64). These expenses cannot be deducted as miscellaneous business expenses because they are personal expenses.

Official expenses for which any State Department employee is not reimbursed are deductible as unreimbursed employee expenses. No deduction is allowed for official expenses that are reimbursed.



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Deductible Taxes

There are only four kinds of deductible non-business taxes: (1) State, local and foreign income taxes; (2) State, local and foreign real estate taxes; (3) State and local personal property taxes; and (4) State and local general sales taxes, which may be deducted in lieu of income taxes. For those residing abroad who are subject to foreign sales tax (also known as “Value Added Tax”), these may not be deducted in lieu of domestic sales taxes. The taxpayer must itemize and must have been charged and actually paid the taxes to be entitled to these deductions.

Medical and Dental Expenses

Taxpayers who itemize can deduct medical expenses to the extent they exceed 10 percent of AGI (including health and long-term care insurance, but not health insurance premiums deducted from government salaries). This is the first year in which the floor for this deduction has risen (from 7.5 percent in 2016).

Charitable Contributions

For itemizers only, contributions to “qualified organizations” may be deducted, and then only to the extent the tax code permits. For example, the AFSA Fund for American Diplomacy qualifies as a public charity. Contributions to it, and any public charity, can be deducted, but a taxpayer’s deduction for charitable contributions is limited to 50 percent of AGI. The IRS provides an “Exempt Organizations” online check tool to determine whether a charity qualifies. Payments to individuals are never deductible.

Interest Expenses

Each kind of interest expense could qualify for a deduction or credit under a unique tax provision. Two commonly deducted forms of interest for itemizers are investment interest (to the extent of income from investments) and qualified mortgage interest (discussed below). Other kinds of deductible interest are a portion of student loan interest, non-farm business interest and interest incurred to produce rents or royalties.

The IRS publishes instructions and limitations for each, as well as guidance regarding at-risk loss limitation and passive activity loss limitation rules. It is recommended that you pursue additional information for each if you hope to claim any of these on your tax return. Taxpayers may not deduct interest paid on a loan to purchase a vehicle for personal use, credit card interest for personal expenses or interest related to tax-exempt income. Non-deductible debts may, however, be consolidated and paid with deductible home equity loan interest (discussed below).

Home Ownership

Home ownership may open the door to many tax benefits, including: (1) The mortgage interest deduction; (2) Deduction of points to obtain a home mortgage; (3) Business use of a home; and (4) Selling a home.

(1) Mortgage Interest Deduction: The interest expense of up to \$1 million of acquisition debt (\$500,000 married filing separately) and up to \$100,000 home equity debt (\$50,000 married filing separately) for loans secured by a primary or

FOREIGN EARNED INCOME EXEMPTION DENIALS

Some AFSA members report having difficulty claiming the foreign earned income exemption (FEIE). Recent Tax Court guidance (*Evans v. IRS*, 2015 TC Memo 12) indicates that a taxpayer must both:

- (1) Establish a “tax home” in a foreign country; and
- (2) Meet either the “bona fide residence” or “physical presence” test.

AFSA understands that IRS auditors have denied the FEIE for Foreign Service spouses and dependents for failing to meet the bona fide residence or tax home elements of this test.

The tax court has explained that the congressional purpose of the FEIE was to offset duplicative costs of maintaining distinct U.S. and foreign households. So increasing ties to the foreign country by personally paying for a foreign household, paying local taxes, waiving diplomatic immunity for matters related to your job, paying for vacation travel back to the United States, becoming a resident of the foreign country, and working in the foreign country long term are other factors the federal courts have cumulatively recognized as establishing a foreign tax home.

The physical presence test, which requires that 330 full days during a calendar year are spent physically in a foreign country (not just outside the United States, so travel time does not count), has successfully been used by members to meet the second element of the test where bona fide residence cannot be established. If relying on physical presence, you are advised to record all your travel carefully and to keep copies of visas and tickets to substantiate the 330 days if audited.



CHILD CARE TAX CREDIT WHEN OVERSEAS

To claim the child care tax credit while serving overseas, you must submit IRS Form 2441. Pursuant to the 2441 instructions, "If you are living abroad, your care provider may not have, and may not be required to get, a U.S. taxpayer identification number (for example, an SSN or Employer Identification Number). If so, enter 'LAFCP' (Living Abroad Foreign Care Provider) in the space for the care provider's taxpayer identification number."

secondary residence may qualify for a deduction. The properties for which a taxpayer would like to take this deduction must qualify as a home or a secondary residence. "Home" is the place where a taxpayer ordinarily lives most of the time. A secondary residence is a property the taxpayer does not rent out (or attempt to sell) during the year. Note that the structure claimed as a home or secondary residence may be any structure or vehicle that has sleeping, cooking and toilet facilities.

(2) Points on a Mortgage: Taxpayers who claim the above deduction may also qualify to currently deduct all the points (prepaid interest) to obtain that mortgage. Nine requirements must be met to deduct those points. Taxpayers should contact a tax professional to see if and the extent to which they qualify and explore the possibility of partially deducting these points. Save the settlement sheet (HUD-1 Form) for documentation in case of an audit.

(3) Business Use of Home, Including as a Rental: Taxpayers may be entitled to deductions for the business use of part of a home.

(3)(a) Rental: When income is earned by renting out the home, deductions the taxpayer claims for mortgage interest remain deductible; however, they become an expense for the production of rental income instead of a personal deduction under the mortgage interest expense provisions (Schedule E rather than Schedule A). Depreciation, repair costs and operating expenses such as fees charged by independent contractors (e.g., groundskeepers, accountants, attorneys) are deductible. Limits apply to these deductions when the taxpayer uses their property for 14 days or 10 percent of the total days it is rented to others at a fair rental price, whichever is greater.

(3)(b) The 1031 Exchange: Taxpayers who convert their homes to investment property (perhaps because they have inadvertently used it exclusively for business purposes for too long) may no longer qualify for the exclusion of up to \$500,000 of capital gain on the sale of a principal residence

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(discussed below). However, the property may become eligible for an IRC Section 1031 exchange. This tax provision is normally invoked by businesses exchanging like-kind, income-producing property. The IRS rules for these exchanges are complex and specific, with a number of pitfalls that can nullify the transaction. A 1031 exchange should never be attempted without assistance from a tax or real estate professional specializing in this field.

(4) Selling a Principal Residence:

(4)(a) A taxpayer may exclude up to \$250,000 (\$500,000 if married filing jointly) of long-term capital gain from the sale of a principal residence. To qualify for the full exclusion amount, the taxpayer: (i) must have owned the home and lived there for at least two of the last five years before the date of the sale (but see Military Families Relief Act below); (ii) cannot have acquired the home in a 1031 exchange within the five years before the date of the sale; and (iii) cannot have claimed this exclusion during the two years before the date of the sale. An exclusion of gain for a fraction of these upper limits may be possible if one or more of the above requirements are not met. A taxpayer who sells their principal residence for a profit of more than \$250,000 (\$500,000 for married filing jointly), or a reduced amount, will owe capital gains tax on the excess.

(4)(b) Military Families Tax Relief Act of 2003: The five-year period described above may be suspended for members of the Foreign Service by any 10-year period during which the taxpayer has been away from the area on a

Foreign Service assignment, up to a maximum of 15 total years. Failure to meet all of the requirements for this tax benefit (points (i) through (iii) in the Selling a Principal Residence section above) does not necessarily disqualify the taxpayer from claiming the exclusion. However, the services of a tax professional will probably be necessary if one of these requirements is not met.

(4)(c) Adjustments to the Basis of a Home:

(i) Buying or Building a Home: Some investments in the construction of a home, purchase of a home, improvements during ownership and improvements in preparation to sell must be added to the basis of the home. The starting point is the amount paid to acquire the property: cost basis. Some settlement fees and closing costs may be added to the cost basis (yielding the adjusted basis). These include abstracts of title fees, charges for installing utility services, legal fees for the title search and preparing the sales contract and deed, recording fees, survey fees, transfer or stamp taxes and title insurance. A taxpayer who builds a home may add the cost of the land and the cost to complete the house to arrive at an initial cost basis. Construction includes the cost of labor and materials, amounts paid to a contractor, architect's fees, building permit charges, utility meter charges and legal fees directly connected with building the house.

(ii) Improving a Home During Ownership: During the ownership period, improvements to the home including additions (bedrooms, bathrooms, decks), lawn and grounds improvements (landscaping, paving a driveway), improvements to the exterior (storm windows, new roof, siding), insulation, plumbing, interior improvements (built-in appliances, kitchen modifications, flooring) and investments in the home systems (heating, central air, furnace) may all be added to adjust the basis of the home upward.

(iii) Preparing to Sell: "Fixing-up costs" no longer exist insofar as they refer to what was once recognized as a 1034 exchange of a residence. Capital expenditures continue to operate as described above when a taxpayer is preparing to sell a home. Any capital improvements when preparing to sell should simply be added to the adjusted basis and subtracted from the sales price to reduce net capital gain when the home is sold.

(iv) Selling: Selling expenses can be subtracted from the sales price, further reducing the taxable gain. These include fees for sales commissions, any service that helped the taxpayer sell the home without a broker, advertising, legal help, and mortgage points or other loan charges the seller pays that would normally have been the buyer's responsibility.

IMPORTANT NOTE: FOREIGN EARNED INCOME

The Foreign Earned Income Exclusion may permit U.S. citizens who are not U.S. government employees and who pass the previously discussed FEIE tests to exclude up to \$102,100 of their 2017 foreign-source income if they meet certain requirements.

Taxpayers must add the amount excluded under the FEIE back to their AGI to figure what their tax liability would be, then exclude the tax that would have been due on the excludable income alone to properly calculate their tax liability with an FEIE exclusion.

For example: A Foreign Service employee earns \$80,000 and their teacher spouse earns \$30,000.

Tax liability on \$110,000 gross income is \$18,978; tax on \$30,000 foreign income is \$3,568; and net tax liability is \$18,978 minus \$3,568, or \$15,410.

TAX WITHHOLDING WHEN ASSIGNED DOMESTICALLY

The State Department withholds an employee's state taxes according to his or her "regular place of duty" when assigned domestically—for details, see "New Procedures for Withholding and Reporting Employees' State and District of Columbia Income Taxes," Announcement No. 22394 (Nov. 4, 2014; available via the intranet). This reflects some jurisdictions' imposition of income taxes on non-residents who derive income within their boundaries despite residence or domicile elsewhere.

Members residing or domiciled in a jurisdiction other than the one in which they earn income may need state taxes to be withheld for their residence and domicile jurisdictions. If you reside or are domiciled in a jurisdiction other than that of your regular place of duty, you may secure an exemption from this withholding method by satisfying the requirements detailed by CGFS Knowledgebase (available via the intranet at <http://kb.gfs.state.gov/>) Issue 39479.

Note that the Bureau of the Comptroller and Global Financial Services does not adjudicate state income tax elections when you are serving overseas, since in those circumstances, it is the employee's responsibility to accurately designate a state for which income taxes will be withheld. However, on the employee's return to a domestic assignment, CGFS will evaluate the employee's state tax withholding election based on his or her new official domestic duty station pursuant to Announcement No. 22394.

Finally, this determination does not mean that you must relinquish your state of domicile if it is different than your official duty station. "Domicile" and "residence" are different concepts from "regular place of duty." As long as you maintain your ties to your home state you will be able to change your withholdings, if you so wish, back to your home state when you go overseas. See the Overseas Briefing Center's guide to Residence and Domicile, available on AFSA's website at www.afsa.org/domicile.

Estate Tax Planning, Gifts and Retirement Contributions

In 2017, the first \$5.49 million of a decedent's aggregate estate was exempt from the federal estate tax. That amount will increase to \$5.6 million for decedents (\$11.2 million for a married couple) who pass away in 2018. The same amounts would apply to (and are reduced by) lifetime gift-giving over the annual tax-free gift exclusion. The limit on the exclusion for gifts given each year was \$14,000 per person, per gift-giver for gifts given in 2017, increasing to \$15,000 (\$30,000 for gifts split by married couples). Finally in 2018, the limit on contributions to 401(k)s and TSPs will increase to \$18,500.

Circular 230 Notice

Pursuant to U.S. Treasury Department regulations, all state and federal tax advice herein is not intended or written to be used, and may not be used, for the purposes of avoiding tax-related penalties under the Internal Revenue Code or promoting, marketing or recommending advice on any tax-related matters addressed herein.

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STATE TAX PROVISIONS

Withholding: Every employer, including the State Department and the other foreign affairs agencies, is required to withhold state taxes for the location where the employee lives, works or derives income. Employees serving overseas, however, must maintain a state of domicile in the United States where they may be liable for income tax; the consequent tax liability the employee faces will vary greatly from state to state.

Further, the many laws on taxability of Foreign Service pensions and annuities also vary by state. This section briefly covers both those situations. (In addition, see the box on page 79 for information on state tax withholding for Foreign Service employees. We also encourage you to read the Knowledge Base article by the Bureau of the Comptroller and Global Financial Services on the Tax Guide page of the AFSA website, www.afsa.org/taxguide.)

Domicile and Residency

There are many criteria used in determining which state is a citizen's domicile. One of the strongest determinants is prolonged physical presence, a standard that Foreign Service personnel frequently cannot meet due to overseas service. In such cases, the state will make a determination of the individual's income-tax status based on other factors, including where the individual has family ties, has been filing resident tax returns, is registered to vote, has a driver's license, owns property, or where the person has bank accounts or other financial holdings.

In the case of Foreign Service employees, the domicile might be the state from which the person joined the Service, where their home leave address is or where they intend to return upon separation. For purposes of this article, the term "domicile" refers to legal residence; some states also define it as permanent residence. "Residence" refers to physical presence in the state. Foreign Service personnel must continue to pay taxes to the state of domicile (or to the District of Columbia) while residing outside of the state, including during assignments abroad, unless the state of residence does not require it.

