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Report to the Chairman, Committee on Foreign Relations, U.S. Senate

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STATE DEPARTMENT

U.S. Participation in Special-Purpose International Organizations

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National Security and
International Affairs Division

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The Honorable Jesse Helms
Chairman, Committee on Foreign Relations
United States Senate

Dear Mr. Chairman:

As you requested, we obtained information on U.S. government membership in 25 special-purpose international organizations and 2 inter-American organizations that received funding support of $10.8 million in 1995 through assessed contributions provided by the Department of State.[1] In your letter and in subsequent discussions, you expressed concern about the level of U.S. spending to support international organizations in light of the stringent budgets the federal government is facing. You noted that funding for U.S. participation in international organizations had not received the same scrutiny as funding for domestic programs and questioned whether State had reassessed the costs and benefits of U.S. participation in about 20 small, special-purpose international organizations. You also questioned whether U.S. membership in some organizations is as critical as it once was, or whether U.S. interests can now be served by other means.

In response to your concerns, we obtained information on (1) State's efforts to assess whether U.S. government membership in these organizations continues to serve U.S. interests, including a summary description of the organizations' missions and issues that have been raised about the benefits of U.S. membership and (2) steps that have been taken to keep the government's contribution costs low.

Background

The U.S. government participates in a number of international organizations established to serve specialized but limited functions. Membership in these organizations is generally restricted to national governments, and they have comparatively small budgets. Although some of the organizations permit nongovernmental entities to participate in their activities, only member governments have voting rights to set policy agendas and budgets (with one exception, the World Conservation Union).

[1]In fiscal year 1995, the United States provided assessed contributions of about $873 million to 51 international organizations. Among them are the United Nations and its specialized agencies; inter-American organizations; regional organizations, including the North Atlantic Treaty Organization and the Organization for Economic Cooperation and Development; as well as the 27 organizations discussed in this report, which are independent bodies and not affiliated with the United Nations.

The organizations depend largely on membership dues to finance their operations, but each uses a different basis to assess contributions from member governments. In most instances, the organizations permit memberships to be withdrawn only after 1 year's prior written notification.

In 1995, State received funding for 26 "other" special-purpose international organizations through appropriations made to its Contributions to International Organizations account. Our review included all of these organizations except the World Trade Organization, which was in an early formative stage.[2] As your office requested, we also included in our review two inter-American organizations (the Inter-American Indian Institute and the Pan American Railway Congress Association). Table 1 shows 1995 data on the U.S. government's assessed dues for the 27 organizations we reviewed, the U.S. assessment rates, and the percentage of professional staff who are U.S. citizens for each organization.

[2]International Trade: Implementation Issues Concerning the World Trade Organization (GAO/T-NSIAD-96-122, Mar. 13, 1996) and World Trade Organization: Status of Issues to Be Considered at Singapore Ministerial Meeting (GAO/T-NSIAD-96-243, Sept. 27, 1996).

Table 1: Organizations, Assessed U.S. Dues for 1995, and Percentages of the U.S. Assessment and U.S. Professional Staff to Organizational Totals

Dollars in thousands

Organization	U.S. assessments	U.S. assessment (percent)	U.S. staff in organization (percent)
Bureau of International Expositions (BIE)	$33	8.9	0
Customs Cooperation Council (CCC)/World Customs Organization (WCO)	3,732	25.0	8.6
Hague Conference on Private International Law (HCOPIL)	91	7.0	25.0
Inter-American Indian Institute (IAII)	120	44.1	0
International Agency for Research on Cancer (IARC)	1,643	9.2	4.2
International Bureau for the Publication of Customs Tariffs (IBPCT)	120	5.9	0
International Bureau of the Permanent Court of Arbitration (IBPCA)	22	6.7	20.0
International Bureau of Weights and Measures (IBWM)[a]	924	9.8	3.3
International Center for the Study and Preservation and Restoration of Cultural Property (ICCROM)	725	25.0	10.5
International Copper Study Group (ICSG)	63	9.6	33.3
International Cotton Advisory Committee (ICAC)	127	10.9	28.6
International Grains Council (IGC)[b]	373	17.2	0
International Hydrographic Organization (IHO)	91	4.5	14.3
International Institute for the Unification of Private Law (IIUPL/UNIDROIT)	108	6.2	0
International Lead and Zinc Study Group (ILZSG)	53	6.9	0
International Natural Rubber Organization (INRO)	297	15.1	12.5
International Organization for Legal Metrology (IOLM)	110	8.8	20.0
International Office of Epizootics (IOE)	88	2.7	20.0
International Office of the Vine and Wine (IOVW)	55	4.8	0
International Rubber Study Group (IRSG)	92	11.8	0
International Seed Testing Association (ISTA)	11	3.0	0
International Tropical Timber Organization (ITTO)	112	2.8	7.1
International Union for the Conservation of Nature (IUCN)/World Conservation Union	286	5.6	9.0
Interparliamentary Union (IPU)[c]	1,096	14.1	12.5
Pan American Railway Congress Association (PARCA)	25	26.3	0
World Road Association (WRA)	20	5.6	0
World Tourism Organization (WTO)	410	5.0	7.1
Total	**$10,827**	**11.7**	**7.4**

(Table notes on next page)

[a]The United States was assessed an additional $33,000 in 1995 because South Korea, Cameroon, the Dominican Republic, Iran, Pakistan, and Uruguay did not pay, making the effective U.S. assessment rate 10.2 percent.

[b]The rate rose to 23.6 percent in 1996 because the new convention included all grains, not just wheat, and used more recent statistics to determine the assessed contributions.

[c]Authorizing legislation for the IPU conference allowed the United States to pay up to 13.61 percent. That is what the United States agreed to pay, not the assessed figure of 14.1 percent.

Results in Brief

In May 1995, State began a comprehensive interagency assessment of U.S. membership in all of the international organizations to which it makes assessed contributions. Following this assessment, State announced in December 1995 that it intended to withdraw from three small organizations (the International Cotton Advisory Committee, the Pan American Railway Congress Association, and the World Tourism Organization).[3] According to State officials, State decided to withdraw from these organizations because they were considered to be the least defensible. State later rescinded the notice to the cotton group as a result of subsequent legislation.[4]

In May 1996, after being urged by the Congress to prioritize its funding requirements for international organizations, State announced the criteria that it had used in 1995 in reviewing and evaluating U.S. membership in international organizations. These criteria included the extent to which the United States directly benefits from the organizations' activities, how much of the organizations' budgets are devoted to activities benefiting the United States, the scope and depth of the organizations' constituencies, and their responsiveness to management improvement efforts.

In December 1996, State reported to the Congress its decisions concerning the allocation of funds from the Contributions to International Organizations account for fiscal years 1996 and 1997 based on an assessment and prioritization of U.S. interests in these organizations. According to State, this assessment had been a continuing process, beginning with the May 1995 review. State categorized the organizations according to a priority ranking based on the importance of their mandates to the U.S. national interest and their cost-effectiveness. The order of

[3]State also announced at that time that the United States would withdraw from the United Nations Industrial Development Organization.

[4]Title II, sec. 283, of the Federal Agriculture Improvement and Reform Act (FAIR) (P.L. 104-127, Apr. 4, 1996) states that "the President shall ensure that the Government of the United States participates as a full member of the International Cotton Advisory Committee."

priority was (1) peace and security; (2) health, safety, and economic well-being; and (3) selective interest. None of the 27 organizations discussed in this report were in State's top priority category; 4 were in State's second priority category; and 20 were in the third priority category.[5]

Our interviews with U.S. agency officials indicate that all of the 27 organizations appear to have missions that are broadly consistent with a U.S. interest, but there were mixed views as to the value of the benefits the U.S. receives from membership. The key concerns raised included the cost of membership in some organizations, such as BIE and IAII, relative to the benefit received and that some organizations, such as ICAC, ICSG, ILZSG, IRSG, and INRO, primarily benefit their related industries.

State has attempted to keep the U.S. government's assessed contributions to the special-purpose international organizations low. It has sought actual reductions in their budgets, established a systematic coordination process with U.S. agencies having lead programming responsibility, and tried to secure more private sector contributions to these organizations. However, according to State officials, private financing of membership dues for these international organizations is generally not a viable option under their existing charters or State's funding policy.

State Efforts to Establish U.S. Interests and Funding Priority for Each Organization

In response to congressional directives, State conducted a comprehensive review beginning in May 1995 to decide whether each international organization to which it makes assessed contributions continued to serve important U.S. interests. However, State did not report to the Congress on the results of this review until December 1996 (after it was asked to comment on a draft of our report).[6] State officials told us the review consisted of a series of interagency meetings to discuss raw assessment data provided by the key U.S. stakeholders in the organizations, but that they did not prepare a formal record of the review or at that time prioritize funding by organization. State officials said that assigning a priority to

[5]State had already withdrawn from two organizations and transferred funding responsibility for membership in the World Road Association to the Department of Transportation.

[6]On December 10, 1996, State submitted a report to the House and Senate Committees on Appropriations as required by Conference Report 104-863 that accompanied the Fiscal Year 1997 Omnibus Appropriations Act (P.L. 104-208). The Conference Report identified certain organizations for full funding, others for zero funding, and the remainder to be allocated according to the "importance of the international organizations to the national interests of the United States." According to State, its December 1996 report, which included all 50 of the international organizations covered by the Contributions to International Organizations account, was based on a continuous assessment, beginning with its May 1995 review.

each organization would have been very difficult, given the differences in their size, mission, cost, and program effectiveness.

Nonetheless, as a result of its review, in December 1995 State informed three entities—the International Cotton Advisory Committee (ICAC),[7] the Pan American Railway Congress Association, and the World Tourism Organization—that the United States intended to withdraw from them. State acknowledged that the withdrawals were budget driven, but it also justified the withdrawals on the basis that the private industries that were the focus of these organizations were already adequately served. A State official said that while there may be other organizations that the United States could withdraw from in the future, decisions on withdrawal would likely continue to be hindered by a lack of quantitative performance indicators for each organization and by objections raised by the organizations' political supporters and constituency groups.

