On Jan. 22, we ended the year of the goat and began the year of the monkey. The past year brought much that was positive for AFSA members. There were those, however, who seemed to see 2003 as the year of the scapegoat, and blamed the Foreign Service for whatever made them unhappy about American foreign policy. Mr. Robertson would "nuke" us and Mr. Gingrich would "re-educate" us. AFSA would have none of it. Our responses have made a simple point: we need no one to give us lessons in courage, devotion to duty and patriotism.

FINANCIALLY SOLID
AFSA is a financially sound organization that spends about $3 million per year. While increasing our services to members we have built operating reserves and an endowment to support our awards and scholarship programs. AFSA’s operating reserve as of the end of 2003, thanks in part to a recovery in the stock market, was valued at $1,043,600. This is in addition to the debt-free headquarters building at 21st and E Streets N.W. The AFSA Scholarship endowment is valued at $4,474,042 and the Sinclaire Awards Fund at $375,590.

AFSA’S PUBLIC FACE:
A BETTER JOURNAL
We can be very proud of the success of the Foreign Service Journal. There is more advertising income — check out the full-page color ads in recent issues — and the articles are superb. I would especially note the September issue devoted to Foreign Service specialists and the lively debate that those articles provoked. Some of the best writing in the Journal, in my opinion, appears in the “Letters” section. Please keep writing us.

It was also a very good year for AFSA outreach: the Speakers Program, media placements, Elderhostel, and the Essay Contest explained the importance of U.S. diplomacy to record numbers of audiences and participants nationwide. AFSA also launched its all-new edition of Inside a U.S. Embassy, which is nearing 20,000 copies sold worldwide.

MEMBERSHIP
Our membership is at an all-time high of about 12,500. Among our active-duty constituencies, FCS takes the prize with a membership rate of over 80 percent. USAID membership is about 75 percent and State membership stands at 70 percent. Retirees, with about 3,700 members, are the second-largest constituency. New Foreign Service employees are signing up in record numbers. At our most recent recruiting lunches for new generalists and specialists, over 90 percent have joined AFSA.

BREAD AND BUTTER
None of us are in this business for the money, but AFSA did make progress on improving benefits. Our largest step forward was securing passage of the law allowing Foreign Service employees serving overseas to benefit from tax exemptions on sale of a principal residence. Passage of this law came after years of work by AFSA and our military colleagues. AFSA has also been pushing a complex of related issues involving locality pay and Senior Foreign Service pay and performance. These are a tough sell in today’s political climate in Washington, and in meetings we encounter persistent confusion between base pay and allowances and differentials. Much of our work is educational, explaining two realities:

• First, the gap between base pay in Washington and overseas is growing, and that increasing inequality is affecting the Service’s ability to staff its most difficult overseas posts.

• Second, differentials and allowances serve a different purpose from base pay. For example, employees at many of our most difficult posts receive no COLA, yet current laws have them taking a cut in base pay, with accompanying cuts in TSP, retirement and survivors’ benefits.

AFSA has been pushing other legislative fixes, including restoring prescriptive relief, implementing the PIP buy-back, and changing the low-ranking requirement. These changes are all in the Fiscal Year 2004 and 2005 State Department authorization bills, which are stuck in the law-making process. We will keep pushing these, but there are no guarantees of immediate success.

AFSA has been active in promoting the interests of retirees, providing counsel and assistance to retirees with annuity and benefit problems. AFSA convinced the Retirement Office to apply more transparent and humane procedures in annuity overpayment cases. AFSA has also increased its focus on legislative and regulatory actions that could affect retiree benefits, particularly health benefits.

THANKS TO ALL
Kudos to all of our committee and board members — VPs, representatives, and others — for their hard work. Post representatives and members in the field are providing vital support through messages that help us make our case with management, the media and the rest of the government. Your impressive support to the legislative action fund, the scholarship fund, etc., is vital in helping us fight for you. Special thanks also go to AFSA’s superb professional staff members who produce the Journal, deal with the media, run the office, maintain membership lists, keep us solvent, and who provide representation, advice and grievance counseling. Well done.