Members are encouraged to review the Overseas Briefing Center's guide to Residence and Domicile, available on AFSA's website at www.afsa.org/domicile.

Domestic Employees in the D.C. Area

Foreign Service employees residing in the metropolitan Washington, D.C., area are generally required to pay income tax to the District of Columbia, Maryland or Virginia, in addition to paying tax to the state of their domicile.

Virginia requires tax returns from most temporary residents, as well. Most states allow a credit, however, so that the taxpayer pays the higher tax rate of the two states, with each state receiving a share.

We recommend that you maintain ties with your state of domicile—by, for instance, continuing to also file tax returns in that state if appropriate—so that when you leave the D.C. area for another overseas assignment, you can demonstrate to the District of Columbia, Virginia or Maryland your affiliation to your home state.

Also, if possible, avoid using the D.C. or Dulles, Va., pouch zip code as your return address on your federal return because, in some cases, the D.C. and Virginia tax authorities have sought back taxes from those who have used this address.

States That Have No Income Tax

There are currently seven states with no state income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming. In addition, New Hampshire and Tennessee have no tax on earned income, but do tax profits from the sale of bonds and property.

States That Do Not Tax Non-Resident Domiciliaries

There are 10 states that, under certain conditions, do not tax income earned while the taxpayer is outside the state: California, Connecticut, Idaho, Minnesota, Missouri, New Jersey, New York, Oregon, Pennsylvania (but see entry for Pennsylvania below) and West Virginia. The requirements for all except California, Idaho and Oregon are that the individual should not have a permanent "place of abode" in the state, should have a permanent "place of abode" outside the state, and not be physically present for more than 30 days during the tax year. California allows up to 45 days in the state during a tax year.

All 10 states require the filing of non-resident returns for all income earned from in-state sources. Foreign Service employees should also keep in mind that states could challenge the status of overseas government housing in the future.

"State Overviews" below gives brief state-by-state information on tax liability, with addresses provided to get further information or tax forms. Tax rates are provided where possible.

As always, members are advised to double-check with their tax adviser and the state's tax authorities. While AFSA makes every attempt to provide the most up-to-date information, readers with specific questions should consult a tax expert in the state in question. We provide the website address for each in the state-by-state guide, and an email address or link where available. Some states do not offer email customer service.

We also recommend consulting the Tax Foundation website at www.taxfoundation.org, which provides useful information, including a table showing tax rates for all states for 2017.

STATE OVERVIEWS

ALABAMA

Individuals domiciled in Alabama are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Alabama's individual income tax rates range from 2 percent on taxable income over \$500 for single taxpayers and \$1,000 for married filing jointly, to 5 percent over \$3,000 for single taxpayers and \$6,000 for married filing jointly.

Write: Alabama Department of Revenue, 50 N. Ripley, Montgomery AL 36104.

Phone: (334) 242-1170.

Website: <https://revenue.alabama.gov>

Email: Link through the website, "About Us," then "Contacts," then "Income Tax."

ALASKA

Alaska does not tax individual income or intangible or personal property. It has no state sales and use, franchise or fiduciary tax. However, some municipalities levy sales, property and use taxes.

Write: State Office Building, 333 West Willoughby Ave., 11th Floor, P.O. Box 110420, Juneau AK 99811-0420.

Phone: (907) 465-2320.

Website: www.tax.state.ak.us

ARIZONA

Individuals domiciled in Arizona are considered residents and are taxed on any income that is included in their Federal Adjusted Gross Income, regardless of their physical presence in the state. Arizona's tax rate ranges in five brackets from a minimum of 2.59 percent to a maximum of 4.54 percent of taxable income over \$305,336 married filing jointly or \$152,668 for single filers.

Write: Arizona Department of Revenue, Customer Care, P.O. Box 29086, Phoenix AZ 85038-9086.

Phone: (602) 255-3381.

Website: www.azdor.gov

Email: For general questions, taxpayerassistance@azdor.gov

ARKANSAS

Individuals domiciled in Arkansas are considered residents and are taxed on their entire income, regardless of their physical presence in the state. The Arkansas tax rate ranges in six

brackets from a minimum of 2.4 percent to a maximum of 6.9 percent of net taxable income over \$85,000.

Write: Department of Finance and Administration, Income Tax Section, P.O. Box 3628, Little Rock AR 72203-3628.

Phone: (501) 682-1100.

Website: www.arkansas.gov/dfa

Email: Use Contact Form on "Contact Us" page of the website.

CALIFORNIA

Foreign Service employees domiciled in California must establish non-residency to avoid liability for California taxes (see Franchise Tax Board Publication 1031). However, a "safe harbor" provision allows anyone who is domiciled in state but is out of the state on an employment-related contract for at least 546 consecutive days to be considered a non-resident. This applies to most FS employees and their spouses, but members domiciled in California are advised to study FTB Publication 1031 for exceptions and exemptions. The California tax rate for 2017 ranges in eight brackets from 1 percent of taxable income under \$8,223 for singles and \$15,466 for joint filers, to a maximum of 12.3 percent on taxable income over \$551,473 for singles and \$1,102,946 for joint filers. Non-resident domiciliaries are advised to file on Form 540NR.

Write: Personal Income Taxes, Franchise Tax Board, P.O. Box 942840, Sacramento CA 94240-0040.

Phone: (800) 852-5711 (inside the U.S.); (916) 845-6500 (outside the U.S.).

Website: www.ftb.ca.gov

Email: Link through the website's "Contact Us" tab.

COLORADO

Individuals domiciled in Colorado are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Colorado's tax rate is a flat 4.63 percent of federal taxable income, plus or minus allowable modifications.

Write: Department of Revenue, Taxpayer Service Division, P.O. Box 17087 Denver CO 80217-0087.

Phone: (303) 238-7378.

Website: www.colorado.gov/revenue

Email: Link through the website's "Contact Us" tab on the "Taxation" page.

CONNECTICUT

Connecticut domiciliaries may qualify for non-resident tax treatment under either of two exceptions as follows: Group A—the domiciliary 1) did not maintain a permanent place of abode inside Connecticut for the entire tax year; and 2) maintains a permanent place of abode outside the state for the

entire tax year; and 3) spends not more than 30 days in the aggregate in the state during the tax year.

Group B—the domiciliary 1) in any period of 548 consecutive days, is present in a foreign country for at least 450 days; and 2) during the 548-day period, is not present in Connecticut for more than 90 days; and 3) does not maintain a permanent place of abode in the state at which the domiciliary's spouse or minor children are present for more than 90 days.

Connecticut's tax rate for married filing jointly rises from 3 percent on the first \$20,000 in six steps to 6.9 percent of the excess over \$500,000, and 6.99 percent over \$1,000,000. For singles it is 3 percent on the first \$10,000, rising in six steps to 6.9 percent of the excess over \$250,000 and 6.99 percent over \$500,000.

Write: Department of Revenue Services, 450 Columbus Blvd, Suite 1, Hartford CT 06103.

Phone: (860) 297-5962.

Website: www.ct.gov/drs

Email: Contact through the "Contact us" page on the website.

DELAWARE

Individuals domiciled in Delaware are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Delaware's graduated tax rate rises in six steps from 2.2 percent of taxable income under \$5,000 to 6.6 percent of taxable income over \$60,000.

Write: Division of Revenue, Taxpayers Assistance Section, State Office Building, 820 N. French St., Wilmington DE 19801. Phone (302) 577-8200.

Website: www.revenue.delaware.gov

Email: personaltax@state.de.us

DISTRICT OF COLUMBIA

Individuals domiciled in the District of Columbia are considered residents and are subject to tax on their entire income, regardless of their physical presence there. Individuals domiciled elsewhere are also considered residents for tax purposes for the portion of any calendar year in which they are physically present in the District for 183 days or more. The District's tax rate is 4 percent if income is less than \$10,000; \$400 plus 6 percent of excess over \$10,000 if between \$10,000 and \$40,000; \$2,200 plus 6.5 percent of excess over \$40,000; \$3,500 plus 8.5 percent of the excess over \$60,000; \$28,150 plus 8.75 percent of any excess above \$350,000; and 8.95 percent over \$1,000,000.

Write: Office of Tax and Revenue, Customer Service Center, 1101 4th St. SW, Suite 270 West, Washington DC 20024.

Phone: (202) 727-4829.

Website: www.otr.cfo.dc.gov/

Email: taxhelp@dc.gov

FLORIDA

Florida does not impose personal income, inheritance, gift or intangible personal property taxes. Property tax (homestead) exemptions are only available if you own and permanently reside on the property. Sales and use tax is 6 percent. There are additional county sales taxes, which could make the combined rate as high as 9.5 percent.

Write: Taxpayer Services, Florida Department of Revenue, 5050 W. Tennessee St., Bldg. L, Tallahassee FL 32399-0100.

Phone: (850) 488-6800

Website: <http://dor.myflorida.com/dor/taxes>

Email: Link through the website, go to "Taxes," then "Tax Information," then "Questions?"

GEORGIA

Individuals domiciled in Georgia are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Georgia has a graduated tax rate rising in six steps to a maximum of 6 percent of taxable income over \$10,000 and above for joint married filers and \$7,000 for single filers.

Write: Georgia Department of Revenue, Taxpayer Services Division, 1800 Century Blvd. NE, Atlanta GA 30345-3205.

Phone: (877) 423-6711, Option #2, or contact through Georgia Tax Center (log in required).

Website: <http://dor.georgia.gov/taxes>

HAWAII

Individuals domiciled in Hawaii are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Hawaii's tax rate rises in 12 steps from 1.4 percent on taxable income below \$2,400 for single filers and \$4,800 for joint filers, to a maximum of 8.25 percent for taxable income above \$48,000 for single filers and \$96,000 for joint filers.

Write: Oahu District Office, Taxpayer Services Branch, P.O. Box 259, Honolulu HI 96809-0259.

Phone: (800) 222-3229, or (808) 587-4242.

Website: <http://tax.hawaii.gov>

Email: Taxpayer.Services@hawaii.gov

IDAHO

Individuals domiciled in Idaho for an entire tax year are considered residents and are subject to tax on their entire income. However, you are considered a non-resident if: 1) you are an Idaho resident who lived outside of Idaho for at least 445 days in a 15-month period; and 2) after satisfying the 15-month period, you spent fewer than 60 days in Idaho during the year; and 3) you did not have a personal residence in Idaho for yourself or your family during any part

of the calendar year; and 4) you did not claim Idaho as your federal tax home for deducting away-from-home expenses on your federal return; and 5) you were not employed on the staff of a U.S. senator; and 6) you did not hold an elective or appointed office of the U.S. government other than the armed forces or a career appointment in the U.S. Foreign Service (see Idaho Code Sections 63-3013 and 63-3030). In 2017 Idaho's tax rate rises in six steps from a minimum of 1.6 percent to a maximum of 7.4 percent on the amount of Idaho taxable income over \$11,043 for singles and \$22,086 for married filers. A non-resident must file an Idaho income tax return if his or her gross income from Idaho sources is \$2,500 or more.

Write: Idaho State Tax Commission, P.O. Box 36, Boise ID 83722-0410.

Phone: (208) 334-7660 or (800) 972-7660.

Website: www.tax.idaho.gov

Email: taxrep@tax.idaho.gov

ILLINOIS

Individuals domiciled in Illinois are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Effective for income received after June 30, 2017, Illinois Public Act 100-0022 increased the Illinois Income Tax rate for individuals from a flat rate of 3.75 percent to a flat rate of 4.95 percent of net income.

Write: Illinois Department of Revenue, PO Box 19001, Springfield IL 62794-9001.

Phone: (800) 732-8866, or (217) 782-3336.

Website: www.revenue.state.il.us

Email: Link through the website, "Contact Us," then "Taxpayer Answer Center."

INDIANA

Individuals domiciled in Indiana are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. In 2017, Indiana's tax rate is a flat 3.23 percent of Federal Adjusted Gross Income. Several counties also charge a county income tax.

Write: Indiana Department of Revenue, Individual Income Tax, P.O. Box 40, Indianapolis IN 46206-0040

Phone: (317) 232-2240.

Website: www.in.gov/dor

Email: Link through the website's "Contact Us" tab.

IOWA

Individuals domiciled in Iowa are considered residents and are subject to tax on their entire income to the extent that income is taxable on the person's federal income tax returns. Iowa's 2017 tax rate rises in eight steps from 0.36 percent

to a maximum 8.98 percent of taxable income over \$70,785, depending on income and filing status.

Write: Taxpayer Services, Iowa Department of Revenue, PO Box 10457, Des Moines IA 50306-0457.

Phone: (515) 281-3114 or (800) 367-3388.

Website: <https://tax.iowa.gov>

Email: Use email form on "Contact Us" page of the website.

KANSAS

Individuals domiciled in Kansas are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. In 2017 the Kansas tax rate is 3.1 percent on Kansas taxable income under \$15,000 for single filers and under \$30,000 for joint filers, rising to 5.7 percent on income over \$30,000 for single filers and \$60,000 for joint filers.

Write: Kansas Taxpayer Assistance Center, Scott State Office Building, 120 SE 10th Street, Topeka KS 66612-1103.

Phone: (785) 368-8222.

Website: www.ksrevenue.org

Email: kdor_tac@ks.gov

KENTUCKY

Individuals domiciled in Kentucky are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Kentucky's tax rate ranges from 2 percent on the first \$3,000 of taxable income to 6 percent on all taxable income over \$75,000 for both single and joint filers.

Write: Kentucky Department of Revenue, 501 High Street, Frankfort KY 40601

Phone: (502) 564-4581.

Website: www.revenue.ky.gov

Email: Link through the website's "Contact Us" tab.

