

Testimony Submitted by Jim Doumas, Executive Vice President and Interim CEO for Sister Cities International

For the Appropriations Committee on State, Foreign Operations, and Related Programs concerning the FY2012 Educational and Cultural Affairs Budget

U.S. House of Representatives
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As Executive Vice President and Interim CEO for Sister Cities International I appreciate the opportunity to submit testimony in support of the President's Budget Request of \$637.1 million for the educational and cultural exchange programs administered by the Department of State Bureau of Educational and Cultural Affairs (ECA) in FY 2012.

Sister Cities International is a nonprofit citizen diplomacy network that creates and strengthens partnerships between U.S. and international communities at the local level. Sister Cities International currently represents more than 600 U.S. communities with over 2,000 international partnerships, in 136 countries. For 55 years, Sister Cities International has facilitated partnerships between communities to build global cooperation at the municipal level, promote cultural understanding, and stimulate economic development. Sister Cities International creates the framework for long-term, sustainable partnerships, many of which have endured decades. Our organization works to improve the financial and security position of the United States on a global scale by facilitating exchanges in the areas of trade and economic development, arts and culture, youth and education, sustainable development, and humanitarian assistance.

International exchange has long been recognized as a vital part of U.S. foreign policy and has historically had bipartisan support. A funding level of \$637.1 million would allow for an increase in the U.S. Department of State's exchange programs that are vital to our country's efforts to build mutual understanding and respect between the U.S. and nations around the world. Much of the work in this area is conducted by U.S. citizens and their international counterparts on a voluntary basis. These State Department funds act as a catalyst to leverage significantly more resources at the local community level in the U.S. and abroad.

National Security Impact of Sister Cities International

At a vital moment in time, when we are witnessing major political changes in areas around the world of importance to the United States, people-to-people exchange organizations like Sister Cities International provide an effective and efficient avenue for communication, support, diplomacy, and humanitarian disaster relief.

International exchange programs support a key U.S. State Department objective: "to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange." Defense Secretary Robert Gates has highlighted the importance of international exchange as a "soft power tool" when he announced, "Our civilian institutions of diplomacy and development have been chronically undermanned and

underfunded for far too long.” Both relative to military spending and to, “The responsibilities and challenges our nation has around the world.” Our network works effectively to meet these challenges.

Laguna Niguel California and Al-Qa’im, Iraq began their relationship in 2008 upon the request of Lt. Col. Jason Bohm, commander of the 1st Battalion, 4th Marine Regiment in Iraq. Following the removal of Al-Qaida from the city, the Lieutenant believed that starting a sister city partnership would encourage peace and help the city to rebuild in a post-conflict community. Al Qa’im’s mayor, Farhan Tekan Farhan, has utilized the relationship to visit California, discuss new ideas for implementing a local government, and address the differences between Iraqi and American government structures. Laguna Niguel sent medical supplies to their sister city and hopes that in the near future they will have the resources to establish a more serious medical exchange. In addition, Laguna Niguel has sent sporting equipment to Al-Qa’im’s school children and is in the process of establishing a student exchange program for children aged 8-10, hoping to build understanding and respect between Muslim and Catholic youth at an early age.

Sister cities San Diego, California and Jalalabad, Afghanistan established a women’s development center in Jalalabad which provides courses for women in literacy and computer training. San Diego has also donated an ultrasound machine to the Jalalabad hospital. Though Jalalabad has an established university, the college has very few resources, lacking adequate libraries and computers.

Minneapolis, Minnesota and Najef, Iraq signed their sister city agreement in 2010. Twelve Iraqis visited Minneapolis this past September. These professors, former city council members, business professionals, non-governmental organization directors and members of the Muslim Peacemaker Teams (MPT) were interested in building personal networks and bridging the gap between the U.S. and Iraq.

Local Economic Impact of Sister City Relationships

The return on investment of international exchange programs like Sister Cities International is staggering. International exchanges represent .0001 percent of the economy, but boost local industry and development, build avenues for trade, and company expansion and develop the personal relationships that open doors for private sector investment. A recent economic impact analysis of the Phoenix Sister Cities Commission revealed that sister city relationships directly and indirectly support about 1,670 jobs in the metro area with an annual payroll of \$71.4 million. This corresponds to an annual economic impact of \$268.7 million. Of this total, 950 of those jobs and \$27.7 million in annual payroll are located within the City of Phoenix. The events and activities captured in this impact analysis included international visitors, local vendors at cultural events, on-going operations and maintenance of cultural attractions, international students and company expansions. The Phoenix Sister Cities Commission is responsible for over 1.37 million visitor days. At the present time, the local company expansion related to sister cities contacts support 690 direct and indirect jobs and create a combined annual impact of \$185.4 million locally (*Economic and Revenue Impacts of the Sister Cities Commission on the City of Phoenix, Applied Economics, December 2009*).