In testifying on the administration's fiscal year 1997 budget request before a House Subcommittee on May 2, 1996,[8] the U.S. Permanent Representative to the United Nations said the criteria that are applied in determining whether to retain membership in international organizations are (1) the level of direct U.S. benefit in political, strategic, or economic terms determined on the basis of consultations with end users; (2) the percentage of the organization's budget that is devoted to activities that benefit the United States; (3) the scope and depth of the U.S. constituency; (4) the relevancy of the organization's mandate to contemporary global issues; (5) the organization's program effectiveness and quality of management; (6) the organization's budgetary restraint and transparency; and (7) the organization's responsiveness to the U.S. government's overall reform efforts.

State's December 1996 report to the Congress assembled the 50 organizations, including the 27 discussed in this report, into 3 broad cluster groups according to a priority ranking based on the importance of their mandates to the U.S. national interest and their cost-effectiveness. These cluster groups, in order of priority, were (1) peace and security; (2) health, safety, and economic well-being; and (3) selective interest. Our analysis indicated that none of the 27 organizations discussed in this

[7]In a letter to ICAC on June 28, 1996, State rescinded a prior letter notifying ICAC of the U.S. intent to withdraw from the organization, consistent with provisions of the Federal Agriculture Improvement and Reform Act of 1996.

[8]Statement by Ambassador Madeleine K. Albright before the Subcommittee on the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies; House Committee on Appropriations, May 2, 1996.

report were included in State's top priority category (peace and security); 4 were in State's second priority category (health, safety, and economic well-being); 20 were in State's third priority category (selective interest); and 3 were no longer being funded by State. As a further delineation of priority, State's report showed that, of the four organizations discussed in our report that fell within the second priority category, contributions to one would be reduced by 18 percent and contributions to three would be reduced 19 percent from the full requirement for fiscal year 1997. Similarly, of the 20 organizations discussed in this report that were in State's third priority category, contributions to 11 would be reduced by 19 percent; 1 would be reduced by 21 percent; 7 would be reduced by 23 percent; and 1 would receive no funding for fiscal year 1997. (See tables 2 and 3.)

Table 2: Organizations in State's Second Priority Category—Health, Safety, and Economic Well-being

Organization	Mission	State's funding reduction for fiscal year 1997 (percent)
International Union for the Conservation of Nature/World Conservation Union	Leader in global conservation; forum for coordinating conservation efforts	18
Customs Cooperation Council/ World Customs Organization	Unifies world customs laws and ensures uniform interpretation of Council conventions	19
International Agency for Research on Cancer	Provides global research on environmental cancer causes	19
International Office of Epizootics	Global animal health forum; provides disease alert/research	19

Table 3: Organizations in State's Third Priority Category—Selective Interest

Organization	Mission	State's funding reduction for fiscal year 1997 (percent)
Hague Conference on Private International Law	Facilitates private legal transactions/ relationships, such as intercountry adoption and process serving abroad	19
International Bureau of the Permanent Court of Arbitration	Facilitates settlement of international legal disputes	19
International Bureau of Weights and Measures	Ensures standardization of basic units of measure; an important issue in promoting free trade	19
International Center for the Study and Preservation and Restoration of Cultural Property	Provides unique expertise, research center, and training facility for conserving and restoring cultural property	19
International Grains Council	Collects and publishes product market data; conducts research; coordinates food aid programs	19

(continued)

Organization	Mission	State's funding reduction for fiscal year 1997 (percent)
International Hydrographic Organization	Sets standards for chart making; promotes safe sea navigation	19
International Institute for the Unification of Private Law	Unifies and harmonizes laws in different countries to facilitate trade and remove unnecessary conflicts	19
International Organization for Legal Metrology	Unifies standards/instruments for commerce and industry	19
International Seed Testing Association	Sets and tests seed quality standards; promotes research	19
International Tropical Timber Organization	Tropical timber trade/forest management and conservation; provides market information for wood products	19
International Copper Study Group	Provides policy forum and access to copper market data	19
International Office of the Vine and Wine	Helps protect public health by ensuring product integrity and resolve problems such as marketing fraud	21
International Bureau for the Publication of Customs Tariffs	Translates and publishes customs tariffs of members	23
International Cotton Advisory Committee	Provides policy forum and access to cotton market data	23
International Lead and Zinc Study Group	Collects and publishes product market data; conducts research	23
International Rubber Study Group	Collects and publishes product market data; conducts research	23
International Natural Rubber Organization	Provides market intervention to stabilize product supplies/prices	23
Bureau of International Expositions	Provides for orderly planning of international expositions	23
Interparliamentary Union	Fosters international peace and cooperation using personal contact and dialogue by elected parliamentarians	23
Inter-American Indian Institute	Policy forum and information resource on Native Americans	100

Benefit of U.S. Membership in the Organizations

For most of the organizations that we examined, U.S. government officials we contacted believe either that the benefits derived from them clearly exceeded the cost of membership or that it was very worthwhile for the United States to be represented and have an active voice in their activities, but there were mixed views on the value of continuing membership in some organizations. U.S. government officials also stated that in many cases the organizations serve specific U.S. government or commercial interests that cannot be served as efficiently by other means. Further, they considered most of the organizations' program focus to be generally clear,

valid, and in conformity with U.S. interests, but some primarily benefited their related industries. U.S. officials in many instances were active and influential participants in the organizations—often serving on their governing boards and with some Americans serving in top management posts.

In general, U.S. government participation in these organizations is designed to help ensure that U.S. interests are fairly and equitably considered in international commercial activities and disputes, and that the United States has access to vital public health, transportation safety, and other information. U.S. participation also allows active engagement in exchanging and promoting ideas for reducing trade barriers, unifying common standards of business trading practice (such as weights, measurements, and quality control), influencing environmental policy and providing voluntary support for conservation programs and sustaining endangered natural resources, and deliberating other issues of broad public interest. These are matters that officials from the relevant agencies told us the U.S. government either cannot do alone or cannot address as effectively through other bilateral or multilateral means.

Nonetheless, there may be opportunities for cost savings in some of the organizations. For example, the assessed U.S. rates for two organizations (the Customs Cooperation Council and the International Center for the Study, Preservation, and Restoration of Cultural Property), both based on U.N. formulas at 25 percent, are significantly higher than most of the other special-purpose international organizations. Although U.S. officials see no viable alternative at this time to membership in the customs organization to support the broad trade interests it serves, its work is closely tied to that of the World Trade Organization to which the United States pays a much lower (15 percent) assessment rate. The cultural property organization by contrast has a narrow and important national historic (but not foreign policy-related) constituency and, though U.S. officials generally consider it to be well managed, the benefits are difficult to quantify and some officials believe that they do not appear to be proportionate to the cost.

Our review also found that State has addressed to some extent the issue of whether functions or organizations could be combined or whether similar services were available from other sources that could eliminate possible areas of overlap and duplication. For example, a possible merger of some functions between organizations (including the IBWM/IOLM and IARC/World Health Organization) had been identified and was being examined by the

respective organizations as a way to achieve cost savings. Also, rapid technological change may soon permit private sector sources to translate customs tariff schedules at less cost than IBPCT, and we found some areas of possible overlap between certain organizations, such as those involving the tropical timber (ITTO) and vine and wine (IOVW) groups and the Food and Agriculture Organization that U.S. officials had not fully addressed or resolved.

We noted that five commodity organizations—four that produce and disseminate market data and one that helps stabilize raw material supplies and prices through a stock fund—were all designed to primarily benefit their related industries; and officials we interviewed indicated that three others in which the U.S. government participated had minimal benefits. However, as discussed below, there are also reasons for retaining membership in them.

Commodity Organizations

The primary functions of ICAC, ICSG, ILZSG, and IRSG are to produce information on worldwide production and consumption of individual commodities, information that primarily benefits the related industries but provides less direct or essential benefit to the U.S. government. Nonetheless, there are benefits to U.S. membership. According to government officials we interviewed, the information the organizations develop on worldwide production and consumption of the respective commodity is objective and current, and generally not available elsewhere. In addition, the organizations provide a useful forum for encouraging or promoting intergovernmental and business cooperation and exchanging views on matters of joint interest without violating antitrust laws. However, based on the criteria adopted by State, the question appears to be whether government or public interests are sufficiently served by membership in these organizations to justify continued financing of activities that primarily benefit specific U.S. industries.

U.S. membership in the organizations seems to be especially important to specific industry groups, which participate actively in them at their own expense. They send representatives to parliamentary meetings and working group sessions (their experts have been selected to serve on technical study groups), and they finance cooperative projects, and generate subscriptions and other fees that reduce the cost to member countries.

The International Natural Rubber Organization

The International Natural Rubber Organization administers an international natural rubber agreement, which the United States has participated in since it took effect in 1979. The agreement was designed to reduce price volatility and ensure an adequate supply of natural rubber by managing a buffer stock. In September 1996, the U.S. Senate ratified the agreement to participate for an additional 4 years. As the world's largest consumer of natural rubber and with just three countries—Thailand, Indonesia, and Malaysia—producing 75 percent of the world's rubber supply, the United States has a significant interest in assuring an adequate long-term supply of this commodity at reasonable and stable prices. The executive branch supported the agreement's extension, but expressed a preference for free market forces to operate in the belief that they better serve the interest of consumers and producers. However, it believed that the rubber industry needed more time to develop alternative institutions to manage market risk. Nevertheless, several unresolved issues emerged during the debate, including whether the agreement resulted in lower prices for U.S. consumers and whether the level of cash reserves used to support it—the current U.S. share of which is about $80 million—is needed and adequately safeguarded. The executive branch has made clear its intention that this will be the last agreement extension the United States will join.

The Interparliamentary Union

U.S. participation in the Interparliamentary Union (IPU) is within the provenance of the Congress and not a matter for the executive branch to decide. IPU was the first worldwide political organization to promote the concept of international peace and cooperation. While its goals are similar to those of the United Nations, IPU differs from it in that it seeks to improve personal contact between delegates of member nations' parliamentary groups by restricting membership to elected participants of these legislative bodies. The United States participated in its first meeting and has been a member since its establishment in 1889. Membership gives congressional delegates the opportunity to discuss with foreign colleagues—especially those from emerging democracies—U.S. principles of multiparty democracy and rule of law. IPU also enables them to share their experiences relating to the legislative process and executive-legislative-judiciary relations.