LOUISIANA

Individuals domiciled in Louisiana are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Louisiana's tax rate rises from 2 percent for the first \$12,500 for single filers or \$25,000 for joint filers; 4 percent over \$12,500 for singles and over \$25,000 for joint filers, and 6 percent for over \$50,000 for single filers or \$100,000 for joint filers.

Write: Taxpayer Services Division, Individual Income Tax Section, Louisiana Department of Revenue, P.O. Box 201, Baton Rouge LA 70821-0201.

Phone: (855) 307-3893.

Website: www.revenue.louisiana.gov

Email: Link through the website's "Contact LDR Online tab" on the "Contact Us" page.

MAINE

Individuals domiciled in Maine are considered residents and are subject to tax on their entire income. Since Jan. 1, 2007, however, there have been “safe harbor” provisions. Under the General Safe Harbor provision, Maine domiciliaries are treated as non-residents if they satisfy all three of the following conditions: 1) they did not maintain a permanent place of abode in Maine for the entire taxable year; 2) they maintained a permanent place of abode outside Maine for the entire taxable year; and 3) they spent no more than 30 days in the aggregate in Maine during the taxable year. Under the Foreign Safe Harbor provision, Maine domiciliaries are also treated as non-residents if they are present in a foreign country for 450 days in a 548-day period and do not spend more than 90 days in Maine during that period. Maine’s tax rate in 2017 is 5.8 percent on Maine taxable income below \$21,100 for singles and \$42,250 for joint filers, 6.75 percent up to \$50,000 for singles and \$100,000 for married filing jointly, and 7.15 percent over those amounts.

Write: Maine Revenue Services, Income Tax Assistance, P.O. Box 9107, Augusta ME 04332-9107.

Phone: (207) 626-8475.

Website: www.maine.gov/revenue

Email: income.tax@maine.gov

MARYLAND

Individuals domiciled in Maryland are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Individuals domiciled elsewhere are also considered residents for tax purposes for the portion of any calendar year in which they are physically present in the state for an aggregated total of 183 days or more. Maryland’s tax rate is \$90 plus 4.75 percent of taxable income over \$3,000 up to \$100,000 if filing singly and \$150,000 if filing jointly. It then rises in four steps to \$12,760 plus 5.75 percent of the excess of taxable income over \$250,000 for singles or \$15,072 plus 5.75 percent of the excess over \$300,000 for married filers. In addition, Baltimore City and the 23 Maryland counties impose a local income tax, which is a percentage of the Maryland taxable income, using Line 31 of Form 502 or Line 9 of Form 503. The local factor varies from 1.75 percent in Worcester County (and for non-residents) to 3.2 percent in Baltimore City, and in Montgomery, Prince George’s, Queen Anne’s, Wicomico and Howard counties (see website for details for all counties).

Write: Comptroller of Maryland, Revenue Administration Center, Taxpayer Service Section, 110 Carroll Street, Annapolis MD 21411-0001.

Phone: (410) 260-7980, or (800) 638-2937.

Website: www.marylandtaxes.com

Email: taxhelp@comp.state.md.us

MASSACHUSETTS

Individuals domiciled in Massachusetts are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Salaries and most interest and dividend income are taxed at a flat rate of 5.10 per cent for 2017. Some income (e.g., short-term capital gains) remains taxed at 12 percent.

Write: Massachusetts Department of Revenue, Taxpayer Services Division, P.O. Box 7010, Boston MA 02204.

Phone: (617) 887-6367.

Website: <http://www.mass.gov/dor>

Email: Link through the website’s “Contact Us” tab.

MICHIGAN

Individuals domiciled in Michigan are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Michigan’s tax is 4.25 percent. Some Michigan cities impose an additional 1 or 2 percent income tax. Detroit imposes an additional 2.4-percent income tax.

Write: Michigan Department of Treasury, Lansing MI 48922.

Phone: (517) 636.4486 for income tax questions.

Website: www.michigan.gov/treasury

Email: treasIndTax@michigan.gov

MINNESOTA

Individuals domiciled in Minnesota are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Minnesota’s tax rate in 2017 is 5.35 percent on taxable income up to \$25,390 for singles or \$37,110 for married joint filers, rising in three steps to a maximum of 9.85 percent on taxable income over \$156,900 for single filers or \$261,510 for married filing jointly.

Write: Minnesota Department of Revenue, 600 North Robert St., St. Paul MN 55146-5510.

Phone: (651) 296-3781 or (800) 652-9094.

Website: www.taxes.state.mn.us

Email: individual.incometax@state.mn.us

MISSISSIPPI

Individuals domiciled in Mississippi are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Mississippi’s tax rate is 3 percent on the first \$5,000 of taxable income, 4 percent on the next \$5,000 and 5 percent on taxable income over \$10,000 for all taxpayers, whether filing singly or jointly.

Write: Department of Revenue, P.O. Box 1033, Jackson MS 39215-1033.

Phone: (601) 923-7700.

Website: www.dor.ms.gov

Email: Link through the website’s “Contact Us” tab.

MISSOURI

An individual domiciled in Missouri is considered a non-resident, and is not liable for tax on Missouri income if the individual has no permanent residence in Missouri, has a permanent residence elsewhere and is not physically present in the state for more than 30 days during the tax year. Missouri calculates tax on a graduated scale up to \$9,072 of taxable income. Any taxable income over \$9,072 is taxed at a rate of \$315 plus 6 percent of the excess over \$9,072.

Write: Individual Income Tax, P.O. Box 2200, Jefferson City MO 65105-2200.

Phone: (573) 751-3505.

Website: www.dor.mo.gov

Email: income@dor.mo.gov

MONTANA

Individuals domiciled in Montana are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Montana's tax rate for 2017 rises in six steps from 1 percent of taxable income under \$2,900 to a maximum of 6.9 percent of taxable income over \$17,600. See the website for various deductions and exemptions.

Write: Montana Department of Revenue, P.O. Box 5805, Helena MT 59604-5805.

Phone: (866) 859-2254 or (406) 444-6900.

Website: www.revenue.mt.gov/home

Email: Link through the website's "Contact Us" tab.

NEBRASKA

Individuals domiciled in Nebraska are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. For 2017 the individual income tax rates range in four steps from a minimum of 2.46 percent to a maximum of 6.84 percent of the excess over \$29,830 for singles and \$59,660 for joint filers. If AGI is over \$261,500 for single filers or \$313,800 for joint filers an additional tax of between 0.438 and 0.183 percent is imposed.

Write: Department of Revenue, 301 Centennial Mall South, P.O. Box 94818, Lincoln NE 68509-4818.

Phone: (402) 471-5729.

Website: www.revenue.state.ne.us

Email: Link through the website's "Contact Us" tab.

NEVADA

Nevada does not tax personal income. There is a sales and use tax that varies from 6.85 percent to 8.1 percent depending on local jurisdiction. Additional ad valorem personal and real property taxes are also levied.

Write: Nevada Department of Taxation, 1550 College Pkwy,

Suite 115, Carson City NV 89706.

Phone: (866) 962-3707 or (775) 684-2000.

Website: www.tax.state.nv.us

NEW HAMPSHIRE

The state imposes no personal income tax on earned income and no general sales tax. The state does levy, among other taxes, a 5 percent tax on interest and dividend income of more than \$2,400 annually for single filers and \$4,800 annually for joint filers, and an 8.5 percent tax on business profits, including sale of rental property. There is no inheritance tax. Applicable taxes apply to part-year residents.

Write: Taxpayer Services Division, P.O. Box 637, Concord NH 03302-0637.

Phone: (603) 230-5000.

Website: www.revenue.nh.gov

NEW JERSEY

A New Jersey domiciliary is considered a non-resident for New Jersey tax purposes if the individual has no permanent residence in New Jersey, has a permanent residence elsewhere and is not physically in the state for more than 30 days during the tax year. Filing a return is not required (unless the non-resident has New Jersey-source income), but it is recommended in order to preserve domicile status. Filing is required on Form 1040-NR for revenue derived from in-state sources. Tax liability is calculated as a variable lump sum plus a percentage from a minimum of 1.4 percent of taxable gross income up to \$20,000, in three steps to 6.37 percent between \$75,000 and \$500,000, and a maximum of 8.97 percent on taxable gross income over \$500,000 for both single and joint filers.

Write: New Jersey Division of Taxation, Technical Services Branch, P.O. Box 281, Trenton NJ 08695-0281.

Phone: (609) 292-6400.

Website: www.state.nj.us/treasury/taxation

Email: Link through the website's "Contact Us" tab.

NEW MEXICO

Individuals domiciled in New Mexico are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. The basis for New Mexico's calculation is the Federal Adjusted Gross Income figure. Rates rise in four steps from a minimum of 1.7 percent to a maximum of 4.9 percent on New Mexico taxable income over \$16,000 for single filers and \$24,000 for married filing jointly.

Write: New Mexico Taxation and Revenue Department, 1100 South St. Francis Drive, Santa Fe NM 87504.

Phone: (505) 827-0700.

Website: www.tax.newmexico.gov

Email: Link through the website's "Email Us" tab.

NEW YORK

There is no tax liability for out-of-state income if you have no permanent residence in New York, have a permanent residence elsewhere and are not present in the state more than 30 days during the tax year OR you were in a foreign country for at least 450 days during any period of 548 consecutive days; and you, your spouse and minor children spent 90 days or less in New York State during this 548-day period. Filing a return is not required, but it is recommended to preserve domicile status. The tax rate for 2017 rises in six steps from a minimum of 4 percent to 6.45 percent of taxable income over \$21,400 for single filers and \$43,000 for married filing jointly; 6.65 percent on taxable income over \$80,650 for single filers and \$161,550 for joint filers; 6.85 percent on taxable income over \$215,400 for single filers or \$323,200 for joint filers; and 8.82 percent over \$1,077,550 for single filers and over \$2,155,350 for joint filers. In New York City the maximum rate is 3.876 percent over \$90,000 for joint filers and over \$50,000 for single filers. Filing is required on Form IT-203 for revenue derived from New York sources.

Foreign Service employees assigned to USUN for a normal tour of duty are considered to be resident in NY state for tax purposes. See TSB-M-09(2)I of Jan. 16, 2009, at

http://www.tax.ny.gov/pdf/memos/income/m09_2i.pdf

Write: New York State Department of Taxation and Finance, Personal Income Tax Information, W.A. Harriman Campus, Albany NY 12227.

Phone: (518) 457-5181.

Website: www.tax.ny.gov

Email: Link through the website's "Answer Center" tab.

NORTH CAROLINA

Individuals domiciled in North Carolina are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. North Carolina's flat tax rate is 5.499 percent for 2017. Residents must also report and pay a "use tax" on purchases made outside the state for use in North Carolina.

Write: North Carolina Department of Revenue, P.O. Box 25000, Raleigh NC 27640-0640.

Phone: (919)707-0880.

Website: www.dornc.com

NORTH DAKOTA

Individuals domiciled in North Dakota and serving outside the state are considered residents and are subject to tax on their entire income. For the 2017 tax year, the tax rate ranges in four steps from 1.1 percent on North Dakota taxable income up to \$37,950 for singles and \$63,400 for joint filers to a maximum

of 2.90 percent on taxable income over \$416,700 for singles and joint filers.

Write: Office of State Tax Commissioner, State Capitol, 600 E. Boulevard Ave., Dept. 127, Bismarck ND 58505-0599.
Phone: (701) 328-1247.

Website: www.nd.gov/tax

Email: individualtax@nd.gov

OHIO

Individuals domiciled in Ohio are considered residents and their income is subject to tax, using the Federal Adjusted Gross Income figure as a starting base. Ohio's 2017 tax rate starts at a minimum of 0.495 percent on taxable income under \$5,250, rising in seven steps to a maximum of 4.997 percent on taxable income over \$210,600 for single and joint filers. Ohio also charges a school district income tax of between 0.5 and 2 percent, depending on jurisdiction.

Write: Ohio Department of Taxation, Taxpayer Services Center, P.O. Box 530, Columbus OH 43216-0530.

Phone: (800) 282-1780 or (614) 387-0224.

Website: www.tax.ohio.gov

Email: Link through the website's "Contact Us" tab.

OKLAHOMA

Individuals domiciled in Oklahoma are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Oklahoma's tax rate for 2017 rises in eight stages to a maximum of 5 percent on taxable income over \$7,200 for single filers and \$12,200 for married filing jointly.

Write: Oklahoma Tax Commission, Income Tax, P.O. Box 26800, Oklahoma City OK 73126-0800.

Phone: (405) 521-3160.

Website: www.tax.ok.gov

Email: otcmaster@tax.ok.gov

OREGON

Individuals domiciled in Oregon are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. For 2017, Oregon's tax rate rises from 5 percent on taxable income over \$3,400 for single filers and \$6,800 for married filing jointly, in three steps to 9.9 percent on taxable income over \$125,000 for single filers and \$250,000 for joint filers. Oregon has no sales tax.

Write: Oregon Department of Revenue, 955 Center St. NE, Salem OR 97301-2555.

Phone: (503) 378-4988 or (800) 356-4222.

Website: www.oregon.gov/DOR

Email: questions.dor@state.or.us

PENNSYLVANIA

Pennsylvania's tax rate is a flat 3.07 percent. Pennsylvania tax authorities have ruled that Pennsylvania residents in the U.S. Foreign Service are not on federal active duty for state tax purposes, and thus their income is taxable compensation. For non-Foreign Service state residents, there is no tax liability for out-of-state income if the individual has no permanent residence in the state, has a permanent residence elsewhere and spends no more than 30 days in the state during the tax year. However, Pennsylvania does not consider government quarters overseas to be a "permanent residence elsewhere." Filing a return is not required, but it is recommended to preserve domicile status. File Form PA-40 for all income derived from Pennsylvania sources.