Similarly, Fort Worth Sister Cities International conducted an economic impact study that determined the Fort Worth Sister Cities International directly and indirectly supported about 50 jobs in Tarrant County with a payroll of \$1.8 million. The majority of the impact is from sister cities visitors. Over the past three years, the organization was responsible for close to 13,600 visitor days. The estimated 460 visitors come to Fort Worth each year to participate in citizen exchanges and attend events related to Fort Worth Sister Cities International. Each visitor stays an average of 10 days spends close to \$1 million each year for lodging, food, transportation, shopping, and entertainment. In total, the activities and events included in this study have an annual economic impact of over \$1.6 million on the greater Fort Worth economy, or about \$4.9 million over the past three years (*Economic and Revenue Impacts of Fort Worth Sister Cities Applied Economics*).

Other sister city programs have also expanded international trade opportunities. The City of Tacoma and the Port of Tacoma-Fuzhou Trade Project, under Tacoma Sister Cities, expanded trade with China and attracted foreign investment in Tacoma. "Our two regions have shared numerous exchanges to expand and strengthen trade and cultural ties," says Port of Tacoma Commissioner Connie Bacon of the sixteen-year sister city relationship. "China is now Tacoma's largest trading partner by both volume and dollar value with Fuzhou as the key gateway to this market. As we continue to strengthen our relationship, both the people of Fuzhou and Tacoma will benefit for generations to come." Tacoma has several Sister Ports – including, Kitakyushu, Japan and Vladivostok, Russia. In an 18 month period of time the port of Tacoma realized \$289,000 in export and investment capital and \$505,000 realized import capital. The combination of projected and realized transactions totals \$2,395,000.

Sister city partnerships promote economic development. Sister cities Louisville Kentucky and Tamale, Ghana created a five-year plan to increase workforce training and economic development in both communities. Two years into the plan, the two cities accomplished their goals and used their successful joint education initiatives as the foundation for expansion into a separate, for-profit, economic-development organization known as EconVillage. EconVillage, working with the Ghanaian government, have generated almost \$20 million in domestic sales of used Caterpillar equipment.

Humanitarian Assistance and Disaster Relief

The recent devastation in Japan is a good example of how valuable the sister city network can be. Immediately after the earthquake and tsunami in Japan, the U.S. sister city network went to work to reach out to their local contacts to find out the most targeted way they could aid their sister cities. The sister city relationship between Riverside, California and Sendai, Japan is one of the oldest Sister Cities International program in the United States, dating back to 1957. Riverside immediately organized a robust relief effort for Sendai, the epicenter of the earthquake and one of the most severely affected Japanese cities. The Californian city has already raised nearly \$335,000 that will go directly to Sendai in their time of need.

These relationships are reciprocal. When Hurricane Katrina devastated New Orleans in 2005, their Japanese sister city, Matsue City Japan, raised a phenomenal \$40 million to help their partners and continued to do so long after the media attention on New Orleans faded.

Currently, nearly two dozen U.S. based cities are working with cities throughout Africa to develop projects in the areas of health, water, and sanitation. Sister Cities International is able to carry out this important work because of the trust and familiarity that sister city leaders have cultivated over the years. Sister Cities International members working with partners in the developing world have shown American generosity by donating books, medical equipment, computers, and other resources. The good will generated by these kind acts and the personal experiences they share far exceeds the value of the donations themselves in shaping opinions about the United States and its people. Sister Cities International member partnerships last beyond any one specific activity or crisis.

Along with other exchange partners, funding from the Educational and Cultural Affairs Budget allows these programs and thousands more to exist. Funds from the educational and cultural exchange programs at the Department of State provide opportunities for more exchanges, bolster existing city to city relationships, allow members to engage the next generation of citizen diplomats through youth exchange programs, and help members expand their potential to seek other sister cities and broaden the diversity of the network. Over the past decade, the support by this Subcommittee for the work of Sister Cities International members has allowed for hundreds of thousands of citizens from across the world to share their perspectives and experiences, strengthening international relationships, increasing job and business growth and encouraging new leaders to think globally.

I thank you again for this opportunity to voice Sister Cities International's support for the educational and cultural exchange programs that are so vital to our network. It is our hope that the Subcommittee will recognize the need for full funding of the President's request of \$637.1 million to insure the U.S. continues to support these powerful exchange programs that have proven their success for the past 55 years.