However, Members of Congress have not been active IPU participants in recent years. We found that no Senator has attended any IPU meeting since 1989, and no Representative has attended any IPU meeting since March 1994. State officials and congressional staff attributed the inactive

U.S. participation in the organization in recent years to changes in the Congress and inconvenient scheduling of IPU meetings (its meetings are normally held in April and September when the Congress is in session, making it inconvenient for members to attend). IPU also sought to raise the U.S. assessment rate from 12.58 percent ($1.1 million in 1995) to 15 percent, or above a statutory limitation of 13.61 percent.

The administrative responsibility for IPU shifts with each Congress and, for the 104th Congress, it rested with the House of Representatives (administered by the Clerk's Office). Fiscal year 1996 appropriations legislation initially held up IPU funding until IPU agreed to reverse the proposed assessment increase and adjust its schedule to better accommodate U.S. participation. The House leadership subsequently agreed to continue U.S. participation in IPU and maintain the assessment at the prevailing rate.

The Bureau of International Expositions

The Bureau of International Expositions provides for orderly scheduling and planning of international expositions. As such, it primarily serves those member governments whose cities are vying to hold such events. The United States joined BIE in 1968, 40 years after its creation, with the aim of ending a then-existing proliferation of officially sanctioned expositions and assisting U.S. cities that were bidding to host them. Since then, the frequency of expositions has been drastically reduced and no U.S. city is currently seeking to host any scheduled international exposition. Moreover, recent funding for U.S. pavilions at expositions has been provided entirely from the private sector. The U.S.-assessed contribution for BIE is modest ($33,000 in 1995), but it pays the highest assessment rate (8.9 percent) of any member nation. The assessment rate is based in part on the U.N. scale of assessments and on the member states' size and economic production. State and other agency officials said that there was strong sentiment both in favor of and in opposition to U.S. membership in BIE. Proponents argue that the membership could be justified if the federal government seeks to continue to officially support and maintain an active role in determining where and how future world's fairs are to be held. They further contend that it might be in the public interest to assist potential sponsors in attaining the rights to hold future events since memberships are limited to national governments and BIE members are in more advantageous policy decision-making positions. However, those who oppose continued U.S. membership in BIE say that such official sponsorship is unnecessary and that the chief U.S. goal of more orderly scheduling of worlds' fairs has been met.

The Inter-American Indian Institute

IAII, a specialized organization of the Organization of American States (OAS), serves as a research center and forum for member states to plan for the economic, social, and cultural advancement of Native Americans. Although U.S. budget support has demonstrated solidarity with Central and South American countries that have large Indian populations, U.S. officials have been dissatisfied with IAII management and its activities in recent years and have shown little interest or involvement in the organization. In response to reform efforts encouraged and led by Mexico and the United States, IAII installed a new director in 1996 who is reported to be making positive structural changes in the organization. In the meantime, State has adopted a "wait-and-see" approach regarding future U.S. funding and participation. The United States does not recognize IAII's assessment rates, which are based on outdated Indian population figures. Instead, it has capped its annual assessment contribution at $120,000 annually, which in 1995 represented 44 percent of IAII's budget. Although the rate is high relative to other participants (Mexico paid 30 percent in 1995, with no other country paying more than 4 percent; Canada is not a member), it is less than what the United States would have to pay if the assessment rate were based on the current OAS scale (59 percent) or on gross national product data (estimated at 80 percent). No funding was provided to IAII in fiscal year 1996 and congressional conferees have agreed that none should be given in fiscal year 1997.

Efforts to Keep U.S. Government Costs Low

State officials said they recognize that stringent government budgets make it imperative that costs be kept low in all areas, including the cost of membership in international organizations. Thus, they have attempted to link funding decisions for the small special-purpose international organizations to performance indicators, established a more systematic budget review and coordination process, and tried to secure increased private sector funding for the organizations in an effort to keep assessed contributions low. State's Bureau for International Organization Affairs is responsible for these efforts and is assisted by the designated State contact point and interagency group that have the lead or significant program responsibility for U.S. interests in the international organization's work. Travel and accreditation to conferences are handled by State's Office of International Conferences.

In June 1995, State's Bureau for International Organization Affairs revised its budget policy from one of having zero real growth for U.S. participation in international organizations (which had been in effect since 1986) to one of seeking actual reductions in the organizations' budgets through a

combination of improved program management, structural reform, and indicators that can be used to measure management performance. Exceptions to this policy were to be dealt with on a case-by-case basis. According to Bureau officials, the budget review process has been facilitated by requiring the organizations to submit audited financial statements and closely coordinating U.S. budget positions with officials from the U.S. agencies having lead programming responsibility. Bureau officials make the final determination concerning the U.S. position on an organization's budget and provide instructions to U.S. delegates in advance of the organizations' budget conferences.

U.S. delegates to these budget conferences are encouraged to seek out and build coalitions for consensus on cost-cutting and reinvention measures with other like-minded member nations for improved leverage. They are instructed to vote against or abstain from voting on program budgets if the U.S. budget targets are not met—and they have done so. Over the past year, in consonance with State's new and more restrictive budget policy, U.S. delegates were obliged to cast negative votes on several organizational budgets—including the International Agency for Research on Cancer, the International Copper Study Group, the International Seed Testing Association, and the International Bureau of the Permanent Court of Arbitration—although other than signaling a U.S. determination to oppose unwarranted budget increases, it is not clear what impact these votes may have had. Nonetheless, U.S. delegates succeeded in rolling back some other proposed budget increases through consensus actions with other member states.

Although not specifically related to assessments, State officials said they are also employing a more restrictive policy on sending delegates to the organizations' meetings. This should enable them to reduce travel costs for U.S. government delegates attending the organizations' meetings. Usually, State seeks to cover such meetings with staff that are assigned to local embassy posts or funds a single designated representative from the department or lead agency (which may fund travel for additional representatives out of its own budget). According to data provided by State's Office of International Conferences, as of March 1996, it had spent about $166,000 for staff travel to 15 of the 27 small organizations' functions during the preceding 18 months; it did not fund any travel to 10 of the organizations' conferences during this period. State also accredits but does not provide any funding for private sector participants.

Securing Private Funding

While State has authority to accept gifts under certain circumstances, it does not accept contributions from private sources to pay for assessed dues to international organizations. The Foreign Affairs Manual prohibits it from accepting gifts from any outside source that could create an appearance of conflict of interest between the donor and the performance of State's responsibilities or might otherwise cause people to believe that accepting officials would lose objectivity or be influenced in their decision-making because of the donation. State has interpreted this guidance as precluding it from accepting contributions for assessed dues to international organizations from private sources. A State official said that while State serves industry interests to some extent, especially in its efforts to increase U.S. exports, it must do so in an objective manner—regardless of whether or not the donor has a stake in the outcome of any State action. Another State official told us that the use of gift contributions to fund such ongoing operational activities puts at risk State's long-range ability to plan and carry out promised actions. Officials from other U.S. government agencies dealing with these international organizations agreed with State's position.

Nevertheless, State and other lead U.S. agencies have made some efforts to get private and nongovernmental organizations to contribute directly to these organizations with mixed results. For example, they have attempted to open or expand membership, on a nonvoting basis, to private sector participants. Some organizations (notably those engaged in conservation efforts such as the World Conservation Union and the International Center for the Study, Preservation, and Restoration of Cultural Property) currently receive a significant portion of their budgetary funds from associate memberships, revenue-producing activities, donations, and various sources other than assessed member state contributions. IGC, ICAC, and ISTA are all considering allowing industry organizations to be nonvoting members in an effort to raise additional revenue. However, there is opposition to these proposals in all three organizations. Most government members of ICAC oppose this idea, according to Department of Agriculture officials, because they fear industry representatives will then want to have a say in how the organization is run. Also, some IGC members have expressed concern over how the integrity of the organization would be maintained. They fear that IGC's work would no longer be unbiased if industry representatives were included in all meetings.

Another way in which State and the other agencies have sought to increase the organizations' budgetary resources through private participation is to encourage interested private groups to contribute to

voluntary programs or subscribe to publications or events that are run by some of the organizations. For example, U.S. industry and environmental groups have occasionally made small donations toward ITTO voluntary projects in which they were interested. However, there does not seem to be much organizational interest in expanding their contributions. Nonetheless, agency officials said that some organizations have had good success in raising revenue from projects or services, securing free office space and logistic support, and generating other extra-budgetary resources that have had the effect of reducing dues assessments to member countries. Other organizations, including ICSG, also do studies with private sector participation. Private participation also comes in nonfinancial forms. Representatives from industry and academia belong to the working groups and technical committees that do much of the work of ISTA and WRA, as well as providing advice and assistance in a number of other organizations.

Private sector participation in these international organizations is usually conducted in uncompensated ways through the national delegation; the industry or trade associations bear the salaries and travel costs of its representatives. For some organizations, including IOE and WRA, non-U.S. government officials serve on the U.S. delegation as official members. For other organizations, industry officials attend as delegation observers, as in IOE, ICSG, and ILZSG, or can present their own positions as industry representatives, as in IOVW and ISTA. Private sector representatives also help formulate the U.S. delegation positions for international organizations. Industry representatives belong to interagency coordinating groups for many organizations. Industry and nongovernmental organizations also provide experts that serve other organizations where no formal coordinating group exists, such as CCC, ISTA, and ITTO. Department of Agriculture officials stated that there is room for more industry participation in IOE at the national level, but not in the IOE itself.

Agency Comments and Our Evaluation

State generally agreed with our report and our observations about the value of continued membership in certain organizations, but said that it had evaluated the need for continued U.S. participation in all of the international organizations as part of a continuous review process that began in May 1995. State added that it was on the basis of this review process that prioritization was achieved in the sense that some organizations were identified for withdrawal while others were not.

Our draft report acknowledged the review process that State initiated in May 1995, and fully recognized State's efforts in setting and refining its priorities for these international organizations. However, at the time of our review, State had not formally documented the results of its review process, and its first report was not submitted to the Congress until after our draft report had been provided to the Department. Moreover, neither the documentation that State provided to us during the course of our review nor its December 1996 report to the Congress fully explained the rationale for the judgments that were made.