Write: Commonwealth of Pennsylvania, Department of Revenue, Taxpayer Services Department, Harrisburg PA 17128-1061. Phone: (717) 787-8201.

Website: www.revenue.pa.gov

Email: Link through the website's "Contact Us" tab.

PUERTO RICO

Individuals who are domiciled in Puerto Rico are considered residents and are subject to tax on their entire income, regardless of their physical presence in the Commonwealth. Normally, they may claim a credit with certain limitations for income taxes paid to the United States on any income from sources outside Puerto Rico. Taxes range from 7 percent of taxable income up to \$25,000 to 33 percent of the taxable income over \$61,500 for all taxpayers.

Write: Departamento de Hacienda, P.O. Box 9024140, San Juan PR 00902-4140.

Phone: (787) 622-0123.

Website: www.hacienda.gobierno.pr

Email: infoserv@hacienda.gobierno.pr

RHODE ISLAND

Individuals domiciled in Rhode Island are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. The 2017 Rhode Island tax rate is 3.75 percent of taxable income up to \$61,300 for all filers, 4.75 percent for income over \$61,300 and 5.99 percent of taxable income over \$139,400 for all filers. Also, a 2010 change treats capital gains as ordinary taxable income. Refer to the tax division's website for current information and handy filing hints, as well as for forms and regulations.

Write: Rhode Island Division of Taxation, Taxpayer Assistance Section, One Capitol Hill, Providence RI 02908-5801.

Phone (401) 574-8829, Option #3.

Website: www.tax.state.ri.us

Email: Tax.Assist@tax.ri.gov

SOUTH CAROLINA

Individuals domiciled in South Carolina are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. South Carolina's 2017 tax rates rise in six steps from 3 percent on the first \$5,860 of South Carolina taxable income to a maximum of 7 percent of taxable income over \$14,650 for all filers.

Write: South Carolina Tax Commission, P.O. Box 125, Columbia SC 29214.

Phone: (844) 898-8542, Option 3, or (803) 898-5000.

Website: www.sctax.org

Email: iitax@dor.sctax.gov or through the Contact Us tab on the website.

SOUTH DAKOTA

There is no state income tax and no state inheritance tax. State sales and use tax is 4.5 percent; municipalities may add up to an additional 2.75 percent.

Write: South Dakota Department of Revenue, 445 East Capitol Ave., Pierre SD 57501-3185.

Phone: (605) 773-3311.

Website: <http://dor.sd.gov>

Email: Link through the website's "Contact Us" tab.

TENNESSEE

Salaries and wages are not subject to state income tax, but for 2017 Tennessee imposes a 4 percent tax on most dividends and interest income of more than \$1,250 (single filers) or \$2,500 (joint filers) in the tax year. This is planned to decrease by 1 percent per year until elimination on Jan 1, 2021.

Write: Tennessee Department of Revenue (Attention: Taxpayer Services), 500 Deaderick St., Nashville TN 37242.

Phone: (615) 253-6000.

Website: www.tn.gov/revenue

Email: TN.Revenue@tn.gov

TEXAS

There is no state personal income tax. State sales tax is 6.25 percent with local additions adding up to 2 percent.

Write: Texas Comptroller, P.O. Box 13528, Capitol Station, Austin TX 78711-3528.

Phone: (800) 252-5555.

Website: www.comptroller.texas.gov

Email: Use email options on "Contact Us" page of the website.

UTAH

Utah has a flat tax of 5 percent on all income. Individuals domiciled in Utah are considered residents and are subject to Utah state tax. Utah requires that all Federal Adjusted Gross Income reported on the federal return be reported on

the state return, regardless of the taxpayer's physical presence in the state. Some taxpayers will be able to claim either a taxpayer tax credit or a retirement tax credit, or both (see website for explanation).

Write: Utah State Tax Commission, Taxpayer Services Division, 210 North 1950 West, Salt Lake City UT 84134.

Phone: (800) 662-4335, Option "0" or (801) 297-2200, Option "0".

Website: www.tax.utah.gov

Email: Link through the website's "Contact Us" tab.

VERMONT

Individuals domiciled in Vermont are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. The 2017 tax rate ranges from 3.55 percent on taxable income under \$37,950 for singles and \$63,350 for joint filers to a maximum of 8.95 percent on taxable income over \$416,700 for singles and joint filers.

Write: Vermont Department of Taxes, Taxpayer Services Division, 133 State St., Montpelier VT 05633-1401.

Phone: (802) 828-2865.

Website: www.tax.vermont.gov

Email: tax.individualincome@vermont.gov or through the website's "Contact Us" tab.

VIRGINIA

Individuals domiciled in Virginia are considered residents and are subject to tax on their entire income, regardless of their physical presence in the state. Individuals domiciled elsewhere are also considered residents for tax purposes for the portion of any calendar year in which they are physically present in the state for 183 days or more. These individuals should file using Form 760. In addition, Virginia requires non-residents to file Form 763 if their Virginia Adjusted Gross Income (which includes any federal salary paid during time they are residing in Virginia) exceeds \$11,950 for single filers and married filing separately, or \$23,900 for married filing jointly. Individual tax rates are: 2 percent if taxable income is less than \$3,000; \$60 plus 3 percent of excess over \$3,000 if taxable income is between \$3,000 and \$5,000; \$120 plus 5 percent of excess over \$5,000 if taxable income is between \$5,000 and \$17,000; and \$720 plus 5.75 percent if taxable income is over \$17,000. In addition, using Form R-1H, Virginia allows employers of household help to elect to pay state unemployment tax annually instead of quarterly.

Write: Virginia Department of Taxation, Office of Customer Services, P.O. Box 1115, Richmond VA 23218-1115.

Phone: (804) 367-8031.

Website: www.tax.virginia.gov

Email: Link through the website's "Contact Us" tab.

WASHINGTON

There is no state income tax and no tax on intangibles such as bank accounts, stocks and bonds. Residents may deduct Washington sales tax on their federal tax returns if they itemize deductions. State tax rate is 6.5 percent and local additions can increase that to 10.3 percent in some areas.

Write: Washington State Department of Revenue, Taxpayer Services, P.O. Box 47478, Olympia WA 98504-7478.

Phone: (800) 647-7706.

Website: www.dor.wa.gov

Email: Link through the website's "Contact Us" tab.

WEST VIRGINIA

There is no tax liability for out-of-state income if the individual has no permanent residence in West Virginia, has a permanent residence elsewhere and spends no more than 30 days of the tax year in West Virginia. However, non-resident domiciliaries are required to file a return on Form IT-140 for all income derived from West Virginia sources. Tax rates rise in four steps from 4 percent of taxable income over \$10,000 for joint and single filers, to 6.5 percent of taxable income for joint and single filers over \$60,000.

Write: Department of Tax and Revenue, 1124 Smith Street E. Charleston WV 25337-3784.

Phone: (800) 982-8297 or (304) 558-3333.

Website: www.wvtax.gov

Email: TaxHelp@WV.Gov

WISCONSIN

Individuals domiciled in Wisconsin are considered residents and are subject to tax on their entire income, regardless of where the income is earned. Wisconsin's 2017 tax rate rises in four steps from 4 percent on income up to \$11,230 for single filers or \$14,980 for joint filers to a maximum of 7.65 percent on income over \$247,350 for single filers or \$329,810 for joint filers.

Write: Wisconsin Department of Revenue, Individual Income Tax Assistance, P.O. Box 59, Madison WI 53708-0001.

Phone: (608) 266-2486.

Website: www.revenue.wi.gov

Email: Through the "Contact Us" link on the website

WYOMING

There is no state income tax and no tax on intangibles such as bank accounts, stocks or bonds. State sales tax is 4 percent. Local jurisdictions may add another 2 percent sales tax and 4 percent for lodging.

Write: Wyoming Department of Revenue, Herschler Building, 122 West 25th St., Cheyenne WY 82002-0110.

Phone: (307) 777-5200.

Website: <http://revenue.wyo.gov>

Email: dor@wyo.gov

STATE INCOME TAX TREATMENT OF PENSIONS AND ANNUITIES AND STATE SALES TAXES

The laws regarding taxation of Foreign Service annuities vary greatly from state to state. In addition to those states that have no income tax or no tax on personal income, several states do not tax income derived from pensions and annuities. For example, Idaho taxes Foreign Service annuities while exempting certain categories of Civil Service employees. Several websites provide more information on individual state taxes for retirees, but the Retirement Living Information Center at www.retirementliving.com/taxes-by-state is one of the more comprehensive and is recommended for further information.

ALABAMA

Social Security and U.S. government pensions are not taxable. The combined state, county and city general sales and use tax rates range from 7 percent to as much as 8.65 percent.

ALASKA

No personal income tax. Most municipalities levy sales and/or use taxes of between 2 and 7 percent and/or a property tax. If over 65, you may be able to claim an exemption.

ARIZONA

Up to \$2,500 of U.S. government pension income may be excluded for each taxpayer. There is also a \$2,100 exemption for each taxpayer age 65 or over. Social Security is excluded from taxable income. Arizona state sales and use tax is 5.6 percent, with additions depending on the county and/or city.

ARKANSAS

The first \$6,000 of income from any retirement plan or IRA is exempt (to a maximum of \$6,000 overall). Social

Security is excluded from taxable income. There is no estate or inheritance tax. State sales and use tax is 6.5 percent; city and county taxes may add another 5.5 percent.

CALIFORNIA

Pensions and annuities are fully taxable. Social Security is excluded from taxable income. The sales and use tax rate varies from 7.5 percent (the statewide rate) to 11 percent in some areas. CA Publication 71 lists all rates statewide.

COLORADO

Up to \$24,000 of pension or Social Security income can be excluded if the individual is age 65 or over. Up to \$20,000 is exempt if age 55 to 64. State sales tax is 2.9 percent; local additions can increase it to as much as 9.9 percent.

CONNECTICUT

Pensions and annuities are fully taxable for residents. Social Security is exempt if Federal Adjusted Gross Income is less than \$50,000

for singles or \$60,000 for joint filers. Statewide sales tax is 6.35 percent. No local additions.

DELAWARE

Government pension exclusions per person: \$2,000 is exempt under age 60; \$12,500 if age 60 or over. There is an additional standard deduction of \$2,500 if age 65 or over if you do not itemize. Social Security is excluded from taxable income. Delaware does not impose a sales tax.

DISTRICT OF COLUMBIA

Pension or annuity exclusion of \$3,000 is applicable if 62 years or older. Social Security is excluded from taxable income. Sales and use tax is 5.75 percent, with higher rates for some commodities (liquor, meals, etc.).

FLORIDA

There is no personal income, inheritance, gift tax or tax on intangible property. The state sales and use tax is 6 percent. There are additional county sales taxes, which

could make the combined rate as high as 9.5 percent. Property taxes are imposed by local jurisdictions.

GEORGIA

Up to \$35,000 of retirement income may be excludable for those aged 62 or older or totally disabled. Up to \$65,000 of retirement income may be excludable for taxpayers who are 65 or older. Social Security is excluded from taxable income. Sales tax is 4 percent statewide, with additions of up to 3 percent depending on jurisdiction.

HAWAII

Pension and annuity distributions from a government pension plan are not taxed in Hawaii. Social Security is excluded from taxable income. Hawaii charges a general excise tax of 4 percent instead of sales tax.

IDAHO

If the individual is age 65 or older, or age 62 and disabled, Civil Service Retirement System and Foreign Service Retirement and Disability

System pensions qualify for a deduction in 2017 of a maximum of \$27,876 for a single return and up to \$41,814 for a joint return. Federal Employees Retirement System or Foreign Service Pension System pensions do not qualify for this deduction. The deduction is reduced dollar for dollar by Social Security benefits. Social Security itself is not taxed. Idaho state sales tax is 6 percent; some local jurisdictions add as much as another 3 percent.

ILLINOIS

Illinois does not tax U.S. government pensions or Social Security. State sales tax is 6.25 percent. Local additions can raise sales tax to 8.45 percent in some jurisdictions.

INDIANA

If the individual is over age 62, the Adjusted Gross Income may be reduced by the first \$2,000 of any pension, reduced dollar for dollar by Social Security benefits. There is also a \$1,000 exemption if over 65, or \$1,500 if Federal AGI is less than \$40,000. There is no pension exclusion for survivor annuitants of federal annuities. Social Security is excluded from taxable income. Sales tax and use tax is 7 percent.

IOWA

Generally taxable. A married couple with an income for the year of less than \$32,000 may file for exemp-

tion, if at least one spouse or the head of household is 65 years or older on Dec. 31, and single persons who are 65 years or older on Dec. 31 may file for an exemption if their income is \$25,000 or less. Social Security is excluded from taxable income. Statewide sales tax is 6 percent; local option taxes can add up to another 6.8 percent.

KANSAS

U.S. government pensions are not taxed. There is an extra deduction of \$850 if over 65. Social Security is exempt if Federal AGI is under \$75,000. State sales tax is 6.5 percent, with additions of between 1 and 4 percent depending on jurisdiction.

KENTUCKY

Government pension income is exempt if retired before Jan. 1, 1998. If retired after Dec. 31, 1997, pension/annuity income up to \$41,110 remains excludable for 2017. Social Security is excluded from taxable income. Sales and use tax is 6 percent statewide, with no local sales or use taxes.

LOUISIANA

Federal retirement benefits are exempt from state income tax. There is an exemption of \$6,000 of other annual retirement income received by any person age 65 or over. Married filing jointly may exclude \$12,000. Social Security is excluded from taxable

income. State sales tax is 5 percent, with local additions up to a possible total of 10.75 percent. Use tax is 8 percent regardless of the purchaser's location.