January

AFSA presents the first-ever AFSA National Alumni Service Awards to 12 AFSA retirees in recognition of their outstanding efforts to promote American diplomacy. The second installment of the Foreign Service Journal’s series profiling the various foreign affairs agencies spotlights the U.S. & Foreign Commercial Service. Retirees in California inaugurate an Elderhostel program on the Foreign Service in Ventura County. Nine FS employees receive the Sinclaire Language Awards for superior achievement while studying a “hard” language. The 2003 awards are given for the study of Albanian, Estonian, Greek, Korean, Latvian, Lithuanian and Polish.

AFSA writes to the State Department concerning untimely processing of Thrift Savings Plan contributions, and State management takes action to fix the problem. AFSA expresses concern that tenure boards are taking too long to publish results and issue letters of advice, and the department responds with steps to ensure that the boards’ work would be completed faster.

February

AFSA Communications Director Tom Switzer arranges a videoconference for a senior Asia expert to explain U.S. policy on North Korea to 30,000 households in northern New York via a regional cable network.

To ensure that specialist career candidates undergo the same termination procedures as generalists in the event the decision is made to seek to terminate a candidate’s appointment, AFSA asks the department to change the Foreign Affairs Manual. The department agrees.

We inform the department of changes in the Office of Personnel Management’s regulations for the payment of overtime to DS agents in training at the Federal Law Enforcement Training Center and ask that they be implemented immediately. Most agents receive overtime back pay by year’s end.

AFSA conducts an extensive survey on the implementation of the Members of Household policy and forwards results to the Under Secretary for Management. The newly renegotiated collective bargaining agreement for the Foreign Agricultural Service is put into effect.

Florida retirees present three weeks of Elderhostel programs on the Foreign Service.

March

The State Department Resource Management Bureau, in response to urging by AFSA, completes computer upgrades enabling it to offer a full range of annuity allotments to retirees. AFSA successfully negotiates in favor of the establishment of a regional senior commercial officer position in El Salvador.

AFSA reaches agreement with State management on the procedures and safeguards for placing certain security-record information before the promotion boards for FS-2s and above.

Office Director for the Office of Brazil and Southern Cone James J. Carragher speaks to the International Associates as part of AFSA’s corporate membership program.

Labor management staff help AFSA post reps address safety and health issues at a post where the chancery is undergoing extensive renovation.

AFSA submits testimony to the Senate Foreign Relations Committee regarding the Millennium Challenge Account proposal.

The House of Representatives passes H.R. 1307, the “Military Tax Fairness Act,” which contains changes to the capital gains tax exemptions on the sale of a principal residence without including the Foreign Service. The Senate then amends the bill to include the Foreign Service — an addition for which AFSA has pushed hard. The Senate passes the new version and sends it back to the House.

Under Secretary of State for Political Affairs Marc Grossman and Director General Ruth A. Davis speak at the launch of AFSA’s 2003 edition of Inside a U.S. Embassy.

April

AFSA successfully negotiates the implementation of a long-term language training pilot program at FCS, which begins in July 2003. AFSA successfully negotiates an important change with FCS to allow officers the flexibility to select Temporary Duty or Permanent Change of Station status for long-term full-time training.

AFSA proposes to State management measures to protect employees from SARS, and successfully obtains modification to the authorized departure rules for China to allow single parents or either member of a tandem couple to take their children to a safe haven in the U.S. at government expense.

The association successfully seeks adjustments to entry salaries for several Diplomatic Security agents who entered the Basic Special Agents Course in August 2002.

AFSA’s outreach department arranges a panel of AFSA board members and staffers to explain Foreign Service careers to some 100 students at Georgetown University.

AFSA President John Naland hosts a graduation reception for colleagues completing the Job Search Program prior to retiring from foreign affairs agencies.

AFSA submits testimony to the House Commerce, Justice, and State Appropriations Subcommittee urging adequate funding for the Diplomatic Readiness Initiative, embassy security and protection of soft targets.

We successfully intervene with management to resolve several knotty USAID travel and transportation issues.

May

AFSA submits testimony to the Senate Commerce, Justice and State Appropriations Subcommittee urging adequate funding for the DRI, embassy security and protection of soft targets.

We succeed in getting AFSA personnel-related provisions into both the House and Senate versions of the State Department authorization bill (Senate S. 925 and House H.R. 1950).