Our draft report took no position on either the level of resources that State needs to make contributions to the organizations discussed in this report or which organizations the United States may wish to withdraw from. However, given the likely decline in discretionary spending in the federal budget and the various proposals for reductions in State's budget, our draft report contained proposed recommendations that the Secretary of State (1) specifically and systematically apply the criteria announced in May 1996 for retaining membership in international organizations to the organizations discussed in this report; (2) from this process, establish priority groupings or a priority ranking for retaining membership; and (3) report this information to the Congress along with State's annual budget justifications. While we believe that our proposed recommendations continued to have merit, we also believe that State's December 1996 report to the Congress began to respond to our concerns about the need to prioritize the funding of international organizations. Because State's report indicated that "a rigorous assessment of U.S. participation in international organizations must be an ongoing process," we are not making any recommendations at this time. Nonetheless, we believe that the process State began in May 1995 that culminated in the December 1996 report should continue.

State's comments are reprinted in appendix II. It also suggested some technical corrections and we have incorporated them into the report as appropriate.

Scope and Methodology

We conducted our review in Washington, D.C., primarily at the Department of State, in the Bureaus of International Organization Affairs and Economic and Business Affairs, and other State bureaus and offices. We interviewed State officials responsible for budget and program administration and reviewed policy documents, manuals, budget and financial documents, correspondence, assessment data, and background

data on the organizations. We also held discussions with and obtained pertinent information from officials of other affected government agencies, including the Departments of Agriculture, Commerce, Health and Human Services, the Interior, Transportation, and the Treasury (including the U.S. Customs Service); the Office of Management and Budget; the National Institutes of Health (including the Cancer and Environmental Health Sciences Institutes); the Smithsonian Institution; the Office of the U.S. Trade Representative; the President's Council of Economic Advisers and Advisory Council on Historic Preservation; the Congressional Budget Office; Congressional Research Service; the Secretary of the Senate; the Clerk of the House; and U.S. embassies in London, England; Brussels, Belgium; and Kuala Lumpur, Malaysia, to discuss organizations headquartered in those capitals.

To determine how State assesses whether government membership in the 27 organizations continues to serve U.S. interests, we requested documentation that would identify and compare the specific objectives that the government sought to achieve in each of the organizations with the results or benefits derived. State provided us with copies of its budget justifications and supporting data, but these documents did not provide clear statements of U.S. goals or program strategies for each of the individual organizations. State officials said that although State had coordinated an interagency review of all international organizations in 1995, it did not formally document the results of this effort. Therefore, they said they could not show us how they made the determinations that continued government membership in the small international organizations served U.S. interests. Nonetheless, when State provided a copy of its December 1996 report to the Congress to us along with its comments on a draft of this report, we evaluated the report to determine whether it clearly stated the U.S. goals and program strategies for each of the organizations. We took State's prioritization into account in finalizing this report.

To examine State's efforts to keep the government's assessed contribution costs low, we studied the roles and responsibilities of key officials at State and other affected federal agencies, State's budget policies and instructions to delegates, reports of meetings, and interviewed cognizant agency officials. In seeking to determine which organizations executive branch officials believe are more justified than others for continued government membership and participation, we relied primarily on the views of those government officials who had principal program responsibility for or contact with the organizations. While these officials

were generally supportive of the organizations, we also solicited the views or opinions of independent experts and some who may have opposed continued participation.

We discussed these issues with policy-oriented institutions in Washington, D.C., including the Cato Institute, the Heritage Foundation, and the National Policy Forum, and the U.N. Association of the United States of America in New York and Washington. We also reviewed congressional documents and spoke with staff members of House and Senate committees and offices to determine the congressional interest, concern, and provisions that apply to U.S. participation in these organizations. Since the review was aimed at executive branch management of U.S. membership interests, we generally did not contact the organizations directly—except in a few instances to obtain clarifying information. They included the Bureau of International Expositions, the International Natural Rubber Organization, the International Rubber Study Group, the World Conservation Union, the International Cotton Advisory Committee, the International Copper Study Group, and the International Lead and Zinc Study Group. For the same reason, we did not interview officials of other participating member states or interested private sector groups.

We performed our review between January and December 1996 in accordance with generally accepted government auditing standards. We did not independently verify or review the organizations' budgets. Appendix I provides supplemental background and assessment data on each of the individual organizations. The State Department's comments on this report are shown in appendix II.

We are sending copies of this report to the Chairmen and Ranking Minority Members of the Senate and House Committees on Appropriations, the Senate and House Budget Committees, the Senate Committee on Governmental Affairs, and the House Committee on Government Reform and Oversight; the Secretaries of Agriculture, Commerce, Health and Human Services, the Interior, State, and the Treasury; the Permanent Representative of the United States of America to the United Nations; the Administrator of the U.S. Agency for International Development; the Directors of the U.S. Information Agency and the Office of Management and Budget; the U.S. Trade Representative; the Chairmen of the Council of Economic Advisers and the Advisory Council on Historic Preservation; and the Secretary of the Smithsonian Institution. Copies will be made available to others upon request.

Please contact me on (202) 512-4128 if you or your staff have any questions concerning this report. Major contributors to this report were LeRoy W. Richardson, Rolf A. Nilsson, and Edward D. Kennedy.

Sincerely yours,

Harold J. Johnson, Associate Director
International Relations and Trade Issues

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Abbreviations

BIE	Bureau of International Expositions
CCC	Customs Cooperation Council
HCOPIL	Hague Conference on Private International Law
IAII	Inter-American Indian Institute
IARC	International Agency for Research on Cancer
IBPCT	International Bureau for the Publication of Customs Tariffs
IBPCA	International Bureau of the Permanent Court of Arbitration
IBWM	International Bureau of Weights and Measures
ICCROM	International Center for the Study and Preservation and Restoration of Cultural Property
ICSG	International Copper Study Group
ICAC	International Cotton Advisory Committee
IGC	International Grains Council
IHO	International Hydrographic Organization
IIUPL	International Institute for the Unification of Private Law
ILZSG	International Lead and Zinc Study Group
INRO	International Natural Rubber Organization
IOLM	International Organization for Legal Metrology
IOE	International Office of Epizootics
IOVW	International Office of the Vine and Wine
IRSG	International Rubber Study Group
ISTA	International Seed Testing Association
ITTO	International Tropical Timber Organization
IUCN	International Union for the Conservation of Nature
IPU	Interparliamentary Union
NIST	National Institute of Standards and Technology
OAS	Organization of American States
PARCA	Pan American Railway Congress Association
UNESCO	United Nations Educational Scientific and Cultural Organization
WCO	World Customs Organization
WHO	World Health Organization
WRA	World Road Association
WTO	World Tourism Organization

Additional Information on 25 International Organizations

This appendix provides supplemental data on the 25 international organizations covered in this study that received funds from the Department of State in 1995. The data was compiled from various sources, including State budget documents, reports submitted by the individual organizations, and interviews conducted with cognizant agency officials, and gives a brief discussion of significant issues that we observed in the course of our study. We did not prepare summary data sheets on the Pan American Railway Congress Association (PARCA) and the World Tourism Organization (WTO) because State had notified them as of December 1995 that the United States would not continue its membership in them.

Bureau of International Expositions, Paris, France

Mission Objectives

To provide for orderly planning of international expositions by establishing intervals between different types of expositions, reviewing themes, and setting rules and requirements; and gives U.S. cities priority consideration when bidding for Bureau of International Expositions (BIE)-sanctioned events.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$369	0	2
U.S. contribution	$33	0	0
U.S. share (percent)	8.9	0	0

Basis for and Initial Date of U.S. Participation

Convention of International Expositions, ratified by the Senate on April 30, 1968. The United States began participation in 1968.

Major U.S. Stakeholders

Bureau of International Organization Affairs, Department of State; U.S. Information Agency; Department of Commerce; Host U.S. cities and chambers of commerce/major industrial exhibitors.

Benefits to the United States

Helps to ensure that there will be no conflicts with and promotes increased foreign participation in U.S.-held expositions. Also, BIE membership provides access to deciding where events will be held and reductions in tariffs and various price concessions that defray the cost of membership.

Exit Requirements

One year after date of receipt of withdrawal notification.

Significant Issues

While the U.S. contribution is modest, it pays the highest rate (8.9 percent) of any member nation (followed by Japan and Germany at 8.1 percent and

four others at 4.5 percent). The assessment rate is based in part on the U.N. scale of assessments and economic production. U.S. membership in BIE lacks strong support in some quarters, but can be justified if the United States officially supports and participates in world fairs. A joint resolution passed by the Congress in December 1995 urged the United States to fully participate in Expo '98 in Lisbon, Portugal, and encouraged private sector support for this undertaking.

Customs Cooperation Council (known also as the World Customs Organization), Brussels, Belgium

Mission Objectives

To obtain the highest possible degree of uniformity and harmony in and between the customs systems of its members; to prepare draft conventions and amendments; and to ensure uniform interpretation and application of the Customs Cooperation Council (CCC) convention, settle disputes, circulate information, and provide advice to governments.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$14,929	$6,793	58
U.S. contribution	$3,732	$428[a]	5
U.S. share (percent)	25	6.3	8.6

[a]Extra budgetary contribution includes $20,000 in tax reimbursement to CCC.

Basis for and Initial Date of U.S. Participation

The United States acceded to the convention creating CCC on November 5, 1970, which was also the initial date of U.S. participation (treaty).

Major U.S. Stakeholders

Bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; Customs Bureau, Department of the Treasury; Department of Commerce; and the U.S. Trade Representative.

Benefits to the United States

Harmonization and simplification of customs procedures serve U.S. business interests by contributing to the creation of a stable and predictable international trading environment for U.S exporters and importers. This facilitates commerce while enhancing customs enforcement, particularly in intellectual property rights, textile transshipment, and drug smuggling.

Exit Requirements

Withdrawal shall take effect 1 year after the receipt by the Belgian Ministry of Foreign Affairs of the notification of withdrawal. The member shall pay its full annual contribution for the financial year during which its notice of withdrawal becomes effective.

Significant Issues

CCC is responsible for technical work related to several World Trade Organization agreements. It harmonizes member states' customs systems and provides training and assistance on a variety of customs enforcement issues. If the United States did not participate, it would lose these benefits—adversely affecting U.S importers and exporters. Customs sees no viable alternative to membership in CCC.

Hague Conference on Private International Law, the Hague, the Netherlands

Mission Objectives

To facilitate private international legal transactions and relationships, especially in the areas of family law, trusts and estates, and sales, through law unification by multilateral treaties.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$1,309	$66	4
U.S. contribution	$91	$10[a]	1
U.S. share (percent)	7.0	15.2	25

[a]Tax reimbursement.