MAINE

Recipients of a government-sponsored pension or annuity who are filing singly may deduct up to \$10,000 (\$20,000 for married filing jointly) on income that is included in their Federal Adjusted Gross Income, reduced by all Social Security and railroad benefits. For those aged 65 and over, there is an additional standard deduction of \$1,450 (single), \$1,150 (married filing singly) or \$2,200 (married filing jointly). General sales tax is now 5.5 percent; 8 percent on meals and liquor.

MARYLAND

Those over 65 or permanently disabled, or who have a spouse who is permanently disabled, may under certain conditions be eligible for Maryland's maximum pension exclusion of \$29,400. Also, all individuals 65 years or older are entitled to an extra \$1,000 personal exemption in addition to the regular \$3,200 personal exemption available to all taxpayers. Social Security is excluded from taxable income. See the worksheet and instructions in the Maryland Resident Tax Booklet. General sales tax is 6 percent; 9 percent on liquor.

MASSACHUSETTS

Federal pensions and Social Security are excluded from Massachusetts gross income. Each taxpayer over age 65 is allowed an additional \$700 exemption on other income. Sales tax is 6.25 percent.

MICHIGAN

Pension benefits included in Adjusted Gross Income from a private pension system or an IRA are deductible for those born before 1946 to a maximum of \$49,861 for a single filer, or \$99,723 for joint filers; public pensions are exempt. If born after 1946 and before 1952, the exemption for public and private pensions is limited to \$20,000 for singles and \$40,000 for married filers. If born after 1952, not eligible for any exemption until reaching age 67. Social Security is excluded from taxable income. Full details at: http://www.michigan.gov/documents/taxes/2016RetirementAndPensionBenefitsChart_544015_7.pdf. Michigan's state sales tax rate is 6 percent. There are no city, local or county sales taxes.

MINNESOTA

Social Security income is taxed by Minnesota to the same extent it is on your federal return. If your only income is Social Security, you would not be required to file an income tax return. All federal pensions are taxable, but single taxpayers who are over 65 or disabled

may exclude some income if Federal Adjusted Gross Income is under \$33,700 and nontaxable Social Security is under \$9,600. For a couple who are both over 65, the limits are \$42,000 for Adjusted Gross Income and \$12,000 for nontaxable Social Security. Statewide sales and use tax is 6.875 percent; some local additions may increase the total to 9.53 percent.

MISSISSIPPI

Social Security, qualified retirement income from federal, state and private retirement systems, and income from IRAs are exempt from Mississippi tax. There is an additional exemption of \$1,500 on other income if over 65. Statewide sales tax is 7 percent.

MISSOURI

Up to 65 percent of public pension income may be deducted if Missouri Adjusted Gross Income is less than \$100,000 when married filing jointly or \$85,000 for single filers, up to a limit of \$36,442 for each spouse. The maximum private pension deduction is \$6,000. You may also deduct 100 percent of Social Security income if over age 62 and Federal Adjusted Gross Income is less than the limits above. Sales tax is 4.225 percent; local additions may add another 2 percent.

MONTANA

There is a \$4,110 pension income exclusion if Federal Adjusted Gross Income is less than \$34,260. Those over 65 can exempt an additional \$800 of interest income for single taxpayers and \$1,600 for married joint filers. Social Security is subject to tax. Montana has no general sales tax, but tax is levied on the sale of various commodities.

NEBRASKA

U.S. government pensions and annuities are fully taxable. Social Security is taxable. State sales tax is 5.5 percent, with local additions of up to 2 percent.

NEVADA

No personal income tax. Sales and use tax varies from 6.85 to 8.1 percent, depending on local jurisdiction.

NEW HAMPSHIRE

No personal income tax. There is no estate or inheritance tax. There is a 5 percent tax on interest/dividend income over \$2,400 for singles (\$4,800 married filing jointly). A \$1,200 exemption is available for those 65 or over. No general sales tax.

NEW JERSEY

Pensions and annuities from civilian government service are subject to state income tax, with exemptions for those aged 62 or older or totally and permanently disabled. However, see

this link for the distinction between the "Three-Year Method" and the "General Rule Method" for contributory pension plans: <http://www.state.nj.us/treasury/taxation/njit6.shtml>. For 2017, qualifying singles and heads of households may be able to exclude up to \$30,000 of retirement income; those married filing jointly up to \$40,000; those married filing separately up to \$20,000 each. These exclusions are eliminated for New Jersey gross incomes over \$100,000. Residents over 65 may be eligible for an additional \$1,000 personal exemption. Social Security is excluded from taxable income. State sales tax is 6.875 percent.

NEW MEXICO

All pensions and annuities are taxed as part of Federal Adjusted Gross Income. Taxpayers 65 and older may exempt up to \$8,000 (single) or \$16,000 (joint) from any income source if their income is under \$28,500 (individual filers) or \$51,000 (married filing jointly). The exemption is reduced as income increases, disappearing altogether at \$51,000. New Mexico has a gross receipts tax, instead of a sales tax, of 5.125 percent; county and city taxes may increase the total to 6.625 percent in some jurisdictions.

NEW YORK

Social Security, U.S. government pensions and annuities

are not taxed. For those over age 59½, up to \$20,000 of other annuity income (e.g., Thrift Savings Plan) may be excluded. See N.Y. Tax Publication 36 at <https://www.tax.ny.gov/pdf/publications/income/pub36.pdf> for details. Sales tax is 4 percent statewide. Other local taxes may add up to an additional 5 percent.

NORTH CAROLINA

Pursuant to the Bailey decision (see <http://dornc.com/taxes/individual/benefits.html>), government retirement benefits received by federal retirees who had five years of creditable service in a federal retirement system on Aug. 12, 1989, are exempt from North Carolina income tax. Those who do not have five years of creditable service on Aug. 12, 1989, must pay North Carolina tax on their federal annuities. In tax year 2014 and later, the \$4,000 deduction is no longer available. For those over 65, an extra \$750 (single) or \$1,200 (couple) may be deducted. Social Security is excluded from taxable income. State sales tax is 4.75 percent; local taxes may increase this by up to 3 percent.

NORTH DAKOTA

All pensions and annuities are fully taxed. Social Security is excluded from taxable income. General sales tax is 5 percent; 7 percent on liquor. Local jurisdictions impose up to 3 percent more.

OHIO

Retirement income is taxed. Taxpayers 65 and over may take a \$50 credit per return. In addition, Ohio gives a tax credit based on the amount of the retirement income included in Ohio Adjusted Gross Income, reaching a maximum of \$200 for any retirement income over \$8,000. Social Security is excluded from taxable income. State sales tax is 5.75 percent. Counties and regional transit authorities may add to this, but the total must not exceed 8.75 percent.

OKLAHOMA

Individuals receiving FERS/FSPS or private pensions may exempt up to \$10,000, but not to exceed the amount included in the Federal Adjusted Gross Income. Since 2011, 100 percent of a federal pension paid in lieu of Social Security (i.e., CSRS and FSRDS—"old system"—including the CSRS/FSRDS portion of an annuity paid under both systems) is exempt. Social Security included in FAGI is exempt. State sales tax is 4.5 percent. Local and other additions may bring the total up to 9.5 percent.

OREGON

Generally, all retirement income is subject to Oregon tax when received by an Oregon resident. However, federal retirees who retired on or before Oct. 1, 1991, may exempt their entire federal pension; those who

worked both before and after Oct. 1, 1991, must prorate their exemption using the instructions in the tax booklet. If you are over age 62, a tax credit of up to 9 percent of taxable pension income is available to recipients of pension income, including most private pension income, whose household income was less than \$22,500 (single) and \$45,000 (joint), and who received less than \$7,500 (single)/\$15,000 (joint) in Social Security benefits. The credit is the lesser of the tax liability, or 9 percent of taxable pension income. Social Security is excluded from taxable income. Oregon has no sales tax.

PENNSYLVANIA

Government pensions and Social Security are not subject to personal income tax. Pennsylvania sales tax is 6 percent. Other taxing entities may add up to 2 percent.

PUERTO RICO

The first \$11,000 of income received from a federal pension can be excluded for individuals under 60. For those over 60, the exclusion is \$15,000. If the individual receives more than one federal pension, the exclusion applies to each pension or annuity separately. Social Security is excluded from taxable income.

RHODE ISLAND

U.S. government pensions and annuities are fully tax-

able. However, effective the 2017 tax year, taxpayers eligible for Social Security may take a \$15,000 exemption on their retirement income. This applies to single taxpayers with FAGIs of up to \$80,000 and to joint taxpayers up to \$100,000 that are otherwise qualified. Social Security is taxed to the extent it is federally taxed. Sales tax is 7 percent; meals and beverages 8 per cent.

SOUTH CAROLINA

Individuals under age 65 can claim a \$3,000 deduction on qualified retirement income; those age 65 or over may claim a \$15,000 deduction on qualified retirement income (\$30,000 if both spouses are over 65), but must reduce this figure by any other retirement deduction claimed. Social Security is excluded from taxable income. Sales tax is 6 percent plus up to 3 percent in some counties. Residents aged 85 and over pay 5 percent.

SOUTH DAKOTA

No personal income tax or inheritance tax. State sales and use tax is 4.5 percent; municipalities may add up to an additional 2.75 percent. Residents who are age 66 and older and have a yearly income of under \$10,250 (single) or in a household where the total income was under \$13,250 are eligible for a sales tax or a property tax refund.

TENNESSEE

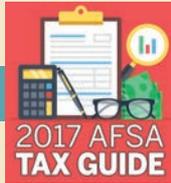
Social Security, pension income and income from IRAs and TSP are not subject to personal income tax. In 2017, most interest and dividend income is taxed at 4 percent if over \$1,250 (single filers) or \$2,500 (married filing jointly). However, for tax year 2015 and subsequently, those over 65 with total income from all sources of less than \$37,000 for a single filer and \$68,000 for joint filers are completely exempt from all taxes on income. State sales tax is 5 percent on food; 7 percent on other goods, with between 1.5 and 2.75 percent added, depending on jurisdiction.

TEXAS

No personal income tax, estate or inheritance tax. State sales tax is 6.25 percent. Local options can raise the rate to 8.25 percent.

UTAH

Utah has a flat tax rate of 5 percent of all income. For taxpayers over 65 there is a retirement tax credit of \$450 for single filers and \$900 for joint filers. This is reduced by 2.5 percent of income exceeding \$25,000 for single filers and \$32,000 for joint filers. See the state website for details. State sales tax is 4.7 percent; local option taxes may raise the total to as much as 9.95 percent.



VERMONT

U.S. government pensions and annuities are fully taxable. Social Security is taxed to the extent it is federally taxed. State general sales tax is 6 percent; local option taxes may raise the total to 7 percent (higher on some commodities).

VIRGINIA

Individuals over age 65 can take a \$12,000 deduction. The maximum \$12,000 deduction is reduced by one dollar for each dollar by which Adjusted Gross Income exceeds \$50,000 for single, and \$75,000 for married, taxpayers. All taxpayers over 65 receive an additional personal exemption of \$800. Social Security is excluded from taxable income. The estate tax was repealed for all deaths after July 1, 2007. The general sales tax rate is 5.3 percent (4.3 percent state tax and 1 percent local tax, with an extra 0.7 percent in Northern Virginia).

WASHINGTON

No personal income tax. Retirement income is not taxed. State sales tax is 6.5 percent; rates are updated quarterly. Local taxes may increase the total to 10.3 percent.

WEST VIRGINIA

\$2,000 of any civil or state pension is exempt. Social Security income is taxable only to the extent that the income is includable in Federal Adjusted Gross

Income. Taxpayers 65 and older or surviving spouses of any age may exclude the first \$8,000 (individual filers) or \$16,000 (married filing jointly) of any retirement income. Out-of-state government pensions qualify for this exemption. State sales tax is 6 percent, with additions of between 0.5 and 1 percent in some jurisdictions.

WISCONSIN

Pensions and annuities are fully taxable. Social Security is excluded from taxable income. Those age 65 or over may take two personal deductions totaling \$950. Benefits received from a federal retirement system account established before Dec. 31, 1963, are not taxable. Those over 65 and with a FAGI of less than \$15,000 (single filers) or \$30,000 (joint filers) may exclude \$5,000 of income from federal retirement systems or IRAs. Those over 65 may take an additional personal deduction of \$250. State sales tax is 5 percent; most counties charge an extra 1.5 percent.

WYOMING

No personal income tax. State sales tax is 4 percent. Local taxes may add up to 2 percent on sales and 4 percent on lodging.

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■ **John Michael “Mike” Davis**, 76, a retired Foreign Service officer, died on Oct. 15, 2017, in Nice, France, from heart failure.

Mr. Davis was born on Nov. 29, 1940, and grew up in Oklahoma City, Okla. After a public school education, he attended Wabash College, a small but famous all-male school where he majored in history.

To prepare for a career in academia, he then went to Rice University, where he specialized in the American Civil War, and graduated with a Ph.D. in 1967.

Mr. Davis’ doctoral thesis was the basis for his book, *The Image of Lincoln in the South* (University of Tennessee Press, 1971). He taught history at Miami University from 1967 to 1971.

Though he found teaching history satisfying, Mr. Davis’ appreciation for the writing of George Kennan prompted him to join the Foreign Service in 1971.

A political officer, he was posted to France, Vietnam, Syria and Bahrain (where he served as deputy chief of mission). He then served at the U.S. United Nations mission in New York City, as well as in Egypt and Senegal, before returning to the State Department in Washington, D.C.

Mr. Davis, who had suffered a stroke in 1991 while posted in Dakar, retired in 1996. Although his activities became limited, his enthusiasm for travel and meeting new faces was not dampened.

He is remembered fondly by his family and many friends in the Middle East, France and the United States.

Mr. Davis is survived by his wife of 28 years, Dr. Françoise Brucker, of Nice, and by his daughter, Claire Davis, adopted from China; as well as a nephew, Chris Davis, and several cousins in the United States.