AFSA successfully negotiates the implementation of the Service Needs Differential concept, persuading FCS to endorse current State Department guidelines.
AFSA reviews new discipline regulations for the foreign affairs agencies' and proposes changes. Final agreement is reached in September.

On Foreign Affairs Day, Secretary of State Colin Powell, USAID Administrator Andrew Natsios and AFSA President John Naland unveil six additional names of Foreign Service employees added to the AFSA Memorial Plaque.

Retiree Liaison Ward Thompson attends a meeting of the Foreign Affairs Retirees of New England and presents National Alumni Service Awards to its founders on the organization's 20th anniversary.

Continuing its series profiling the various foreign affairs agencies, the Journal marks the 50th anniversary of the U.S. Foreign Agricultural Service.

Seattle-area retirees launch the first Foreign Service Elderhostel program in Washington state.

AFSA President John Naland meets with Foreign Service retirees and major media in Houston and San Antonio, Texas.

June
AFSA discusses proposed measures to protect soft targets overseas during a meeting at the Overseas Building Office.

Negotiations are successfully concluded on proposals sent in May by AFSA to State management urging amendments to the State Department's procedural promotion precepts for the 2003 promotion boards.

The Journal celebrates AFSA's 30 years as a union with articles by Tom Boyatt, Tex Harris, Hank Cohen, Ted Wilkinson and Ken Bleakley.

AFSA USAID persuades the Foreign Service Grievance Board to order the reinstatement of an underpaid USAID employee who had been selected out. The decision plows new ground. USAID seeks reconsideration. The board reconfirms, but USAID refuses to comply. A struggle between board authority and the agency's is now under way.

AFSA negotiates changes to the USAID evaluation skills matrix, Annual Evaluation Form and updated guidance.

Bonnie Brown joins the AFSA staff as Retiree Affairs Coordinator.

AFSA holds its annual awards ceremony. Secretary Powell presents the Award for Lifetime Contributions to American Diplomacy to former Secretary of State George P. Shultz. Awards for constructive dissent are presented as well as three awards for extraordinary contributions to effectiveness, professionalism and morale.

July
AFSA's FCS VP serves as moderator for a commercial diplomacy course organized by the Business Council for International Understanding at FSI for new DCMs and principal officers.

AFSA urges its membership to write members of Congress to support legislation that would protect the prescription drug benefits of retired employees in the Federal Employees Health Benefits Plan.

Again, AFSA seeks a change in the per diem regulations for FS personnel in long-term training at FSI.

AFSA State VP Louise Crane addresses the DCM and Principal Officer Course at FSI.

The outgoing AFSA Governing Board — whose president, John Naland, faithfully served AFSA for four years as State VP and then president — is given a fond farewell. The new Governing Board, led by Amb. John Limbert, takes office.

AFSA successfully recruits for membership 80 percent of new entrants joining the USAID Foreign Service.

August
Secretary Powell presents awards to the winners of the 2003 AFSA National High School Essay Contest, which drew 550 entries.

After over four years of negotiation and consultation, AFSA and FCS agree to a new management planning and performance appraisal system policy and promotion precepts that will dramatically change the evaluation procedures in FCS.

After several negotiating sessions, State management agrees on a pilot program for a new EER form for FS-1s and above.

Retiree Coordinator Bonnie Brown informs the State Department of errors it had made in calculating lump-sum payments for annual leave upon retirement. The department then recalculates payments for annuitants who had been underpaid.

AFSA urges the House Ways and Means Committee to favorably consider a Premium Conversion Bill (H.R. 1231) that would permit retirees to pay health insurance premiums with pretax earnings.

AFSA's newly-expanded Web marketplace attracts more than 4,000 hits monthly. The most requested pages include schools, books, extended-stay housing, real estate, and property management.

AFSA meets with the National Treasury Employees Union to discuss shared interests regarding locality pay for those posted abroad.

State Department officials brief AFSA on State's capital security cost-sharing proposals. AFSA considers the implications for USAID and Commerce.

AFSA rebuts attacks on American diplomacy made by Newt Gingrich via placement of articles and interviews by senior diplomats in major media, including Foreign Policy magazine, The Washington Times, NBC News, Fox News and NPR.

