

Broadcasting Board of Governors FY 2014 Budget Request

## **Chief Executive Officer Proposal**

The FY 2014 Budget includes a legislative proposal to establish a Chief Executive Officer (CEO) for U.S. international broadcasting. Establishing a CEO is a key objective of the BBG and the Administration. The proposal will improve the management and efficiency of BBG operations.

The BBG's governing board has repeatedly voiced support for creation of a CEO, an element in their five-year strategic plan, and has previously submitted language to the Congress for such a position. The Department of State's Office of the Inspector General underscored the importance of such an action.

The BBG 2012-2016 strategic plan lists several needed structural reforms, including having a hands-on CEO, and notes that "today's economic realities argue for correcting our organizational inefficiencies."

The plan goes on to note that "the current structure complicates managing resources for highest impact as well as the integration and projection of core talents and capabilities. It obstructs efforts to transform the agency's assets into an integrated network that can take advantage of the wide-ranging, highly professional newsgathering activities done by each BBG entity."

In a January 2012 vote to move forward with a number of structural reforms, the BBG board set forth its views on the CEO concept this way: "The position of Chief Executive Officer of United States International Broadcasting (the "CEO"), reporting to the Board of Governors, shall be created. The CEO will be empowered to provide day-to-day executive leadership for United States international broadcasting and should have management authority over the federal and non-federal elements of United States international broadcasting, subject to Board oversight."

The Office of the Inspector General wrote in January 2013 that "the concept of a CEO with clearly delineated authorities and responsibilities, complemented by a part-time, Presidentially appointed board of directors focused on strategic issues, has worked well with entities like the Millennium Challenge Corporation and the Corporation for Public Broadcasting. A CEO would allow the Board to put the necessary focus on these strategic concerns and keep out of day-to-day management."

This Budget establishes the position of a CEO who will be chosen by and report to the Board. The CEO will be empowered to provide day-to-day executive leadership for U.S. international broadcasting and will have management authority over the federal and non-federal elements of U.S. international broadcasting. The Board will retain the critical role of setting the strategic direction of U.S. international broadcasting, as well as evaluating its journalistic quality and maintaining its journalistic integrity.

The CEO will implement the strategies developed by the Board. This move will allow the Agency to respond more nimbly to management challenges identified by the BBG, the OIG, the GAO, the White House, and the Department of State.

The proposed legislation:

- Changes the Board's quorum requirement from five (5) Governors to a majority of currently-serving Governors.
- Retains the Board's statutory role of setting strategic direction, evaluating the agency's journalistic quality, and maintaining the journalistic integrity of US international broadcasting.
- Assigns day-to-day operational authorities of US international broadcasting to the CEO, including carrying out strategic direction, managing grant agreements, and supervising and allocating funds appropriated for all broadcasting activities.
- Requires the Board to select a CEO within 180 days of enactment of the law. Stipulates that the CEO is to be appointed to a 5-year renewable term and can be removed by a 2/3 majority vote of the Board.
- Requires the CEO to submit proposed budgets to the Board.
- Abolishes the position of IBB Director and transfers the functions and authorities of the IBB Director to the CEO.
- Gives the CEO express authority over VOA and OCB and clarifies that both entities report to the Board through the CEO.
- Establishes that leadership of the grantees will communicate and report to the Board through the CEO.
- Gives the CEO, as a condition of any grant, the authority to "redirect funds within the scope of the grant as needed in order to maintain consistency with Board-approved agency priorities world-wide.

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contributions which are appropriated in the International Broadcasting Operations account.

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	2012 actual	2013 CR	2014 est.
Offsetting receipts from the public:			
95-32268 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts .....	2	.....	.....
General Fund Offsetting receipts from the public .....	2	.....	.....

**GENERAL PROVISIONS**

**CREATION OF THE POSITION OF CHIEF EXECUTIVE OFFICER OF UNITED STATES INTERNATIONAL BROADCASTING**

SEC. 701. (a) Section 304(f) of the United States International Broadcasting Act of 1994, as amended (22 U.S.C. 6204(f)) is amended to read as follows:

(f) **DECISIONS.**—Decisions of the Board shall be made by majority vote, a quorum being present. A quorum shall consist of a majority of Governors then serving (as determined under subsection (c) of this Section) at the time a decision of the Board is made.

(b) Sections 305(a)(2) and (11) of the United States International Broadcasting Act of 1994, as amended (22 U.S.C. 6204(a)(2) and (11)) are amended to read as follows:

(a) **AUTHORITIES**

The entity known as the Broadcasting Board of Governors shall have the following authorities:

(2) To review and evaluate the mission and operation of, and to assess the quality, effectiveness, and professional integrity of, all such activities within the context of the broad foreign policy objectives of the United States, and to set the strategic direction for international broadcasting activities of the Federal and non-Federal entities granted funds under the Broadcasting Board of Governors.