■ **Jean Tomion Hummon**, 86, wife of the late retired USAID Foreign Service Officer John Peter Hummon, died on Sept. 9 at

Casey House in Rockville, Md., surrounded by her family.

The daughter of Walter and Flora Tomion of Fowlerville, Mich., Jean Hummon graduated in 1953 from Albion College, where she and her husband-to-be were classmates. The couple married in 1954.

Mrs. Hummon worked as an elementary school teacher in Ann Arbor, Mich., while her husband completed graduate studies at the University of Michigan.

In 1960, when Mr. Hummon joined the Foreign Service at the U.S. Agency for International Development, the couple embarked on what was to be a three-and-a-half-decade international adventure.

Mrs. Hummon and her family lived in Tanzania, Nigeria, the Philippines, Saudi Arabia, Botswana and Switzerland, returning periodically to the Washington, D.C., area. Following her husband’s retirement in 1995, the couple settled in Potomac, Md.

Mrs. Hummon served as community liaison officer in Botswana and later volunteered for 20 years at Miriam’s Kitchen in Washington, D.C.

She was a lover of art and literature, and her interests encompassed sports, travel and music, as well. With Mr. Hummon, she attended every sporting event, theatrical performance and concert she could.

But as family members recall, her most cherished role was raising her four children. She kept in touch with her children and grandchildren, and relished being with them. When the family gathered, she always made sure favorite foods were stocked for her houseguests. She joyously celebrated holidays, and was known for the collage greeting cards she created from her vast collection of family photos. She lit up the room when she greeted you, her children remember.

Mrs. Hummon predeceased her husband of 63 years by 26 days. She is survived

by their children: Jan Alison Hummon Westman (and her husband, John), Marcus Spencer Hummon (and his wife, Becca Stevens), Sarah Tomion Hummon Stevens (and her husband, Brian) and Gretchen Mary Hummon (and her husband, Peter Fry); 12 grandchildren (Matt, Carly, Luke, Levi, Caney, Moses, Tess, Anna, Griffin, Trevor, Phoebe and Malcolm); and her brother, Jack Tomion.

The family requests that Jean Hummon’s life be honored by performing an act of kindness and, if able, by making a donation to Miriam’s Kitchen (www.miriamskitchen.org).

■ **John Peter Hummon**, 87, a retired Foreign Service officer with the U.S. Agency for International Development, died on Oct. 5, 2017, in Rockville, Md.

Mr. Hummon was born and raised in Ohio and remained a passionate Buckeye all his life. He and his wife, Jean, graduated from Albion College in 1953, and he received his Ph.D. in political science and international relations from the University of Michigan in 1958.

At college, he sang in the Albion College Choir and played football, helping the college with the MIAA championship in 1952. He was a member of the Delta Tau Delta fraternity, for which he wrote the song “My Delta Tau Sweetheart.” He received a Distinguished Alumni Award from Albion College in 1994.

Mr. Hummon joined the International Cooperation Administration, the predecessor of USAID, in 1960 as an international relations officer on the East and Southern African affairs desk. In 1964 he and his young family were posted to Tanzania, where Mr. Hummon served as program officer.

After completing that tour, the family returned to the Washington, D.C., area and Mr. Hummon served as executive secretary

under USAID Administrator Bill Gaud and then John Hannah. In 1970 he was named deputy director of USAID's Nigeria office, and the family moved to Lagos for the two-year posting.

In 1972 Mr. Hummon was chosen to attend USAID's Senior Seminar in Foreign Policy, following which he was posted to the Philippines as deputy mission director.

In 1976 the Hummon family moved to Riyadh, where Mr. Hummon headed the U.S. Mission to the U.S.-Saudi Arabian Joint Economic Commission, working under the auspices of the U.S. Treasury Department.

Mr. Hummon's next assignment was at USAID headquarters in Washington, D.C., where he was head of the budget office at the Bureau for Policy and Program Coordination.

In 1986 the family went back overseas when Mr. Hummon was named mission director of USAID Botswana in Gaborone. In 1990 he returned to Washington to an assignment in USAID's Human Resources office.

Mr. Hummon became acting U.S. representative for USAID to the United Nations in Geneva in 1993. His last assignment was as head of workforce planning and chairperson of the Equal Opportunity Task Force in Washington, D.C. "I had some of the best jobs in the world," his children remember him saying.

In 1995, Mr. Hummon retired from the Foreign Service and shifted his focus to church activities, volunteer work and travel. He served as a deacon at Potomac Presbyterian Church, sang in the church choir, led singalongs at D.C. area nursing homes with his spirited piano playing, and wrote a carol reflecting his personal spiritual beliefs, "Love Came There," available at Colla Voce Music.

Mr. Hummon also shared his musical gifts at the Old Timers' Show at the Mont-

gomery County Agricultural Fair, where he was a devoted volunteer.

The Hummons enjoyed spending time with their family. They cherished the decades-long tradition of family reunions and kept it alive with their own children and grandchildren.

Mr. Hummon was well known throughout his extended family, his children recall, for his dinner-table prayer: "God bless everybody in the whole wide world. *No exceptions.*"

Mr. Hummon's wife of 63 years, Jean, predeceased him by 26 days. He is survived by their four children and 12 grandchildren (see previous entry); and an older sister, Janet Rankin of Rhinebeck, N.Y.

Memorial contributions may be made to Holy Cross Hospice of Gaborone, Botswana, c/o St. Augustine's Chapel, 6330b, Nashville TN 37235.

■ **Susan Pierce Lively, 67**, a retired Senior Foreign Service officer, died on Oct. 23, 2017, at the Goodwin House in Bailey's Crossroads, Va., of pancreatic cancer, which had been diagnosed a year earlier.

Ms. Lively was born on March 13, 1950, in Danville, Ky., the first child of U.S. Circuit Court of Appeals Judge Pierce Lively and Amelia Lively. She attended public schools in Danville, and graduated from the Hockaday School in Dallas.

Following study for two years at Eckerd College, she earned a bachelor's degree with a major in history at Centre College in 1972. Later, she would earn a master's degree in Russian and East European studies from the University of Michigan.

Between college and graduate school she worked as a reporter at the *Danville Advocate-Messenger* and in the office of U.S. Representative Tim Lee Carter (D-Ky.). She also traveled with a U.S. exhibit around the Soviet Union for several months.

In 1979 Ms. Lively joined the Foreign

Service. With a talent for languages and a love of history and travel, she was well-suited for a diplomat's life.

A consular officer, she served first in Poland during the Solidarity Movement and martial law. During that tense time, she was detained by the security forces outside the Warsaw Steel Mill while observing early demonstrations against the Communist Party crack-down.

Over the next 24 years, she was posted to the Soviet Union, China, Albania and Barbados, with stints in Washington, D.C., in between. Ms. Lively was in Albania when the government dissolved, and was one of the embassy staff who remained in place to evacuate U.S. citizens and other foreigners. She developed expertise in visa application fraud.

Ms. Lively retired from the Foreign Service in 2003, but returned to the State Department to work as a re-employed annuitant. For the next 12 years she took assignments around the world, and monitored elections in Eastern Europe and in the former Soviet Union.

"She lived life to the fullest, taking advantage of every opportunity to see (and taste) new things," a longtime friend and colleague recalls. In the Washington area, Susan volunteered as an ESL teacher, a Big Sister, an aide at a shelter for battered women, an evaluator of applicants for a foreign exchange program and as an assistant in programs for the homeless. She also served in the lay leadership of her church, Western Presbyterian.

In October 2016, on return from a State Department temporary assignment in China, Ms. Lively was diagnosed with her fatal illness. Choosing to live as fully as possible in the time she had, she moved to Goodwin House where she joined (yet another) book club, became a regular in the gym, wrote for the residents' website, attended lectures and movies, and relished

making new friends—some of them also retired State Department employees.

Her pocket-size calendar became so full with inked-in engagements, friends recall, they had to book time with her well in advance. Family members knew Susan was rich in friends from various places and periods of her life. But their number and devotion, seen especially in the last weeks, remained a revelation—and, they remember fondly, surely a reflection of Susan's commitment to being a faithful friend.

Ms. Lively is survived by her sister, Kit Lively (and her husband, Sam Hodges); brother, Thad Lively (and his wife, Elizabeth); nephews, Pierce Lively and Will Lively; and a namesake, Susan Stromquist. Family members would like to thank especially the nursing and hospice teams of Goodwin House, as well as other Goodwin staff, who provided such good care for her and her family.

Those wishing to make a gift in Ms. Lively's honor may consider Centre College of Kentucky or Miriam's Kitchen, 2401 Virginia Ave. NW, Washington DC 20037.

■ **Aida Nercess Marks**, the wife of retired Foreign Service Officer Edward Marks, died on July 3, 2017, in Washington, D.C.

Aida Marks, the daughter of Raffi and Gerselia Nercess, was raised in Tehran and earned her baccalaureate diploma from Lycee Razi. She met and married FSO Edward Marks in Nairobi in 1963.

An active partner in her husband's diplomatic career for almost four decades, Mrs. Marks accompanied him on assignments to Nuevo Laredo (1963-1965), Luanda (1965-1966), Lusaka (1966-1969) and Brussels, where they arrived in 1971.

Mrs. Marks gracefully fulfilled the social and American community responsibilities of a senior American diplomat during her husband's assignments to Colombo

as deputy chief of mission, and to Guinea-Bissau and Cabo Verde as U.S. ambassador from 1977 to 1980.

She joined him in New York on his last diplomatic assignment, as deputy U.S. representative to the Economic and Social Council of the United Nations, and later in Honolulu, when he was recalled to serve as the State Department adviser on terrorism to the U.S. Pacific Command from 2002 to 2005.

Mrs. Marks volunteered at the White House and was a real estate agent with the Long and Foster firm in the Georgetown neighborhood of Washington, D.C. She was an active member of the Soorp Khatch Church community.

In addition to Ambassador Marks, Mrs. Marks is survived by her brothers, Vahe and Edwin Nercess, and their families of Miami, Fla., and extended family members.

■ **William Harrison Marsh**, 86, a retired Foreign Service officer, died peacefully in his sleep on Sept. 26, 2017, at his home in Upper Marlboro, Md.

Born in Scranton, Pa., in 1931, Mr. Marsh attended Cornell University, where he majored in government studies and graduated with honors. He spent two years as a lieutenant in the Air Force, serving as an adjutant to the general staff in Tokyo. He then attended the Woodrow Wilson School at Princeton University.

Mr. Marsh joined the Foreign Service in 1960. In May 1962 he married Ruth Ann Beard of Ponca City, Okla., his beloved companion until her death in 2011.

After intensive study of Vietnamese language, he was posted to Saigon from 1963 to 1966 as a political officer. As head of the embassy's provincial reporting unit created to analyze the social, political and security situation in the Vietnamese countryside, he later recounted that the

greatest lesson he learned was that in a nonconventional war "the matters of war were much too important to be left solely to military people."

Mr. Marsh then returned to Washington, D.C., to State's Vietnam desk, and from 1972 to 1974 he served on the U.S. delegation to the Vietnam peace talks in Paris.

In 1976, by now director of the France desk, he was deeply involved in relations with America's oldest ally and played a significant role in visits to the United States by French leaders Valéry Giscard d'Estaing and François Mitterrand.

During the 1980s, Mr. Marsh's focus changed to the Middle East, where he was assigned to Saudi Arabia. As political-military counselor, he negotiated the deployment of the AWAC system to the area to monitor Soviet activity in and around Afghanistan.

As the Cold War intensified, Mr. Marsh was instrumental in garnering crucial strategic assent from Belgium to deploy cruise missiles to counter the threat of the Soviet tank buildup in Eastern Europe.

After the dissolution of the Soviet Union, he served as deputy chief of mission at the U.S. Mission to the United Nations in Geneva.

Mr. Marsh capped his career as the U.S. Permanent Representative to the U.N. Agencies for Food and Agriculture in Rome, where he received a presidential award for his oversight of airdropped food provisions to starving refugees during the Kosovo War.

After retiring in 1996, Mr. Marsh was called back to serve as senior adviser for European affairs to the U.S. delegation to the General Assembly in New York City. He served in this capacity for nine years until his wife's failing health made it impossible.

Mr. Marsh loved music and was devoted to opera. One of his favorite arias

was Mimi's farewell from *La Bohème*, "Farewell without Rancor," family members and friends recall, agreeing that it captures the spirit of his departure from a rich and fulfilling life.

Mr. Marsh is survived by two sons, William and Andrew, their spouses and four grandchildren.

In lieu of flowers, the family requests that donations in his name be made to humanitarian relief efforts in Puerto Rico.

■ **Edward J. McKeon**, 66, a retired Senior Foreign Service officer with the personal rank of Minister Counselor, died on Sept. 3, 2017, at his home in Chevy Chase, Md., after a brief battle with pancreatic cancer.

Born in New Brunswick, N.J., Mr. McKeon grew up with his parents, Edward and Ramona McKeon, and eight siblings in Edison, N.J.

He moved to Washington, D.C., in 1968 to attend Georgetown University's School of Foreign Service. After earning a BSFS there in 1972, he earned a J.D. in 1975 from American University's Washington College of Law.

Mr. McKeon was commissioned as a Foreign Service officer in 1975. During a distinguished 36-year diplomatic career, he was known for his exceptional management skills, intelligence and personal charm. He was dedicated to the people who worked for him, mentoring many.

As minister counselor for consular affairs at U.S. Embassy Mexico City (2007-2011), his last posting before retirement, Mr. McKeon supervised overall operations at nine U.S. consulates and 13 U.S. agencies across Mexico, focusing on the well-being of personnel in some of the most challenging posts in the Western Hemisphere.

As consul general in Tokyo (2003-2007), he spearheaded efforts to encour-

age the Japanese government to recognize the rights of American parents in child custody disputes.