September
AFSA files comments in an Equal Employment Opportunity proceeding, opposing a proposed rule that would exempt employers from provisions of the Age Discrimination in Employment Act of 1967, thereby permitting them to reduce or eliminate health insurance for Medicare-eligible retirees.

MARCH 2004 • AFSA NEWS
AFSA NEWS • MARCH 2004

YEAR IN REVIEW

D.C.-area retirees present the Elderhostel week in Northern Virginia, the 50th since the AFSA-sponsored program began in 1996.

AFSA arranges for a distinguished group of retirees to explain U.S. diplomacy to audiences at Johns Hopkins University's prestigious "Evergreen" professional education program.

AFSA intercedes on behalf of several State employees whose EERs had not been written or submitted in a timely manner.

Discussions are held between AFSA and management officials in the Diplomatic Courier Service addressing ongoing issues affecting traveling couriers.

Over 100 university and college career centers purchase Inside a U.S. Embassy following AFSA mailing.

October

The Journal wins an Award for Publication Excellence certificate in the category of printed four-color magazines and AFSA News wins an award in the annual report category.

The annual AFSA Elderhostel week at the Chautauqua Institution in New York draws a record 200 participants.

AFSA meets on Capitol Hill with House International Relations Committee staff to discuss the State Department 2004 authorization bill.

AFSA meets with the Senate Government Affairs Committee regarding status of new language in the Defense Department authorization bill conference. AFSA also meets with Senate Foreign Relations Committee staff to discuss progress on the State Department authorization bill and offer assistance.

A joint press conference is held with the Uniformed Coalition urging the House and Senate to enact the Military Tax Fairness Act provisions.

AFSA meets with Donald Reid, Senior Coordinator for Diplomatic Security, concerning the handling of security clearances and related issues.

The association concludes an agreement with the State Department on the requirement for hardship service in order to qualify for promotion to the Senior Foreign Service, with waivers in certain medical circumstances.

AFSA agrees to the department's proposed incentive packages for service in Iraq and Afghanistan.

November

On Nov. 11, President Bush signs H.R. 3365, the "Military Family Tax Relief Act," providing special tax considerations for the Foreign Service and the military in exempting the capital gains tax on the sale of a principal residence.

AFSA President John Limbert speaks at the annual meeting and banquet of the Foreign Service Retirees Association of Florida in Jacksonville.

Retiree Liaison Bonnie Brown meets with State's legal, retirement and financial staff concerning measures to prevent future over-payments to annuitants and measures to ameliorate the effects of over-payments. She receives assurances that the monitoring of calculations and communications with retirees will improve.

AFSA Governing Board members and staff receive a briefing from Diplomatic Security on Iraq service. AFSA expresses the concerns of members and seeks better preparation for those assigned to Iraq.

Rep. Frank Wolf, R-Va., Chairman of the House Commerce, Justice, State Appropriations Subcommittee, meets with AFSA to discuss our concerns regarding the omnibus appropriations package and other issues.

AFSA collaborates with USAID management on the USAID Workforce Planning Working Group and other working groups, and successfully persuades management to offer an Immediate Benefit Plan to USAID employees in 2004.

USAID AFSA continues an ongoing exchange with USAID over its denial of eligibility to FS personnel serving in USAID, FAS, FCS and IBB.

USAID AFSA creates and presents to management a matrix that lays out the benefits disparity between USAID and other foreign affairs agencies. AFSA hopes the matrix will serve as a catalyst for movement on the issues listed.

December

As part of AFSA's mid-term bargaining agenda with FCS, we succeed in persuading FCS to endorse the new FAM guidelines on the Member of Household Policy.

AFSA proposes changes to the time-in-service time-in-class rules for State generalists who convert from specialist at the mid-level.

We also propose changes to HR records to take into account the special circumstances affecting employees who are called up for military service.

We successfully contest Human Resource decisions to deny two temporary quarters allowance extension requests.

AFSA meets with Senate Government Affairs Subcommittee on Federal Service staff to discuss the impact on the Senior Foreign Service of the DOD authorization bill. The measure would freeze an existing discrepancy in SFS remuneration because of the lack of locality pay for those serving abroad.

AFSA meets with the Senior Executive Association's general counsel to discuss the impact on SES and SFS of the DOD authorization provisions eliminating locality pay and the freezing of salary levels as of Jan. 11, 2004, and to seek an (ultimately successful) joint approach to our common problem.