Basis for and Initial Date of U.S. Participation

Statute of the Hague Conference on Private International Law (HCOPIL—1951), entered into force for (and participated in since by) the United States, 1964.

Major U.S. Stakeholders

Bureau of International Organization Affairs and Office of the Legal Adviser, Department of State; Office of Foreign Litigation, Department of Justice; the American Bar Association; the National Conference of Commissioners on Uniform State Laws; the American Law Institute; and other national legal organizations.

Benefits to the United States

More predictable application of law to legal transactions and relationships that span international borders, resulting in fewer and easier resolutions of disputes, and an improved business climate. HCOPIL facilitates service of process abroad, eases intercountry adoption procedures, and lowers insurance rates, among other things.

Exit Requirements

At the expiration of the budget year ending June 30, provided that notification of intent to withdraw has been received at least 6 months before the end of that budget year.

Significant Issues

None.

Inter-American Indian Institute, Mexico City, Mexico

Mission Objectives

To serve as a forum for developing information for member states to use in planning for the economic, social, and cultural advancement of Indians.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$272	0	2
U.S. contribution	$120	0	0
U.S. share (percent)	44.1	0	0

Basis for and Initial Date of U.S. Participation

November 1940 convention providing for creation of the Inter-American Institute. The United States has been a member since 1941.

Major U.S. Stakeholders

Bureau of Inter-American Affairs, Department of State; Bureau of Indian Affairs, Department of the Interior; and tribal councils.

Benefits to the United States

Provides a policy forum and access to informational resources to address priority issues of concern for Native Americans and their governments. It has a substantial research library that is dedicated to indigenous issues.

Exit Requirements

One year notification required for withdrawal.

Significant Issues

The Institute has experienced management problems in the past, prompting the State Department to acknowledge that it was poorly managed. However, it is currently undergoing a major reform effort that has been sought and encouraged by the United States. Consequently, the State Department is taking a “watch-and-wait” approach toward continued U.S. funding and participation. The U.S. assessment share (44.1 percent) outpaces that of Mexico (30.3 percent) and all other participants by a factor of at least 10 to 1. Canada is not a member of the Institute.

International Agency for Research on Cancer, Lyon, France

Mission Objectives

To provide a scientific basis for adoption of effective measures to prevent human cancer by identifying cancer-causing agents, assembling data on cancer cases and environmental factors from around the world, analyzing them, and disseminating data.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$17,902	N/A[a]	48
U.S. contribution	$1,643	$755	2
U.S. share (percent)	9.2	N/A	4.2

[a]N/A = not available.

Basis for and Initial Date of U.S. Participation

Public Law 92-484, approved October 14, 1972. The United States was one of the five original participating members and has remained a member since 1965.

Major U.S. Stakeholders

Bureau of International Organization Affairs, Department of State; the National Cancer Institute, the National Institute of Environmental Health Sciences of the National Institutes of Health, Department of Health and Human Services; the American Cancer Society; numerous cancer research agencies; and the general public.

Benefits to the United States

Provides ability to draw upon cancer research materials and resources from all over the globe, including areas usually inaccessible to U.S. officials. Brings together global experience on specific cancers and relation to causes. The United States separately has provided long-standing support for the International Agency for Research on Cancer (IARC) research in evaluating potentially carcinogenic substances in society and the workplace.

Exit Requirements

Withdrawal effective 6 months after receipt of notification by the Director-General of the World Health Organization (WHO).

Significant Issues

Enjoys strong U.S. agency and congressional support. Narrow functional area (public affairs/literature dissemination) of possible overlap with WHO is currently being addressed for possible consolidation. It has a relatively small membership (16) that exerts budget pressure on organization but seeks to encourage increased membership through lower introductory charges. The United States, along with the United Kingdom, opposed 6.7 percent biennial budget increase adopted in April 1995.

International Bureau for the Publication of Customs Tariffs, Brussels, Belgium

Mission Objectives

To translate and publish the customs tariffs of member governments and to disseminate this information to the members.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$2,047	0	17
U.S. contribution	$120	0	0
U.S. share (percent)	5.9	0	0

Basis for and Initial Date of U.S. Participation

Authority is convention dated July 5, 1890 (26 Stat. 1518, TS 384). The U.S.-assessed share shall not exceed 6 percent per Public Law 90-569.

Major U.S. Stakeholders

Tariff translations are provided to the Department of Commerce; the Customs Bureau, Department of the Treasury, and the U.S. Trade Representative; as well as to private importers and exporters (administered by the bureaus of International Organization Affairs and Economic and Business Affairs, Department of State).

Benefits to the United States

The U.S. government and U.S. businesses benefit in having full information on foreign customs rates, regulations, and concessions obtained in negotiations available in English. The International Bureau's translations provide a ready source of basic information needed for responding to questions from businessmen, in particular, in connection with U.S. export promotion programs, and for verifying foreign concessions obtained in negotiations.

Exit Requirements

Per the convention, article 15, notice shall be given to the Belgian government.

Significant Issues

This is the only international organization that translates the individual country tariff schedules into English. It is therefore important, primarily to U.S. importers and exporters, that the U.S. government remain in this international organization (membership is available only to governments). WTO may at some time in the future provide this information, but the International Bureau is the only organization that does so at the present time.

International Bureau of the Permanent Court of Arbitration, the Hague, The Netherlands

Mission Objectives

To provide the administrative framework to facilitate the arbitration of international disputes and maintain a worldwide registry of jurists and lawyers for selection to serve as needed on arbitration tribunals.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$328	0	5
U.S. contribution	$22	0	1
U.S. share (percent)	6.7	0	20

Basis for and Initial Date of U.S. Participation

Convention for the Pacific Settlement of International Disputes, ratified by the Senate, April 2, 1908. The United States has been a member of the Permanent Court since 1899.

Major U.S. Stakeholders

Bureau of International Organization Affairs and the Office of the Legal Adviser, Department of State.

Benefits to the United States

Provides expert and cost-effective means to settle international disputes. The United States uses its facilities, as it did to organize the Iran-U.S. Claims Tribunal and in recent years to arbitrate a Heathrow Airport user fee dispute with Great Britain.

Exit Requirements

One year following receipt of notification to withdraw.

Significant Issues

None.

International Bureau of Weights and Measures, Sevres, France

Mission Objectives

To cooperate with national scientific laboratories to ensure the international standardization of basic metric and nonmetric units of measure throughout the world. These standards have important bearings upon the exchange of goods and knowledge between countries.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$9,054	0	61
U.S. contribution	$924	0	2
U.S. share (percent)	9.8	0	3.3

Basis for and Initial Date of U.S. Participation

The United States has been a participant since a convention creating an International Office of Weights and Measures was signed in May 1875.

Major U.S. Stakeholders

Bureau of International Organization Affairs, Department of State; National Institute of Standards and Technology (NIST), Department of Commerce; and Physics and engineering academicians.

Benefits to the United States

Provides access to a stable, accurate, and universally accepted system of measurement; promotes free trade; maintains and coordinates the world's time scale; and plays an influential role in the development of industrial technology and international comparisons.

Exit Requirements

One year after receipt of notification of intent to withdraw. Forfeits right of any joint ownership in international prototypes.

Significant Issues

The Bureau has a strong scientific orientation. It has tried unsuccessfully over the years to branch into commercial applications—which is what

gave rise to the International Organization for Legal Metrology's establishment. Effort to merge areas of common effort are being explored at the instigation of the French government. NIST, the designated U.S. national laboratory and a prime user of the Bureau's services, provides calibration services for industry users on a cost-recoverable basis.

International Center for the Study of the Preservation and Restoration of Cultural Property, Rome, Italy

Mission Objectives

To serve as a research and training center and as a clearinghouse for the exchange of information among specialists from around the world to initiate, develop, promote, and facilitate conditions for the conservation and restoration of cultural property.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$2,898	$1,649	19
U.S. contribution	$725	$71	2
U.S. share (percent)	25	4.3	10.5

Basis for and Initial Date of U.S. Participation

Various public laws, January 1971.

Major U.S. Stakeholders

Bureau of International Organization Affairs, Department of State; the Smithsonian Institution; the President's Advisory Council on Historic Preservation; the National Trust for Historic Preservation; and similar organizations, museums, and universities.

Benefits to the United States

Assists in important restorations/preservations, including the U.S. Capitol building and the Spanish missions of the American Southwest. Provides various mid-career professionals and students access to highly specialized instructional facilities and services not available elsewhere. Also, the major stakeholders value what they consider to be unparalleled connections made through the organization.

Exit Requirements

One year following notification, provided its contribution payments are current.

Significant Issues

U.S. contribution rate (25 percent) from the International Center's scale of assessments is based on 1 percent of the United Nations Educational Scientific and Cultural Organization (UNESCO) appropriation, not to exceed 25 percent (which the United States pays). This rate is more than double that of next highest participating country, Japan (12.38 percent). The United States successfully rolled back proposed budget increases for the 1996-97 biennium when the U.S. delegation joined other member states in approving the budget by consensus.

International Copper Study Group, Lisbon, Portugal

Mission Objectives

To foster market transparency by collecting and publishing reliable data on copper production, consumption, and trade without intervening in markets. The International Copper Study Group (ICSG) also provides a forum for governmental consultations and supports special studies of market trends, new technologies, and government policies affecting the copper industry.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$654	0	3
U.S. contribution	$63	0	1
U.S. share (percent)	9.6	0	33.3

Basis for and Initial Date of U.S. Participation

Authority is Public Law 103-236. The United States accepted the terms of reference of ICSG on March 15, 1990. ICSG was established on January 23, 1992.

Major U.S. Stakeholders

The International Trade Administration, Department of Commerce; the bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; and the U.S. mining industry.

Benefits to the United States

Increased market transparency enables a competitive market to avoid large fluctuations in price and promotes a better balance between supply and demand (large price fluctuations have traditionally plagued the copper market). It has helped "lift the veil" of the copper industry in the former Soviet Union, which was of significant interest to U.S. industry. It aids members with effective forecasting and long-term planning.

Exit Requirements

A member may withdraw 60 days after written notice is given to the United Nations and the ICSG's Secretary-General.

Significant Issues

ICSG was negotiated at U.S. urging to provide better information to prevent market instability, as happened in the 1980s. It primarily benefits the copper industry, but the data provided and the intergovernmental consultation are useful to U.S. agencies, including the Commerce and Defense Departments. ICSG has financed research on potential health problems associated with copper in drinking water. ICSG publications are available for sale to anyone, not just to member countries.