Tokyo had been Mr. McKeon's first overseas posting, and he returned to Japan in retirement, immediately following the 2011 Tohoku earthquake and tsunami, to direct a 23-member crisis team assisting American citizens to evacuate, finding missing relatives on behalf of Americans and providing affected residents with anti-radiation medicine.

As consul general in Tel Aviv (2000-2003), he received a White House Meritorious Honor award in recognition of his exceptional service to American victims of terrorism in Israel, Gaza and the West Bank.

Earlier, as consul general and principal officer at Consulate General Guangzhou (1994-2000), he created the largest adoption center in the world, helping more than 30,000 Americans navigate the process of adopting Chinese-born children in a secure, safe and supportive environment. He also worked to defuse tensions with Chinese officials following the U.S. bombing of China's Belgrade embassy.

Mr. McKeon received State's prestigious Mary A. Ryan Award for Outstanding Public Service in 2009.

Following his 2011 retirement from the Foreign Service, Mr. McKeon took short-term State Department assignments, fixing management problems at a number of embassies. In 2013, he joined Ambassador Tom Schieffer's Envoy International consulting firm, where he delighted in working with Major League Baseball on issues involving international players.

Mr. McKeon and his late partner of 34 years (and husband from 2008), Harold J. Ashby Jr., were pioneers in creating a stable, committed and loving same-

sex household within the sometimes unwelcoming State Department. Mr. Ashby accompanied Mr. McKeon on his initial 1982 posting to Tokyo and every one thereafter.

When gay marriage became legal in California in 2008, the couple rushed to the United States to get married, then returned to Mexico to finish their tour. They were proud that Mr. Ashby was the second person ever to receive a U.S. diplomatic passport as a same-sex spouse.

The greatest joys of the partners' lives were their two sons: Max Albert Ashby McKeon, born in 1997; and Benjamin Makoto Ashby McKeon, born in 2003. They were adopted from China and Japan, respectively.

Mr. McKeon and Mr. Ashby were devoted fathers whose sons' well-being was a central focus of their lives, and whose presence could be counted on at every soccer game and parent-teacher night. Mr. McKeon was enormously proud of them both.

In addition to raising his boys, Mr. McKeon's great passions were travel, hosting colleagues and friends at his home, serving and eating good food, and reading. Fascinated by American history, he set out to read a full biography of every American president, in order. At the time of his death, he was halfway through a biography of the tenth president, John Tyler.

Beginning in early 2017, Mr. McKeon volunteered for the DC Center for the LGBT Community, helping to counsel and support LGBT asylum seekers.

Mr. McKeon was predeceased by Mr. Ashby in 2014. He is survived by his sons, Max and Ben McKeon; eight siblings, John (and his wife, Liz), Maureen, Joseph, Kevin (and his wife, Christine), Robert (and his wife, Eileen), Thomas (and his wife, Denise), Roman (and his wife, Rose)

and Jim (and his wife, Stephanie); and a host of loving nieces and nephews. His parents Edward and Ramona McKeon predeceased him.

Mr. McKeon's first marriage to Robin Ritterhoff ended amicably in 1979, and their deep friendship continued unabated. Her family mourns him as a beloved brother-in-law.

■ **Harriet R. "Heidi" Shinn**, 79, wife of the late Foreign Service Officer William T. Shinn, passed away on Aug. 23, 2017, at Riderwood Retirement Community in Silver Spring, Md.

Mrs. Shinn was born Harriet Rensch in Omaha, Neb., and grew up mostly in Minneapolis, Minn. She graduated from Wells College in New York and married Bill Shinn, who joined the State Department in 1960.

As a Foreign Service spouse, Mrs. Shinn lived in Poland, Germany, France and the Soviet Union during the Cold War. She also worked as director of marketing at the Center for Strategic and International Studies in Washington, D.C.

An avid birder, she ventured up and down the East Coast trying to add bird sightings to her life list. She wrote poetry later in life, and her works were compiled into a book in 2016. She had a recipe published in *Gourmet* magazine, was an elder at her church, sang three years with the Masterworks Chorus and studied three languages.

Mrs. Shinn enjoyed traveling, especially to Europe. She also loved annual family beach trips, where she built many sand castles and collected numerous sea shells with her grandchildren.

She is survived by her sister, Helen; two children, Liz and Rob, and their spouses Steve and Laurie; and four grandchildren: Tyler, Kaylin, Emily and Connor.

The family asks that any expressions of sympathy take the form of donations to the Lewy Body Dementia Association or the Audubon Naturalist Society.

■ **Morton S. Smith**, 86, a retired Foreign Service officer with the U.S. Information Agency, passed away on Sept. 26, 2017, in Bethesda, Md.

Born in Brooklyn, N.Y., Mr. Smith graduated from the Community College of New York with a degree in history, and went on to Yale University, where he received a graduate degree in Southeast Asian studies. He was then drafted and was fond of saying he was probably the only Burmese-speaking jeep driver in the U.S. Army.

Mr. Smith joined USIA in 1955. During a 38-year diplomatic career, he served, among other assignments, as assistant director of USIA and deputy director of Voice of America.

His first overseas posting was to Korea. There, following training, he served as branch public affairs officer in Kwangju (now Gwangju).

He then served in Burma (now Myanmar), first as assistant cultural officer and later as press attaché in Rangoon. Given the intensity of the Cold War, which raged daily in the then-vigorous Burmese press, he saw the press job as akin to a Brooklyn street fight, colleagues recall.

Returning to Washington in 1963, he was desk officer for Burma and the Philippines in the Office of East Asian Affairs at USIA and then regional policy officer. He returned to Korea in 1967 for language training at Yonsei University and assignments there as deputy public affairs officer and public affairs officer.

After attending the Senior Seminar he was assigned to the State Department East Asian and Pacific Affairs Bureau as director of the Office of Public Affairs.

Mr. Smith was the spokesman for the Woodcock Commission on its visit to Hanoi and Vientiane to discuss MIAs, and for the delegation led by Assistant Secretary of State Richard Holbrooke in the Paris meetings with the Vietnamese that eventually lead to normalizing relations.

Returning to USIA, he became the agency's area director for East Asia and the Pacific. After normalization of relations with the People's Republic of China in December 1978, he accompanied Deputy Secretary of State Warren Christopher to Taipei as a representative of USIA. The delegation's motorcade was met by a violent mob at the airport and was trapped and attacked before it was finally able to escape.

In 1979 Assistant Secretary Holbrooke asked Mr. Smith to serve as deputy chief of mission in Singapore.

He returned to Washington, D.C., in 1983 to lead the multibillion-dollar Voice of America modernization program aimed at overcoming Soviet and other interference with VOA and Radio Free Europe and Radio Liberty broadcasts. Agreements with potential host governments for new relay sites were negotiated; old agreements were updated; and an unprecedented technical improvement program was developed.

The most high-profile of these projects was for a relay station in Israel, the agreement for which was signed at the Executive Office Building with President Ronald Reagan looking on. Because of environmental concerns, the Israeli Supreme Court eventually ruled against the project, and it was terminated.

After five years at VOA, Mr. Smith was assigned as Diplomat-in-Residence at Reed College in Portland, Ore. Later in his career, he was a visiting professor at the National War College and, after retirement, an adjunct professor at Lewis and

Clark College in Portland.

Mr. Smith's last overseas post was Manila, during the time U.S. military bases were closing. He retired in 1993.

In retirement, he worked as a consultant for Radio Free Asia, which was just getting started, and took part in their negotiations for new relay facilities in Russia, Central and East Asia. He also led negotiations for VOA and RFE/RL with the governments of Germany, Spain and Portugal to implement the terms of the U.S. Telecommunications Act of 1996.

Mr. Smith received the Presidential Distinguished Honor Award, as well as USIA's Distinguished Service Award. His passions, in addition to family, were tennis and Oregon.

Mr. Smith's wife, Angelina (Lennie), died in 2005. He is survived by four children and five grandchildren.

■ **John H. Trattner**, 86, a retired Foreign Service officer with the U.S. Information Agency who was State Department spokesman during the 1979-1981 Iran hostage crisis, died on Oct. 6, 2017, in Rockville, Md.

Born in Richmond, Va., Mr. Trattner attended public schools there and earned a B.A. at Yale University in 1952, majoring in music composition. He served on active duty as a U.S. naval officer from 1953 to 1956, and did graduate music study at Columbia University and Yale where, in 1957, he won the Frances Kellogg prize for contrapuntal composition.

Prior to joining USIA, Mr. Trattner was a newspaper and wire service reporter in the United States and a freelance news magazine and network radio correspondent in Europe. He covered conferences on world economic issues, the civil war in Laos, the diplomatic talks that produced an independent Algeria, and the nuclear

test ban and arms control negotiations from 1959 to 1961 in Geneva.

He joined the Foreign Service at USIA in 1963, serving first as the editor and on-air voice of the Voice of America's daily half-hour broadcast to Western and Eastern Europe. In 1966, after a year of Polish-language training, he was posted to Warsaw as press attaché.

From 1969 to 1974 Mr. Trattner served in France, first as branch public affairs officer in Strasbourg, then as regional affairs officer and press attaché in Paris. He served as deputy public affairs officer at the U.S. Mission to NATO in Brussels from 1974 to 1975.

He returned to Washington as deputy director of the Office of Press Relations from 1975 to 1978, when he became special assistant and then executive assistant to Deputy Secretary of State Warren Christopher.

From 1971 to 1980, the White House frequently borrowed his services as a spokesman during the summit meetings and global travels of Presidents Richard Nixon, Gerald Ford and Jimmy Carter. In 1973, he received the Superior Honor Award of the U.S. Information Agency.

In 1980 he was named spokesman of the Department of State. As spokesman during that election year, when attention was riveted on the fate of Americans held captive in Iran, Mr. Trattner was essentially the only official American source of daily information and comment through the final fraught months of efforts to free the 52 embassy personnel and other citizens seized by student activists in the early days of the Iranian revolution. This made his face a familiar one on television news programs around the world.

Mr. Trattner retired from the Foreign Service in 1982. He then served as press secretary to former U.S. Senator George J. Mitchell (D-Maine) from 1983 to 1985.

During his post-government career, Trattner wrote the widely read *Prune Book* series, whose seven volumes described hundreds of senior, presidentially-appointed federal government positions. The series, produced during his 17 years with the nonprofit Council for Excellence in Government, drew substantial media coverage in presidential election years from 1988 to 2004.

Mr. Trattner also taught for a year at American University's School of Communication, specializing in government-media relationships.

A longtime member of the Public Diplomacy Council, he served on its board as well as that of Leadership Forum International, another nonprofit supporting quality leadership in transitional post-Cold War economies.

Mr. Trattner wrote for a variety of nonprofit organizations, including Earth Day Network, the Washington Scholarship Fund and the Inter-American Dialogue. A part-time composer, he wrote the words and music of songs for mixed chorus, with performances in the United States and Canada. He also sang for many years with the Yale Alumni Chorus of Washington.

He is survived by his wife of 63 years, Gillian B. Trattner of Chevy Chase, Md.; three daughters: Alison D. Trattner of Amman, Jordan; Sydney Trattner of New York City; and Hilary B. Trattner-Steinmetz of Paris, France; and three grandchildren: Anouk Bringer, Laszlo Bringer and Kiera Steinmetz.

In lieu of flowers, memorial gifts can be made to the Dana-Farber Cancer Institute to support GIST research: Dana-Farber, PO Box 849168, Boston MA 02284 or via www.Dana-Farber.org/gift. ■

Channel Markers

Nixon's Back Channel to Moscow: Confidential Diplomacy and Détente

Richard A. Moss, University Press of Kentucky, 2017, \$45, hardcover, 418 pages.

REVIEWED BY HARRY KOPP

Almost from the start of his presidency, and until Watergate eroded his freedom of action, Richard Nixon conducted diplomacy with the Soviet Union through communications between Henry Kissinger, his national security adviser, and Anatoly Dobrynin, the Soviet ambassador to the United States.

This back channel and its contents were hidden from Secretary of State William P. Rogers and the rest of the executive branch, as well as from Congress, the media and the people.

Richard A. Moss, an assistant professor at the Naval War College and a former State Department historian, reveals the workings of the channel in a meticulous account that covers the strategic arms limitation talks (SALT), Berlin, India-Pakistan, the Mideast, the 1972 Moscow summit, the opening to China, and Vietnam.

Using Henry Kissinger's contemporaneous notes on his talks with Dobrynin, records of his telephone calls with Dobrynin and others, the White House tapes of his conversations with Nixon, and his memoirs and other writings, as well as Dobrynin's reports to Moscow, Dobrynin's memoirs and an exhaustive list of secondary-source materials, Moss lets us see the channel in action in real time, not in hindsight.

Moss deals with issues and personalities that still stir passions. But given the weight of his research and the care with which he has marshaled his facts, readers

may find his conclusions easier to disagree with than to dispute.

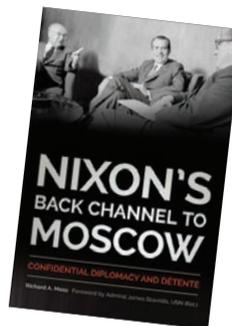
On the U.S. side, at least, the motives behind the channel are easy to discern. Above all was the desire for secrecy, to avoid leaks and to shelter the talks from domestic politics—what Kissinger called “propaganda for Congress.” The channel allowed public and private messages to diverge, so that new ideas could be tested and linkages established between unrelated issues.

The channel was reserved for moving forward, not for reiteration of familiar positions or rhetoric.

The channel suited the personalities and penchants of Nixon and Kissinger, who shared a desire for control and a distrust of bureaucracies. The channel also suited Nixon's faith in his grasp of the big picture, and Kissinger's confidence that he could master any necessary level of detail.

