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FOR SECRETARY OF DEFENSE

FROM: Thomas W. O'Connell, Assistant Secretary of Defense (SO/LIC) Clours 12 July

SUBJECT: Office of Stabilization and Reconstruction Operations (OSRO) Update

- You recently asked for the status of the development of the Office of Stabilization and Reconstruction Operations (OSRO) at State.
- On April 27, the Principals Committee endorsed the creation of a Coordinator for Stabilization and Reconstruction (CRS) as an interim step towards the development of OSRO at State.
 - State has consulted with its committees on the Hill about authorities and funding for the new office.
 - Amb. Carlos Pascual has been chosen to fill the new position.
 - State is examining ways to re-program funds in FY04, request funds for FY05, and build a budget request for FY06. Part of this request will include a \$100 million contingency fund, though State is not optimistic they will get that much.
- Amb. Pascual chaired an interagency working group meeting on July 9th to go over progress to date and lay out a plan for further development of the office.
 - He laid out what functions the office will have (organization chart is attached at Tab A) and what help he will need. He thinks the office will have about 25 people.
 - He requested each department provide a DASD-level point of contact.
 - He also asked departments to identify people who might serve as nonreimbursable detailees to the new office. He would prefer SES/General Officer/GS-15-level detailees. A formal request is forthcoming. We will warn him to expect resistance from DoD on non-reimbursable detailees.

COORDINATION: None.

Attachment: As stated.

Approved by: Joseph Collins, DASD Stability Operations Tuly of Prepared by: Quentin E. Hodgson, SO/LIC Stability Operations, 697-3190.

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