The Journal sets an all-time record (for one month and for one year) for advertising, both in pages sold and total advertising revenue. In spite of a relatively difficult year for the advertising industry, the FSJ increased gross sales by more than 10 percent in 2003.

AFSA hosts the last of 28 recruitment lunches in 2003 for new generalists and specialists; a full 85 percent of all new hires join AFSA.

AFSA hosts three retirement champagne toasts for retiring members and welcomes 256 new and rejoining retired members.

Membership reaches 12,474 by year's end.

AFSA assists hundreds of employees from State, USAID, FAS, FCS and IBB during 2003 with administrative issues, grievances, discipline cases, security investigations and security clearance matters.
Finance and Administration
- Accounting
- Financial Management
- Staff Recruitment & Supervision
- Building Administration
- Board and Committee Support

From left: Controller Kalpna Srimal, Executive Director Susan Reardon, and Accounting Assistant Steven Tipton.

Outreach Programs
Public Outreach
- Speakers Bureau
- Elderhostel
- Memorial Plaque
- Foreign Service Day
- Diplomats Online
- AFSA Awards
- Inside a U.S. Embassy Book

Congressional Affairs
- Lobbying
- Tracking Legislation
- Hill Testimony
- Grassroots Campaigns

Retiree Services
- Member Inquiries
- Retiree Newsletter
- Retiree Directory

From left: Congressional Affairs Director Ken Nakamura, Executive Assistant Austin Tracy, Retiree Liaison Bonnie Brown, and Director of Communications Tom Switzer. Not pictured: Professional Issues Coordinator Barbara Berger and Elderhostel Coordinator Ward Thompson.

Foreign Service Journal
- Editing
- Writing
- Design
- Advertising
- Subscriptions and Sales

Advertising & Circulation Manager Ed Miltenberger, Senior Editor Susan Malra, Associate Editor Shawn Dorman, Editor Steve Honley, and Business Manager Mikkela Thompson. Not pictured: Art Director Caryn Suko Smith.

Member Services
- Member Recruitment
- Post Reps
- Insurance Programs
- Address Changes
- AFSAANET
- AFSA Web Site

Membership Director Janet Hedrick and Administrative Assistant Ana Lopez. Not pictured: Membership Representative Lindsay Peyton.

Labor Management
- Negotiations
- Protecting Benefits
- Grievance Counseling
- OIG & DS Investigations
- Member Inquiries
- Informing the Field


Scholarships
- Financial Aid
- Merit Awards
- Art Merit Awards
- Committee on Education

Scholarship Administrator Lori Dec.
The total number of visitors to the AFSA site increased dramatically in 2003. The popularity of AFSA’s national essay contest and book, *Inside a U.S. Embassy*, drew approximately 40,000 non-Foreign Service visitors. AFSA’s Web site offers an excellent opportunity to introduce the public to the valuable role members of the Foreign Service play in serving their country.

Additionally, AFSA Web site statistics indicate that visitors to our site are downloading greater quantities of information, viewing more pages and returning to our site more frequently. The AFSA Web site is providing Foreign Service members with content-rich information as well as serving as a resource for many non-Foreign Service visitors.

AFSA encourages all members to visit the AFSA Web site at www.afsa.org and to sign up for the AFSPANET listserve designed to provide updates on items of interest to the foreign affairs community.
Income ........................................ $1,780,000
Foreign Service Journal Advertising ........... $439,000
Insurance Programs ................................. $25,000
Legislative Action Fund ............................. $40,000
Publications and Other ............................ $41,500
Professional Programs and Outreach .......... $252,810
Scholarships .......................................... $340,954
TOTAL ................................................ $2,919,264

Expenses .......................................... $1,000,911
Membership Programs ............................. $697,651
Foreign Service Journal ............................ $173,297
Legislative Affairs ................................ $341,807
Professional Programs and Outreach ......... $338,505
Scholarships .......................................... $354,645
Contributions to Endowment and Reserves ... $12,448
TOTAL ................................................ $2,919,264

AUDIT REPORT for AFSA
AFSA’s audited financial statements for 2003 will be available on the AFSA Web site (www.afsa.org) on May 14.
AFSA in 2003: By the Numbers