Finally, as Moss points out, use of the channel eased Nixon's fear that State or other agencies would take credit for breakthroughs and thereby deny him the political capital he needed for other purposes.

Kissinger and Dobrynin communicated in phone calls—some 450 of them between 1969 and the May 1972 Moscow summit—and frequent meetings, usually in the White House. The channel spun off secondary channels, the most important being one between Kenneth Rush, the U.S. ambassador to West Germany, and the West German leadership—Chancellor Willy Brandt and State Secretary Egon Bahr.



Through the Rush-Brandt-Bahr channel, which remained hidden from the State Department, Kissinger could speed up or slow down negotiations on a four-power Berlin agreement, a Soviet objective that Kissinger had linked to other issues in U.S.-Soviet relations.

Keeping the channels secret took constant effort. Communications between the White House and Rush went through the White House situation room and a U.S. Navy officer stationed in Frankfurt. White House instructions to Joseph Farland, the U.S. ambassador to West Pakistan, regarding Pakistan President Yahya Khan's role in setting up Kissinger's secret 1971 visit to China, were similarly kept from State.

During the Moscow summit, White House communicators planned to hand-carry messages across the city to the president's plane at a military airport; only when logistics proved too difficult was Ambassador Jacob Beam taken into confidence and the embassy's secure facilities reluctantly employed.

Leaks, said Nixon, “may just be endemic in government. It's people who just feel that everybody else should find out what the hell's going on.” The only leak from the back channel turned out to be the work of a Navy yeoman, who for more than a year spied on the National Security Council on behalf of the Joint Chiefs of Staff.

Kissinger wanted to go after Admiral Thomas Moorer, the JCS chairman behind the scheme, but Nixon—as he would a year later, over Watergate—decided on a cover-up. “You see, Henry,” he said, “if you were to throw Moorer out now ... the shit's going to hit the fan. That's going to hurt us.” Kissinger seemed so disturbed by

the affair, Moss says, that Nixon began to worry about his emotional stability.

When back-channel diplomacy led in May 1971 to a breakthrough in the SALT talks, the policy shift had to be moved into regular channels, and Secretary Rogers caught on.

“Why didn’t you tell me you were doing this?” said Rogers. “There’s no need for me to be involved, but I do need to be informed.” He offered to resign, but in the end he stayed on, increasingly marginalized until Kissinger replaced him in September 1973.

On the Soviet side, Dobrynin’s reports went to Foreign Minister Andrei Gromyko, who controlled their circulation in the Kremlin. “The irony was,” Moss writes, “that the back-channel reporting had significantly broader dissemination in the Soviet Union, a closed society,” than in the open United States.

Back-channel diplomacy had many successes: the Soviet abandonment of plans for a military base at Cienfuegos, Cuba; the four-power agreement on Berlin; the 1971 SALT agreement; and the rapprochement with China. But the channel failed to bring progress on Vietnam or in the Middle East, where Kissinger thought the State Department’s role was “murderously dangerous.”

The back channel to Moscow, says Moss, built confidence, gave leaders a personal stake in success, made linkage possible and served as a safety valve for the release of U.S.-Soviet tensions.

The channel was reserved for moving forward, not for reiteration of familiar positions or rhetoric. It functioned best when coordinated with official channels which, Kissinger later said, it was designed to augment, not replace.

The channel had costs, as well, in a loss of technical expertise, a deterioration in institutional capacities and—unless its

work could be moved into traditional diplomatic venues—a lingering doubt about the legitimacy of its achievements. And in the end, Moss says, the same impulse toward secrecy and control that brought the channel into being proved the undoing of Nixon’s presidency.

Harry Kopp, a former FSO, was deputy assistant secretary of State for international trade policy in the Carter and Reagan administrations; his foreign assignments included Warsaw and Brasilia. He is the author of Commercial Diplomacy and the National Interest (Academy of Diplomacy, 2004) and The Voice of the Foreign Service: A History of the American Foreign Service Association (FS Books, 2015), and the co-author of Career Diplomacy: Life and Work in the U.S. Foreign Service (Georgetown University Press, 2017).

The Mess We’re In

Patchworks

B.A. East, Moonshine Cove Publishing LLC, 2017, \$13.99/paperback, \$6.99/Kindle, 226 pages.

REVIEWED BY DANIEL WHITMAN

Step aside: Here comes the latest *noir* of B.A. East. Try reading this, as I did, on the runway of a three-hour-delayed overseas flight. Frustration fades, claustrophobia dissipates, and chuckles and admiration lighten the confining space.

East conveys preceding forms and genres, but mainly tongue-in-cheek, as he forges his own unlikely triumphs of under-endowed good over muscle-flexing evil.

Apathy, *mano-a-mano* struggles with dark forces and immediately recognizable characters slip into his new *noir*, but East manages to use caricatures while also transcending them.

The read is irresistible. A dystopian future is (believably enough) marked by

the complete dominance of the National Rifle Association over the former America, here called “The Republic.” The astute observer catches on that this was more or less the case anyway; it just hadn’t been detailed yet in the mainstream media, for lack of evidence. Fiction fills in the few missing spaces amply.

He reminds us through timely references that the calamitous future is near upon us. Bringing Wolf Blitzer (“that white-haired cockatoo”) frequently into the mix reminds us this future is months at most, not years, ahead.

East parodies the news, but not by much. In his only slightly dislocated bureaucracy, “sequester,” “lockdown,” “forms,” “furlough,” “budget” and “shelter in place” become bugbears that leap from familiar daily routines to finely crafted

howlers. How better to deal with the mess we’re in, than to laugh it off while we still can?

Only in our current situation could an unpaid intern have the gall and patience to assert moral power, as Gabriel Dunne does in this novel.

The David vs. Goliath

theme is present, but caricatures give way to familiarity. The novelist’s hand is present, but more for our amusement than for the invention of new realities.

Mass shootings continue at a steady clip in East’s new reality. The only difference from our own is that East’s go nearly unnoticed. The Republic is calibrated to expect and ignore them, notwithstanding the soulless Blitzer’s timely reminders.

East constructs narratives as a cinematographer might. But cinema would not pack the same wallop with tone-perfect lines like the following:



“Her lingering perfume filled his head with indecent thoughts.”

“The shredder guy in the no-water room whose name nobody could remember...”

“The Big K Kebab truck with the Tunisian chef whose fat, greasy hands turned meat into miracles.”

Who has not relied in real life on the steady sanity and sassiness of a LaRhonda Watson? “LaRhonda clicked her turquoise nails on the desk top and snapped her bubble gum.” (The same LaRhonda, whose full character is presented only later in the tale, deftly intervenes to give a rare element of hope in a world of moral ambiguity.)

The institutional setting is the “Bureau of Government Intelligence and Execu-

tion,” aka BOGIE. Red cape to bull, East taunts us with the acronym, which evokes ... boogie, Bogie (Bogard), bugger, booger, bookie, bogus.

The reference comes up dozens of times, reminding us of classical bureaucratic silliness (viz., Nikolai Gogol) and the decent intentions of the humblest among us.

Miles Miles; the sinuous Chloe, planning her wedding even as the seasons advance; the morally ambiguous Ralph Dvorak; the dead (get it?) Graves; and the fetching Karen Ung remind us, among other things, that unexplained human impulses generally come from the waist down.

The classic American motif: the loneliness of good, versus hucksters on steroids. “High Noon,” with the straightforward

motives of those seeking only to do their jobs, guided by decency and brains in gear. This remains America’s hope, even in dire times.

America’s current king of *noir*, Walter Mosley, would have much to learn from B.A. East, and vice versa. I can only imagine the electric sparks resulting from their meeting. ■

Dan Whitman was a French interpreter for the International Visitors Program from 1969 to 1984 before joining the Foreign Service. From 1985 to 2009, he served in public diplomacy posts in Africa, Europe and Haiti. His recent book, Answer Coming Soon (New Academia Publishing, 2017), offers thoughts on policy, the arts and narrative primary source history. He teaches at American University.

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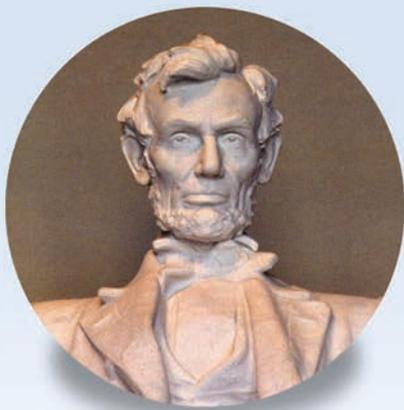
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Classifieds / 103, 104

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Ameriprise Financial–Davis and Devine / 59
Carrington Financial Planning / 61
David L. Mortimer, CPA / 75
Greenway Funding Group Inc. / 56
Irving CPA, PLLC / 75
MCG Financial Planning / 61
Opulen Financial Group, LLC / 62
Tax Matters Associates, PC / 77

HOUSING

Ampeer Dupont Circle / 62
Attaché Corporate Housing / 25
Corporate Apartment Specialists / 33
Per Diem Suites / 25
Residence Inn: Arlington/Rosslyn / 14
Signature Properties / 102
SuiteAmerica / 102

INSURANCE

AFSPA–Ancillary Programs / 55
Clements Worldwide / 4
Federal Employee Defense Services / 17
The Hirshorn Company / Back Cover

MISCELLANEOUS

AAFSW FS Hub / 33
Address Change / 19
AFSA Retiree Newsletter / 79
Archive of Education Articles / 11
DACOR Bacon House / 12
Diplomatic Car Program / 11
Foreign Service Books / 9
FSJ Archive / 24
Fund for American Diplomacy / Inside Front Cover,
Inside Back Cover
Inside a U.S. Embassy / 3
Marketplace / 21
Senior Living Foundation / 77
Speakers Bureau / 93
Subscribe to the FSJ / 93

REAL ESTATE & PROPERTY MANAGEMENT

Jack Realty / 105
Jean Reid, Weichert Realtors / 107
Long & Foster / 108
McEnearney Associates / 108
McGrath Real Estate Services / 106
Meyerson Group, Inc., The / 107
Promax Management Inc. / 105
Property Specialists, Inc. / 107
Washington Management Services / 107
WJD Management / 106

Meeting the Spirit Man in Caliquisse

BY RAYMOND MAXWELL

My journeys to Caliquisse to meet the *Homem Grande* represent Foreign Service life at its best.

In Portuguese *Homem Grande* means “great man.” But in Guinea-Bissau, where I was posted, it means the big voodoo/spiritual/mystic guy, and Caliquisse is the capital of the spirit world.

I was not particularly a believer in this stuff, though I did read a book on Santeria as an undergraduate that resulted in a spring break trip to visit the above-ground crypt of Marie Laveau in pre-Katrina New Orleans.

In Guinea-Bissau, a warehouse theft that we couldn’t solve resulted in my boss’ decision to consult with the *Homem Grande*. A very religious guy, and very observant, my boss also had an obsession with local culture. So one Saturday, six of us piled into two vans and headed to Caliquisse to call on the local oracle.

After a huge midday feast at the home of a local Cabo Verdean merchant, we picked up gifts for the mystic—rice, live chickens, a *leitão* (baby pig) and several bottles of *caña* (a Cabo Verdean sugarcane liquor)—and began our trek into the bush.

When the road ended, we continued driving until we reached a clearing. Then the guide took us by foot several hundred yards to a wooded area, where we found a large tree with a hollowed-out

The knife was for the hen we brought, the reading of whose entrails was to provide the answers we sought.

base—one of those ugly trees that grows the delicious *cabaceira*, a white tangy powder, in a large green pod. There, we awaited the arrival of the spirit man.

He finally arrived, greeted us and offered a sip of *caña* from what appeared to be a very questionable container. I very politely declined. Through a translator, we explained that we needed to know who was robbing our warehouse. (My boss believed our warehouse employees were guilty, but I maintained they were innocent and it was an “outside” job.)

The spirit man nodded, took another sip of *caña* and pulled a long, rusted knife from a sheath. “Oh s---, he’s gonna kill us!” I thought. But the knife was for the hen we brought, the *galinha de terra*, the reading of whose entrails was to provide the answers we sought.

With a quick snap of the wrist, he decapitated the bird. While holding its still-twitching body in his left hand, he cut open its underside with a smaller knife. Here, he began the close read.

Looking carefully at the chicken’s ovaries (I found that out later), he revealed to us that bandits were entering the warehouse through the roof, and that it was definitely an outside job. I took a deep breath of relief.

Then he asked us if we wanted to know anything else. My boss and the Bureau of Overseas Buildings Opera-

tions project director asked if they would have sons. Yes, the wise man replied, sons for both. But in exchange for this advance information, both would be required to bring their sons back to Caliquisse for a visit.

He looked my way, but I kept my mouth shut! (I had attended a lecture earlier on the practice of making deals with the spirit world. To break a promise is very bad *ju-ju*—better not to make the promise than to make and not keep it.)

The translator advised us that once we uncovered the plot and learned the details of the robberies, we would have to return to the *Homem Grande* with more rice, *caña* and chickens. Satisfied, we piled into the vehicles and went back to Bissau.

Was he right about the thefts? The weekend before my end-of-tour departure, I returned to Caliquisse and the Guinea-Bissau spirit world to pay my debt in full. The *Homem Grande* had been right, and our problem was solved.

Diplomacy is usually about interactions with host government officials, and we had plenty of those experiences in a country that had its first legislative elections and its first presidential election during our two-year watch.

But the opportunity to engage with the local culture, and perhaps even generate local folklore, is its own diplomacy. ■



Ray Maxwell is a retired Foreign Service officer who now works in the Washington, D.C., Mayor’s Office of Public Records.



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Maria Ining Nurani is a project management specialist with USAID/Indonesia's Office of Democracy, Rights and Governance. She started working for Embassy Jakarta as a Foreign Service National in 1995, moving over to USAID Mission Jakarta in 1999.

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