



Highlights of [GAO-10-689](#), a report to Committee on Foreign Relations, Senate and the Committee on Foreign Affairs, House of Representatives

## Why GAO Did This Study

In response to the 1998 bombings of two U.S. embassies, the Department of State (State) embarked on a multiyear, multibillion dollar program to replace insecure and dilapidated diplomatic facilities. Since 2001, State has constructed 52 new embassy compounds (NECs) under this program, and moved over 21,000 U.S. government personnel into more secure and safe facilities. GAO was asked to examine (1) the extent to which new facilities match the space and functionality needs of overseas missions and State's actions to address space and functionality challenges; and (2) operations and maintenance challenges at these new facilities and State's steps to address them. GAO analyzed staffing data and other documentation for 44 NECs built from 2001 to 2009 and interviewed State headquarters and embassy officials at 22 of these 44 NECs to obtain information on their functionality and operations and maintenance issues.

## What GAO Recommends

GAO recommends that the Secretary of State take several actions to (1) improve its processes for determining NEC size and ensuring that these facilities are fully functional, and (2) address challenges in meeting NECs' long-range operations and maintenance needs.

GAO received comments from the Department of State, which agreed with our recommendations. State's comments are reprinted in appendix II.

View [GAO-10-689](#) or [key components](#). For more information, contact Jess T. Ford (202) 512-4128, [fordj@gao.gov](mailto:fordj@gao.gov) or Terrell G. Dorn (202) 512-6923, [dornt@gao.gov](mailto:dornt@gao.gov).

## NEW EMBASSY COMPOUNDS

### State Faces Challenges in Sizing Facilities and Providing for Operations and Maintenance Requirements

#### What GAO Found

State has located nearly one-quarter of overseas staff in NECs, which posts said are an improvement over older facilities. However, NECs do not fully meet the space and functionality needs of overseas missions. Current staffing levels exceed the originally-built desk—or office—space at over half of the 44 NECs GAO analyzed. Post management has dealt with space limitations by converting spaces, like conference rooms, into offices, but 4 posts have had to retain space outside the compound for staff that could not fit in the NECs. Also, officials at almost all of the 22 NECs that GAO reviewed in depth reported some spaces, like consular affairs spaces, did not fully meet their functional needs. According to State officials, it is difficult to predict changing foreign policy priorities that can affect staffing levels, and the process for planning NECs has been unable to fully account for these changes. Budget constraints also affected decisions about the size of NECs and types of features provided. State has taken some actions to improve NEC sizing, but does not have sufficient flexibility in its staffing projection and design processes to better address sizing challenges. To address problems with functionality, State implemented a lessons learned program to analyze issues in completed NECs and modify design criteria for future NECs, but State has not completed, in a timely manner, planned evaluations that are designed to identify such issues.

While NECs are state-of-the-art buildings, they have presented operations and maintenance challenges, and the larger size and greater complexity of NECs, compared to facilities they replaced, have resulted in increased operations and maintenance costs. In 2010, State developed its first long-range maintenance plan that identifies \$3.7 billion in maintenance requirements over 6 years for all overseas facilities, but it does not include time frames for implementing identified maintenance projects or address increased operating costs. Problems with testing, or “commissioning,” new building systems have contributed to problems with building systems that do not function as they should, causing higher maintenance costs. State strengthened its commissioning process, though this change only applies to future NECs and does not address problems at existing NECs. Further, State does not currently recommission—or retest—NECs to ensure they are operating as intended. In addition, more than half of the 22 NECs that GAO reviewed in detail experienced problems with some building systems, resulting in the need for premature repair and replacement. Through its lessons learned program, State has changed some design criteria for future NECs to avoid problems with building systems. Finally, State has had problems hiring and training personnel who have the technical skills necessary to manage the complex NEC systems. State has taken initial steps to improve its staff hiring and training, but does not have an overall plan to establish its NEC human resource needs and the associated costs.