International Cotton Advisory Committee, Washington, D.C.

Mission Objectives

To compile and publish statistics on cotton production, trade, consumption, and prices; and to facilitate the exchange of information and the development of more open lines of communication among scientific workers to better understand research problems.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$1,170	N/A[a]	7
U.S. contribution	$127	$111[b]	2
U.S. share (percent)	10.9	N/A	28.6

[a]N/A = not available.

[b]Tax reimbursement.

Basis for and Initial Date of U.S. Participation

Authority is 70 Stat. 890, 1956, 5 U.S.C. 170j. (P.L. 94-350, July 12, 1976.) Initial date of participation was 1939.

Major U.S. Stakeholders

The Foreign Agricultural Service, Department of Agriculture; the bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; and the U.S. textile industry.

Benefits to the United States

The International Cotton Advisory Committee (ICAC) provides cotton price analyses and projections to the international cotton community, something the Department of Agriculture is prohibited from doing. The U.S. cotton industry supports continued membership in ICAC and regularly attends ICAC plenary meetings.

Exit Requirements

Member may withdraw by providing written notification before a new fiscal year (July 1).

Significant Issues

Although State announced the U.S. intention in December 1995 to withdraw from ICAC effective on June 30, 1996, the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) required the President to ensure that the U.S. government participate in ICAC and State to continue to pay the assessed contribution. As a result, State rescinded its letter of intent to withdraw from the organization, and the United States will remain in ICAC. ICAC publications are available for sale to anyone, not just to member countries.

International Grains Council (formerly the International Wheat Council), London, England

Mission Objectives

To promote expansion of international trade in grains and secure the freest possible flow of this trade, and to provide a forum for the exchange of information and discussion of members' concerns regarding trade in grains. Through the Food Aid Committee, donors pledge food aid in the form of grain, which some members buy from the United States.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$2,169	0	7
U.S. contribution	$373	0	0
U.S. share (percent)	17.2	0	0

Basis for and Initial Date of U.S. Participation

The current authority for U.S. participation is Senate advice and consent to the International Wheat Agreement of 1986, on November 17, 1987. Initial U.S. participation was in 1942.

Major U.S. Stakeholders

The Foreign Agricultural Service, Department of Agriculture; and U.S. grain growers; the bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; and the U.S. Agency for International Development.

Benefits to the United States

The United States, as the world's largest exporter of grains, benefits from the expansion of international trade and from securing the freest possible flow of this trade. The United States also benefits from having the most reliable international data on the grains trade, including data provided by other countries, which would not otherwise be available.

Exit Requirements

There are no specific provisions for withdrawal. Not acceding to the next convention, which will take effect in 1998, would be a way of withdrawing.

Significant Issues

The International Grains Council (IGC) is considering soliciting more private sector participation to relieve budget problems, but some countries fear for the integrity of the organization if industry interests are included. The U.S. government's assessed share increased to 23.6 percent in 1996 because a new convention was negotiated that includes all grains and uses more recent data for calculating assessments. IGC publications are sold to anyone.

International Hydrographic Organization, Monte Carlo, Monaco

Mission Objectives

To establish a close and permanent association with the hydrographic offices of member states, with a view to rendering navigation easier and safer throughout the world.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$2,033	0	7
U.S. contribution	$91	0	1
U.S. share (percent)	4.5	0	14.3

Basis for and Initial Date of U.S. Participation

International hydrographic convention, approved by the Senate, May 13, 1968 (treaty). The United States has been a participant since 1922.

Major U.S. Stakeholders

Bureau of International Organization Affairs, Department of State; National Oceanographic and Atmospheric Administration, Department of Commerce; the U.S. Coast Guard; U.S. Geological Survey; National Imagery and Mapping Agency; (formerly Defense Mapping Agency); the U.S. petroleum industry; and oceanographic and academic institutions.

Benefits to the United States

Through the International Hydrographic Organization (IHO), the United States obtains high-quality hydrographic survey and chart data that is essential for safe navigation at sea, promotes trade, and reduces the threat of environmental damage from ship groundings. IHO's President is a retired U.S. admiral.

Exit Requirements

One year following the date of notification.

Significant Issues

None.

International Institute for the Unification of Private Law, Rome, Italy

Mission Objectives

To unify or harmonize private law in different countries, thereby facilitating international commerce and removing obstacles created by unnecessary conflicts in law and legal systems; and providing training in the adoption and use of approved international conventions by less developed countries.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$1,745	$58	9
U.S. contribution	$108	0	0
U.S. share	6.2	0	0

Basis for and Initial Date of U.S. Participation

Initially established in 1926 under the League of Nations; present charter in effect since 1940. The United States has been a member and active participant since 1964.

Major U.S. Stakeholders

Bureau of International Organization Affairs and Office of the Legal Adviser, Department of State; Office of Foreign Litigation, Department of Justice; the American Bar Association; National Conference on Commissioners on Uniform State Laws; National Law Center for Inter-American Free Trade; American Law Institute; and other national legal organizations.

Benefits to the United States

Provides an important forum to ensure that U.S. commercial law and other legal interests are key source for international work on law unification, and that U.S. commercial practices are reflected in and protected under treaties and other documents produced in this process.

Exit Requirements

Participation is for a period of 6 years. Intent to withdraw must be submitted in writing at least 1 year preceding the end of the current 6-year period (which expires in 1999).

Significant Issues

Two conventions prepared by the Institute on international commercial law reflecting modern U.S. practice are expected to be submitted to the Senate in 1997. The Institute is also drafting a multilateral convention expected to benefit the U.S. aircraft and other industries.

International Lead and Zinc Study Group, London, England

Mission Objectives

To improve transparency in the lead and zinc world markets by producing and disseminating a wide variety of current statistics; to provide for an intergovernmental forum for consultations on international trade in lead and zinc; and to hold discussions of market trends, new technologies, government policies, and environmental issues.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$771	0	4
U.S. contribution	$53	0	0
U.S. share (percent)	6.9	0	0

Basis for and Initial Date of U.S. Participation

Authority is 22 U.S.C. 2672, sec. 5 of Public Law 885, 84th Congress. U.S. participation started in 1960.

Major U.S. Stakeholders

International Trade Administration, Department of Commerce; the bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; and the U.S. mining industry.

Benefits to the United States

It produces a wide variety of statistics, assisting in effective forecasting and long-range planning. These statistics are important to the operation of a competitive market, which should ensure the lowest possible prices to the U.S. consumer. Annual meetings provide a forum for industry/government contacts and discussion of concerns without political agendas or market intervention measures.

Exit Requirements

A member may withdraw at any time by written notification to the Secretary-General. The withdrawal takes effect on the date specified in the notification.

Significant Issues

Membership in this organization appears to be more important to industry than to the U.S. government. The State Department considers this organization to be a model for similar organizations for other commodities. Publications are available to anyone. It also reports on environmental rules concerning lead and other environmental issues.

International Natural Rubber Organization, Kuala Lumpur, Malaysia

Mission Objectives

To manages an international natural rubber agreement designed to stabilize price fluctuations and rubber supplies through maintenance of a buffer stock in a historically volatile market.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$1,964	0	8
U.S. contribution	$297	0	1
U.S. share	15.1	0	12.5

Basis for and Initial Date of U.S. Participation

Successive international rubber agreements, first entered into force in 1980.

Major U.S. Stakeholders

Bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; Department of the Treasury; and Department of Commerce; the Office of the U.S. Trade Representative; and domestic tire, rubber, steel, and labor industries.

Benefits to the United States

With the United States as the world's largest consumer of rubber products and rubber production being concentrated in three Southeast Asian countries (Indonesia, Malaysia, and Thailand), certain assurances are sought through an international agreement that attempts to stabilize natural rubber prices without disturbing long-term market trends and ensure expanded future supplies of natural rubber at reasonable prices.

Exit Requirements

Agreement of 1987 has expired and a new 4-year extension has been negotiated. Under terms of old (and new) agreements, withdrawal permitted upon 1 year's written notice.

Significant Issues

This is the only commodity agreement with economic provisions in which the United States currently participates. Extension of the agreement enjoys strong industry and congressional support, but it has not shown that it reduces long-term price variability or benefits U.S. consumers. Keeping a substantial sum (currently valued at $80 million) of U.S. funds with the International National Rubber Organization (INRO) or under foreign bank management (i.e., no direct U.S. control of the funds) to support a buffer stock operation under the agreement continues to be an unresolved issue.

International Organization for Legal Metrology, Paris, France

Mission Objectives

To recommend adoption of uniform international legal standards and requirements and provide an information exchange for scientific and measurement instruments that are used in commerce and industry.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$1,254	0	5
U.S. contribution	$110	0	1
U.S. share (percent)	8.8	0	20

Basis for and Initial Date of U.S. Participation

Convention on legal metrology, as amended. The United States first participated in 1972.

Major U.S. Stakeholders

Bureau of International Organization Affairs, Department of State; NIST, Department of Commerce; and U.S. measuring instrument manufacturers.

Benefits to the United States

Uniform standards for measuring products in trade, public health, safety, and many other industries are considered essential for their public acceptance and confidence. Also vital for the protection of the import/export industries.

Exit Requirements

International conferences/conventions are required once every 6 years but recently have been held every 4 years. Intention to withdraw must be made known at least 6 months in advance of expiration of the current convention/budget adoption (November 2000).

Significant Issues

A merger of operations with the International Bureau of Weights and Measures has been proposed by the French government. A working group

is currently studying areas of common effort/interest with the objective of reducing costs and sharpening global focus.

International Office of Epizootics, Paris, France

Mission Objectives

To collect and disseminate to government veterinary services facts and documents concerning the course and cure of animal diseases; to examine international disease control agreements and assist in their enforcement; and to promote disease research.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$3,297	$519	5
U.S. contribution	$88	$4	1
U.S. share (percent)	2.7	0.7	20

Basis for and Initial Date of U.S. Participation

Senate approval, and presidential signature on June 9, 1975, of the original international agreement. Initial U.S. participation was in May 1976.

Major U.S. Stakeholders

Animal and Plant Health Inspection Service, Department of Agriculture; the bureau of International Organization Affairs, Department of State; U.S. Centers for Disease Control and Prevention; veterinary medicine; and the meat and poultry industries.