- 18 Number of one-week Elderhostel programs on the Foreign Service
- 49 AFSA articles and letters placed in newspapers around the nation
- 90 Number of students who received AFSA scholarships
- 137 AFSA’s newsletter sent in 2003
- 177 Members serving as post and bureau representatives
- 256 New retiree members
- 550 Students participating in AFSA’s High School Essay Contest
- 978 Foreign Service new hires who joined AFSA
- 7,687 Subscribers to the AFSA NewsListserve
- 12,474 AFSA members at year’s end
- 19,000 Number of copies of Inside a U.S. Embassy sold
- 20,250 Attendees at AFSA speaker programs nationwide
- 32,000 Dollar amount AFSA-PAC contributed to members of Congress
- 472,013 Dollar amount of advertising in the Foreign Service Journal
- 1,929,264 Dollar amount of AFSA’s budgeted income

Benefits of AFSA Membership

**LABOR MANAGEMENT RELATIONS:** AFSA negotiates the regulations affecting employees’ careers.

**CONGRESSIONAL ADVOCACY:** AFSA is your advocate before Congress on issues affecting the careers of active members and the annuities of retired members.

**OMBUDSMAN:** We work to resolve member problems with pay, allowances, claims, annuities, health care, and many other issues.

**VOICE OF THE FOREIGN SERVICE:** As the professional association of the Foreign Service since 1924, AFSA works to strengthen our profession and is ever vigilant for threats to the career Foreign Service.

**GRIEVANCE REPRESENTATION:** AFSA’s legal staff provides hands-on assistance with grievance proceedings when your rights are violated.

**OUTREACH:** AFSA communicates the views of the Foreign Service on professional issues to the news media and directly to the general public.

**FOREIGN SERVICE JOURNAL:** Our monthly magazine offers provocative articles that will keep you current on developments in the foreign affairs profession.

**AFSA NEWS:** AFSA’s monthly newsletter, published inside the Foreign Service Journal, highlights issues affecting your daily life.

**AFSA WEB SITE:** Online member area including member directory and member forums.

**AFSANET:** Regular e-mail updates keep you current on issues of importance to the Foreign Service community.

**LEGAL SERVICES:** We offer free legal advice and representation on employment issues, including security and OIG investigations, discipline cases and security clearance proceedings.

**INSURANCE PROGRAMS:** You can choose among competitively priced insurance programs designed for the Foreign Service community, including professional liability insurance, accident, dental and personal property/tranist.

**RETIREE SKILLS DATABASE:** Our online database lists AFSA members who are available for jobs, college teaching, and speaking engagements in a wide variety of areas.

**AFSA SCHOLARSHIPS:** Approximately 100 merit and financial need scholarships are granted every year to Foreign Service family members. Since 1926, AFSA has awarded approximately $4,450,000 in scholarships.

**AFSA AWARDS:** This unique awards program honors constructive dissent and outstanding performance.

**RETIREE NEWSLETTER:** This bimonthly newsletter is exclusively for retired members.

**DIRECTORY OF RETIRED MEMBERS:** This invaluable annual listing, by state, of contact information for retired members is provided to all retired AFSA members.

**MAGAZINE DISCOUNTS:** AFSA members are eligible for special discounts on subscriptions to major foreign affairs journals.

**ESPRIT DE CORPS:** We work to build a sense of common cause and professional pride among all Foreign Service members — active and retired; officer and specialist; entry-level and veteran.

**AFSA MEMORIAL PLAQUES:** Established in 1933, and maintained by AFSA, these plaques in the Truman Building lobby honor members of the Foreign Service who lost their lives overseas in the line of duty.

—with the line of duty.

— **COMMUNITY:** We foster teamwork, respect each other, and enjoy our time together.

— **RESPONSIVENESS:** We listen to our members and actively promote their interests.

— **EFFECTIVENESS:** We act with a sense of urgency, get results, and make a difference.

— **INTEGRITY:** We demonstrate openness, honesty and fairness in everything we do.

— **EFFICIENCY:** We carefully expend our resources where they can have maximum impact.

— **PATRIOTISM:** We are faithful to the grand and enduring ideals that gave our nation birth.

— **EMPowerment:** We trust each other to give our best efforts guided by these core values.