(11) To appoint a Chief Executive Officer for a 5-year term that is renewable at the Board's discretion and such other staff personnel of the Board as the Board may determine to be necessary, subject to the provisions of Title 5 governing appointments, classification, and compensation. The Board shall appoint a Chief Executive Officer by no later than 180 days following the effective date hereof (and may appoint an interim Chief Executive Officer prior to such appointment) and, thereafter, within 180 days of the departure or removal of a Chief Executive Officer. The Chief Executive Officer may be removed by the Board by a 2/3 majority of Governors then serving.

(c) Sections 305(b), (c), and (d) of the United States International Broadcasting Act of 1994, as amended (22 U.S.C. 6204) are amended to read as follows:

(b) **DELEGATION OF AUTHORITY.**—The Chief Executive Officer shall have sole responsibility to carry out the authorities enumerated in 22 USC 6204(a)(1), (5), (6), (7), (8), (10), (11 (except the authority to appoint the Chief Executive Officer under paragraph (11) of subsection (a))), (12), (13), (14), (15), (16), (17), (18), and (19) subject to the ongoing supervision of the Board. The Board, at its discretion, may delegate the responsibilities enumerated in 22 USC 6204(a)(2), (3), (4), and (9) which may be delegated to the extent the Board determines to be appropriate. The Chief Executive Officer shall exercise any authority so delegated subject to the ongoing supervision of the Board, except the authority to appoint and remove the Chief Executive Officer under paragraph (11) of subsection (a), which shall be exercised solely by the Board.

(c) **BROADCASTING BUDGETS.**—The Chief Executive Officer shall submit proposed budgets to the Board for all activities authorized to be conducted under this title for review and approval. The Board shall forward its recommendations concerning the proposed budget for the Board and broadcasting activities under this title, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act to the Office of Management and Budget.

(d) **PROFESSIONAL INDEPENDENCE OF BROADCASTERS.**—The Secretary of State, the Board, and the Chief Executive Officer, in carrying out their functions, shall respect the professional independence and integrity of the International Broadcasting Bureau, its broadcasting services, and the grantees of the Board.

(d) Section 307(b) of the United States International Broadcasting Act of 1994, as amended (22 U.S.C. 6206(b)) is amended to read as follow:

(b) **SELECTION OF DIRECTOR OF BUREAU.**—The Director of the Bureau shall be abolished immediately after the individual holding that office on the date of the enactment of this Act ceases to hold that office, and all responsibilities and authorities shall be transferred to the Chief Executive Officer.

(e) Section 310(a), (b), (c), and (d) of the United States International Broadcasting Act of 1994, as amended (22 U.S.C. 6209) is to read as follows:

**Section 310-Establishment of the Chief Executive Officer**

(a) **FUNCTIONS AND DUTIES.**

(1) The Chief Executive Officer shall have the following functions and duties:

(i) To exercise the authorities identified pursuant to Section 305(b);  
(ii) To exercise the authorities delegated by the Board of Governors pursuant to Section 305(b);

(iii) To carry out all of the broadcasting activities conducted pursuant to this title, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act.

(2) The Chief Executive Officer shall not assume any of the functions and duties of the Director of the International Broadcasting Bureau until the individual holding that office on the date of the enactment of this Act ceases to hold that office.

(b) **ORGANIZATION OF BROADCASTING ACTIVITIES SUBORDINATE TO THE CHIEF EXECUTIVE OFFICER.**—The position of the Director of the International Broadcasting Bureau shall be abolished immediately after the individual holding that office on the date of the enactment of this Act ceases to hold that office, and the functions and activities formerly organized under such Director shall be organized as directed by, and shall be subordinate to, the Chief Executive Officer. The Directors of the Voice of America and the Office of Cuba Broadcasting shall report, and are subordinate, to the Chief Executive Officer. RFE/RL, Incorporated; Radio Free Asia; and Middle East Broadcast Networks, Incorporated are independent organizations but shall communicate and report through the Chief Executive Officer to the Board.

(c) **CHIEF EXECUTIVE OFFICER AUTHORITY OVER GRANTS.**—For all grants made by the Broadcasting Board of Governors, a condition of the grant shall be that the Chief Executive Officer shall have authority to redirect funds within the scope of the grant as needed in order to maintain consistency with Board-approved agency priorities worldwide. Failure to comply with any redirection in accordance with this condition shall be a violation of the terms and conditions of the award and may result in corrective action taken by the Broadcasting Board of Governors, which may include suspension or termination of the grant until remedied.

(d) **CONGRESSIONAL LOBBYING.**—No grant funds provided by the Broadcasting Board of Governors may be used for any activity for the purpose of influencing the passage or defeat of legislation being considered by Congress.

**BUREAU OF CONSUMER FINANCIAL PROTECTION**

**Federal Funds**

**BUREAU OF CONSUMER FINANCIAL PROTECTION FUND**

**Special and Trust Fund Receipts** (in millions of dollars)

Identification code	95-5577-0-2-376	2012 actual	2013 CR	2014 est.
0100	Balance, start of year .....	.....	.....	.....
	Receipts:			
0200	Transfers from the Federal Reserve Board, Bureau of Consumer Financial Protection Fund .....	343	522	497
	Adjustments:			
0290	Adjustment - receipts rounding issue .....	1	.....	.....