Benefits to the United States

The International Office of Epizootics (IOE) is a valuable channel for dissemination of U.S. research findings and helps apprise the United States of overseas research and animal infection developments. U.S. involvement allows the United States to have a prominent voice in developing international trade standards and regulations and conform them to U.S. standards. These standards help make trade without fear possible in this area. As the only international animal health forum in the world, IOE will set animal trade standards for the WTO. It also serves as an early warning system for animal disease outbreaks.

Exit Requirements

Written notice given 1 year in advance of intention to withdraw.

Significant Issues

If the United States were to withdraw, standards would be set without U.S. participation and in the future might not conform to U.S. standards. This could greatly affect public health and industries that import and export U.S. animal livestock and animal products.

International Office of the Vine and Wine, Paris, France

Mission Objectives

To study wine and its production methods, packaging and labeling standards, and associated marketing practices with the object of ensuring product integrity and harmonizing regulatory requirements in the international wine trade.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$1,144	0	14
U.S. contribution	$55	0	0
U.S. share (percent)	4.8	0	0

Basis for and Initial Date of U.S. Participation

Public Law 98-545 of October 25, 1984 (98 Stat., 2752). The United States began its participation in 1980. Its request for full membership was accepted on July 24, 1984.

Major U.S. Stakeholders

The Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury; the bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; U.S. vintners; and the California Winegrowers Association.

Benefits to the United States

The International Office of the Vine and Wine (IOVW) facilitates the global dissemination of information on the U.S. wine industry, thereby helping promote U.S. wine, brandy, and viticultural exports. It also aids in promoting product integrity, therefore helping to protect public health worldwide. Finally, intergovernmental channels of communication have helped to expedite resolution of international incidents involving trade impediments, contamination, and marketing fraud.

Exit Requirements

Any member may withdraw after giving 6 months' notice.

Significant Issues:

If the United States were to withdraw, both U.S. industry and consumer protection interests will be left unrepresented. IOVW's deliberations have significant trade consequences. Differences in acceptable production techniques (which can hinder or promote market access), primarily between European and U.S. wine makers; sanitary practices; labeling; and the presence of chemical products are the subject of IOVW standards. IOVW is petitioning for WTO recognition, which could make the IOVW's resolutions binding (they are now optional) and backed by the WTO's enforcement powers.

International Rubber Study Group, Wembley, England

Mission Objectives

To promote the understanding of long-term trends in future rubber (natural and synthetic) production and consumption, provide accurate statistics, and promote research. It also serves as a forum for consultation among principal producing and consuming countries.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$780	0	4
U.S. contribution	$92	0	0
U.S. share (percent)	11.8	0	0

Basis for and Initial Date of U.S. Participation

Authority is 22 U.S.C. 2672, sec. 5 of Public Law 885, 84th Congress. Initial date of U.S. participation was 1944.

Major U.S. Stakeholders

Bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; International Trade Administration, Department of Commerce; and the U.S. rubber industry.

Benefits to the United States

Quick dissemination of technical information on supply and demand promotes U.S. competitiveness. Information on market trends is important to the United States as the world's largest rubber consumer. Also, the U.S. contribution leverages contributions from other members. The result is greater market transparency and efficiency, directly benefiting U.S. industry and consumers. The International Rubber Study Group (IRSG) also provides information on worldwide investment opportunities/new technologies.

Exit Requirements

Withdrawal within the first 6 months of the financial year, which starts on July 1, becomes effective at year's end (effectively 6 months' notice). If

withdrawal occurs within the second half, dues for the following year must still be paid (18 months' notice).

Significant Issues

Membership in this organization appears more important to industry than to the U.S. government since it is industry that primarily uses the statistics provided by IRSG for long-range planning and projections. However, the U.S. government does use the information provided for planning and intergovernmental consultation purposes. Publications are available for sale to anyone, not just member countries.

International Seed Testing Association, Zurich, Switzerland

Mission Objectives

To develop official rules for testing seed sold in international trade, to accredit laboratories that issue international seed lot quality certificates, and to promote seed research and technology.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$368	0	3
U.S. contribution	$11	0	0
U.S. share (percent)	3.0	0	0

Basis for and Initial Date of U.S. Participation

Basis for participation is 70 Stat. 890, 1956, 5 U.S.C.170j. Initial date of U.S. participation was 1924.

Major U.S. Stakeholders

Agricultural Marketing Service, Department of Agriculture; the bureaus of International Organization Affairs and Economic and Business Affairs, Department of State; U.S. agrobusiness; and U.S. land grant colleges.

Benefits to the United States

Membership in the International Seed Testing Association (ISTA) ensures that U.S. seed exporters have access to, and are competitive in, world markets through the use of approved uniform testing methods. Membership allows the United States to maintain its influence over the establishment of standards. It also ensures that high-quality imported seed is available to U.S. consumers and that U.S. testing facilities are accepted worldwide as meeting international standards.

Exit Requirements

A government may withdraw by sending written notice to ISTA, but it will be responsible for its dues for that entire calendar year unless withdrawing because of a change in the ISTA constitution. Then the withdrawing government is responsible for its dues up to the change.

Significant Issues

Membership allows the United States to take part in the process of developing official procedures used to test seed sold in international trade. Withdrawal would deny the U.S. government the opportunity to block proposed international testing rules that could function as trade barriers to U.S. seed. ISTA generates about 40 percent of its operating funds from the sale of goods and services it produces. If ISTA allows additional labs to join as nonvoting members, as was proposed, it could result in lower U.S.-assessed dues.

International Tropical Timber Organization, Yokohama, Japan

Mission Objectives

To increase transparency of the tropical timber market, promote sustainable management of tropical production forests, and promote research and development aimed at improving the sustainable management of tropical forests.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$4,068	$15,960	14
U.S. contribution	$112	$1,177[a]	1
U.S. share (percent)	2.8	7.4	7.1

[a]U.S. extra budgetary contribution includes $55,000 in tax reimbursement to International Tropical Timber Organization (ITTO).

Basis for and Initial Date of U.S. Participation

International Tropical Timber Agreement of 1983, signed by the United States on April 26, 1985.

Major U.S. Stakeholders

Office of the U.S. Trade Representative; bureaus of Economic and Business Affairs, International Organization Affairs, and Oceans and International Environmental and Scientific Affairs, Department of State; Forest Service and Foreign Agricultural Service, Department of Agriculture; and International Trade Administration, Department of Commerce.

Benefits to the United States

Improve availability of market information for U.S. importers of tropical timber for furniture, paneling, and other wood products. Also, ITTO identification of markets for lesser-known species promotes better utilization of resources and provides consumers with greater variety, which helps keep consumer costs down. The United States participates in ITTO's voluntary program, but its contribution is expected to decrease to $200,000 from about $1 million annually.

Exit Requirements

A member may withdraw 90 days after written notice is received by the United Nations (notice must also be given simultaneously to the ITTO council).

Significant Issues

U.S. officials believe issues discussed in ITTO, such as certification and labeling of wood products, apply to wood products from all types of forests including temperate forests. They believe that decisions on these issues could have a significant impact upon the global competitiveness of the U.S. timber industry. The United States also has a strong interest in promoting the sustainable management of tropical forests through ITTO because of the relationship of tropical forests to global environmental problems.

International Union for the Conservation of Nature (also referred to as the World Conservation Union), Gland, Switzerland

Mission Objectives

The leader in influencing, encouraging, and assisting governments and nongovernmental organizations throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$5,146	$40,000 (est.)	67
U.S. contribution	$286	0	6
U.S. share (percent)	5.6	0	9.0

Basis for and Initial Date of U.S. Participation

State Department Authorization Act for Fiscal Years 1990 and 1991 (P.L. 101-246).

Major U.S. Stakeholders

Bureaus of International Organization Affairs and Oceans and International Environmental and Scientific Affairs, Department of State; Fish and Wildlife and National Park Service, Department of the Interior; U.S. Forest Service, Department of Agriculture; National Oceanic and Atmospheric Administration, Department of Commerce; Environmental Protection Agency; the U.S. Agency for International Development; and various environmental organizations.

Benefits to the United States

Supports U.S. goals for the maintenance of a healthy, natural global environment and conservation of biological diversity. Supports international conservation conventions of importance to the United States.

Provides a unique forum for the coordination of governmental and nongovernmental conservation efforts regarding the use of natural resources and leveraged assistance to international networks of volunteer scientists and specialists.

Exit Requirements

Any time, upon receipt of written notification.

Significant Issues

Modest assessed contribution is highly leveraged since the International Union for the Conservation of Nature (IUCN) receives about 90 percent of its funding from various contribution sources other than assessed membership dues. Comparatively small (nine) "state" membership provides about 40 percent of IUCN's assessed budget. In addition to its assessed contribution, the United States provided a voluntary contribution in the amount of $1 million in fiscal year 1995 to support programs of particular interest.

Interparliamentary Union, Geneva, Switzerland

Mission Objectives

To be the focal point for worldwide parliamentary dialogue and to works closely with the United Nations for peace and cooperation among peoples and the firm establishment of representative institutions. The Interparliamentary Union (IPU) is comprised of the world's parliamentary bodies.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$7,988	N/A[a]	16
U.S. contribution	$1,096	0	2
U.S. share (percent)	14.12[b]	0	12.5

[a]N/A = not available.

[b]Current authorizing legislation limits U.S. assessment to 13.61 percent of IPU's budget.

Basis for and Initial Date of U.S. Participation

Various public laws. United States has been a member since the first meeting in 1889.

Major U.S. Stakeholders

Bureau of International Organization Affairs, Department of State; the Clerk of the House of Representatives; and the Secretary of the Senate, Parliamentary Services.

Benefits to the United States

Promotes personal contact and dialogue between members of the world's parliamentary bodies—especially emerging democracies—in a formal, secure, but neutral structure to discuss legislative functions and relations and universal values, peace, and cooperation.

Exit Requirements

No withdrawal provision cited.

Significant Issues

U.S. participation in IPU is within the provenance of the Congress and not a matter for executive branch decision-making. Responsibility shifts each Congress and now rests with the House of Representatives (administered by the Clerk). IPU has sought to raise the U.S. assessment from 12.58 percent to 15 percent, or above the statutory limitation. No Senator has attended any IPU meeting since 1989. No Member of the House has attended any IPU meeting since March 1994. IPU funding was temporarily suspended in December 1995—but subsequently approved—pending IPU reversal of the assessment increase and adjustment of its meeting schedule to better accommodate U.S. participation (meetings are normally scheduled at times when the Congress is in session).

World Road Association, (formerly known as the Permanent International Association of Road Congresses/PIARC), Paris, France

Mission Objectives

To analyze road and road transport policy issues as an aid to national decisionmakers, to encourage research and exchange of information on research results and best practices, to disseminate findings, and to address the concerns of all members.

Dollars in thousands

1995 resources	Assessed budget	Extra budgetary	Professional staff
Total	$353	$400	3
U.S. contribution	$20	$136	0
U.S. share (percent)	5.6	34.0	0

Basis for and Initial Date of U.S. Participation

Authority is sec. 164, Public Law 102-138, approved October 28, 1991. The United States regained membership in the World Road Association (WRA) (it lapsed during World War II) in November 1989. Original justification of 22 U.S.C. sec. 269 (44 stat. 754, June 18, 1926) is still valid.

Major U.S. Stakeholders

Federal Highway Administration, Department of Transportation, and U.S. construction companies.

Benefits to the United States

WRA, as the only intergovernmental forum for road issues, has provided ready access to innovations developed abroad that can be applied in the United States. Significant savings accrue to the United States because other countries share their research with the U.S. government through WRA. Also, the U.S. government and industry can increase international

awareness of U.S. technical expertise for the purpose of encouraging the export of U.S. goods and services, making U.S. businesses more competitive overseas.

Exit Requirements

WRA's governing commission accepts resignations based on convention provisions.

Significant Issues

The American Association of State Highway and Transportation officials pays about one-third of the U.S.-assessed contribution, which the federal government would otherwise have to pay. The Federal Highway Administration pays for extra budgetary projects and, beginning in fiscal year 1997, it will pay the U.S. government-assessed contribution.

Comments From the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

United States Department of State

Chief Financial Officer

Washington, D.C. 20520-7427

12/20/96

Dear Mr. Hinton:

We appreciate the opportunity to provide enclosed Department of State comments on your draft report "STATE DEPARTMENT: U.S. Participation in Special Purpose International Organizations, Job Code 711166.

If you have any questions concerning this response, please contact Ms. Julia Albrecht, IO/S/SC, at (202) 647-4826.

Sincerely,

Richard L. Greene

Enclosure:
As stated.

cc: GAO/NSIAD - Mr. Richardson
STATE/IO/S/SC - Ms. Albrecht

Mr. Henry L. Hinton, Jr.,
Assistant Comptroller General,
National Security and International Affairs,
U.S. General Accounting Office.

Department of State Comments
on the GAO Draft Report,
"STATE DEPARTMENT: U.S. Participation in
Special-Purpose International Organizations,"
Job Code 711166

Prioritization of Funding Requirements

Now on pp. 4, 5, and 17.

See comment 1.

1. Report language on page 5 (para 1), page 7 (para 3), and page 22 (para 2) leaves the impression that the Department had not fully evaluated the need for continued U.S. participation in all of the "small" international organizations. The Department takes exception to this language. The comprehensive review of CIO organizations undertaken in May 1995, to which the Report alludes, looked closely at all 50 organizations in the CIO account. It was on the basis of this review that we decided to announce U.S. withdrawal from one large organization and three small ones. Our decision to continue U.S. participation in the remaining 46 organizations was based on very specific analyses of U.S. interests in each organization. Contrary to page 7 (para 3), there were abundant performance indicators--although admittedly not all strictly quantitative--upon which to base withdrawal decisions. The attached State Department report to Congress, submitted in December 1996, describes the 1995 assessment and how that assessment fed into decisions on withdrawal from certain organizations.

Now on p. 6.

Now on p. 5.

2. On page 6 (para 3), the Report states that the 1995 review did not result in a prioritization of CIO organizations according to U.S. national interests. It is true that it was not possible to obtain interagency agreement on a 1-to-50 ranking of the CIO organizations, because our assessment of the importance of these organizations was necessarily based, in part, on subjective judgments--on which there were varying views within the U.S. Government. However, prioritization was achieved in the sense that some organizations were identified for U.S. withdrawal, while others were not. In addition, the allocation of FY 1996 CIO funds reflected a degree of prioritization, although it was decided at that time not to apply budget shortfalls to the "small" organizations, because doing so would have created a significant administrative burden for us with relatively insignificant budget savings. This year, the allocation of the FY 1997 CIO budget did include the "small" organizations in a clear prioritization of U.S. interests, as described in the attached State Department report to Congress. We hope that the GAO Report will acknowledge the Department's efforts in setting and refining its priorities, and we appreciate the contribution that the GAO Report itself has made to our thinking in this area.

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Now on p. 4.

See comment 2.

3. On page 7 (para 1), the GAO Report correctly notes that our decision to withdraw from certain organizations was based, in part, on our judgment that benefits to the U.S. private sector did not depend on governmental participation in these organizations. The Report goes on to say, however, that this criterion was "somewhat different" from the criteria announced in May 1996--implying that the latter did not play a significant role. Such an inference would be incorrect. The May 1996 announcement laid out the criteria for judging whether U.S. Government membership in CIO organizations is justified, e.g. on the basis of U.S. strategic, political, or economic interests. If the answer is no because U.S. private sector needs are being met regardless of whether the U.S. Government is a member of the organization, then clearly this criterion comes into play in our withdrawal decision.

Now on p. 17.

See comment 3.

4. On page 21 (para 2), the GAO Report recommends that the Secretary of State specifically and systematically apply the May 1996 criteria to the "small" organizations discussed in the Report, establish priority groupings or rankings, and submit that information to Congress. The Department essentially complied with this recommendation in its December 1996 report to Congress, a copy of which is attached. (See Attachment A.)

GAO Observations Regarding Certain Organizations

Now on p. 7.

See comment 4.

5. CCC: Table 2, page 14. We strongly concur with GAO's assessment that participation in the CCC "addresses a broad public interest." (It should be noted that the organization is now--informally--called the World Customs Organization (WCO), while the charter of the organization retains the name of Customs Cooperation Council.)

Now on p. 8.

See comment 4.

6. IBPCT: Table 2, page 14. We do not object to GAO's assessment that participation in the IBPCT "addresses a broad public interest," although we believe that, objectively, the net benefit to the United States in participating in the IBPCT is considerably less than participation in the CCC (WCO). We hope in 1997 to review with other agencies options regarding continued USG membership in the IBPCT. (Other agencies, including USTR and Commerce, may depend on IBPCT-generated material to a greater extent than State.) Rapid technological development may mean that similar translated tariff schedule information may be available from private sector sources at less cost. However, until such time as a review can be completed, we believe the U.S. should continue to participate in the IBPCT.

7. ICAC: We strongly concur with GAO's assessment of the limited value to U.S. interests of the International Cotton Advisory Committee.

-3-

Now on p. 15.

See comment 5.

8. IGC, ICAC, ISTA: Last line, page 10; first line, page 11. These sentences appear to be in conflict. On page 10, we read that these organizations are considering admitting industrial organizations as members to raise revenue, whereas on page 11 we read that they oppose the idea.

Now on p. 9.

See comment 6.

9. ICCROM: page 13, last line, continuing on page 14 to line 2. A number of USG agencies, the Smithsonian, in particular, would disagree with GAO's assessment that ICCROM's benefits "...do not appear to be proportionate to the cost." ICCROM has data bases and resources related to cultural property preservation that are unique and replaceable only at extraordinary cost, if at all. Moreover, we regard ICCROM as a very well-managed organization.

Now on p. 7.

See comment 4.

10. IGC: page 16. We believe that the IGC should be moved from Table 3 (Organizations Serving Narrow or Industry Specific Interest) to Table 2 (Organizations that Address a Broad Public Interest) for these reasons: 1) It serves a relatively broad public interest in view of the millions of American jobs which depend on the international grains trade and 2) the work of the IGC's Food Aid Committee (FAC) serves U.S. interests by providing a mechanism for members to coordinate food aid policies and programs in order to make such aid more effective and efficient in times of increasing budgetary constraints. In 1997, the FAC will play a major role in fulfilling commitments made by the USG at the highest political levels at both the WTO Ministerial Conference and the World Food Summit to help the world's malnourished.

Now on p. 16.

See comment 7.

11. ITTO, Page 12, lines 5 and 6: The statement "Industry representatives belong to inter-agency coordinating groups for many organizations, including ITTO and IOE" is not true for ITTO. ITTO has no interagency coordinating groups. However, the ITTO does field expert panels to undertake analyses from time to time. Such expert panels may include industry and environment NGO participants in addition to government experts.

We disagree that there are significant areas of overlap among ITTO, IOVW and FAO or between the ITTO and FAO (page 14, para 2, last sentence.) To illustrate: ITTO deals narrowly with the international trade in tropical timber whereas the Forestry Department of FAO deals with all types of forests and a wide range of technical assistance issues related to community forestry, agroforestry, etc. While there may be some minor overlap between the two in the area of trade statistics, this is minimal. In general, we would question the use of the term "agricultural-related" in referring to ITTO.

The following are GAO's comments on the Department of State's letter dated December 20, 1996.

GAO Comments

1. We acknowledged in our draft report that State had conducted a comprehensive review in 1995 to determine whether international organizations served important U.S. interests and whether continued U.S. membership in them was warranted. However, because the results of this effort were not (1) formally documented in State's records; (2) made available to us; or (3) reported to the Congress at the time of our review, we could not assess the completeness of State's evaluation.

2. We agree that the basis for the decision to withdraw from certain organizations was within the range of criteria that State announced in May 1996 and, therefore, have modified our report.

3. Because we believe that State's December 1996 report to the Congress is a step in the right direction, we are not making any recommendations at this time. (We have not reprinted attachment A, state's December 1996 report.)

4. In finalizing this report, we categorized the organizations in accordance with the broad priority categories used in State's December 1996 report to the Congress, rather than be whether the organizations served a "broad" or "narrow" interest.

5. We have clarified our report language.

6. While we do not doubt that ICCROM is a unique organization that provides valuable benefits to some U.S. agencies, some U.S. government officials have questioned whether the cost of belonging to this organization may not be disproportionately high when weighed against the national interest.

7. We revised the report to reflect this information; however, we believe that there are some areas of overlap between these organizations.

Ordering Information

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