

# The **DISAM** **Journal**

VOL. 31 NO. 2  
August 2009

of International Security Assistance Management

***Defense Finance and  
Accounting Service  
completes move to  
Indianapolis Center***

# DFAS

Your Financial  
Partner @ Work

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# THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT

*Our featured organization in this edition is the Security Assistance Accounting Office of the Defense Finance and Accounting Service-Indianapolis Center (DFAS-IN). We would like to thank DFAS for the assistance they have provided the security cooperation community amid all the changes experienced with the Defense Base Closure and Realignment Commission closing of DFAS-Denver and the transition to DFAS-Indianapolis. The closer proximity of DISAM's and DFAS-Indianapolis locations has served to strengthen the bond between the two organizations and facilitated dialogue and training initiatives that are mutually beneficial. I know it has not been easy, but congratulations to Sam Graham and all his folks in handling a challenging transition.*

*Topics of interest include U.S. concerns regarding Iran and the DoD's role in Foreign Assistance, a theme that carries through indirectly, if not directly in other articles. Several articles deal with exports, U.S. and those of other countries. You might check those out, but balance them with other articles dealing with technology transfer issues, including one by the Acting Director of the Defense Technology Security Administration, Mr. James Hursch. Ken Martin's compilation of Fiscal Year 2009 Security Cooperation Legislation, the Journal edition, has a brief introduction – the entire article can be found on the DISAM web site.*

*Growing partnerships and the capacities of our partners cross boundaries of the sections of the Journal and in our efforts to capture best practices, we have included Lean Six Sigma efforts within our Education and Training Section along with the SAMM tips and lessons learned via DISAM's "Ask an Instructor" venue.*

*The Defense Institute off Security Assistance Management appreciates the support and feedback on all of its programs to include the DISAM Journal. Regarding the DISAM Journal, we are in the middle of collecting data to best determine an approach to better leverage on-line products. We are soliciting your ideas for overall improvement of the publication. We are not necessarily intent upon going solely to an on-line publication, but rather, best utilizing that venue. If you have not already submitted your thoughts, please feel free to give us your take via the Survey that can be found on the DISAM web page, bulletin board section (right in the middle of the page). It can be completed and submitted on-line – an easy process, and we would like to hear from you.*

*Every quarter, the Journal is a reminder of the assortment of constituencies and the level of effort of many individuals and organizations affiliated with the Security Cooperation community. Through the Journal, DISAM hopes to further the interaction and capabilities of the U.S. and its international partners. Thanks again, for your support of DISAM and our efforts to publicize your efforts.*



RONALD H. REYNOLDS  
Commandant



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# ***THE DISAM JOURNAL***

## *of International Security Assistance Management*

### *Volume 31 No. 2*

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# FEATURE ARTICLES

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## **Message from the Director of Defense Finance and Accounting Service - Security Assistance Accounting**

**By  
Alfred S. Graham  
Director of Security Assistance Accounting**

Two years ago, the security assistance accounting (SAA) foreign military sales (FMS) workload began its transition due to Base Realignment and Closure (BRAC). The SAA workload from Defense Finance and Accounting Service (DFAS) Denver, Colorado transitioned to Indianapolis, Indiana. Other field level SAA workload from St. Louis, Missouri, Dayton, Ohio, and other sites transitioned to Columbus, Ohio and Limestone, Maine. It was at that time I accepted the position as Director for SAA.

The move of SAA from Denver is complete, and we have successfully settled-in at Indianapolis. Our first year here contained many challenges. However, with the strong relationship with our customer, we successfully addressed these challenges.

As our partners, I would like to share some of our first year highlights with you:

- Established excellent relationship with clients/customers
  - Initiated Joint Reconciliations with Combatant Commands and Security Assistance Training Field Activity (Army)
  - Supported 25 Financial Management Reviews
  - Collaborated with Defense Security Cooperation Agency (DSCA) to develop/ implement an agreed upon process for Foreign Military Funding Apportionment of \$3.5 billion
  - Built a process to automate, code, and track Global War on Terrorism funds and accelerate emergency year-end cases
  - Implemented Customer Index (CI) metrics for Security Assistance Training Activity
- Executed a very effective BRAC workload transfer
  - Built new Indianapolis team with only 20 percent employees moving with work
  - Accelerated Defense Institute for Security Assistance Management (DISAM) training (63 employees completed the SAM-C course)
- In partnership with customers, achieved a highly successful year-end closeout
  - Coordinated and communicated continuously

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- Completed emergency implementation of \$116 million in appropriated funds (Afghanistan Security Forces Fund and Iraq Security Forces Fund) through FMS cases
  - Received positive customer feedback
  - Improved FMS quarterly billing reports and processes
    - Reduced manual paper billing process by using more efficient automated process
    - Improved the Arrearage Report by highlighting aging categories, providing more descriptive footnotes, and segregating funds
  - Re-energized Volume 15 DOD *Financial Management Regulation* (FMR) update
    - Coordinated with DSCA and Office of the Secretary of Defense (OSD) to schedule complete update
    - Published one updated appendix and deleted one appendix
  - Improved procedures for posting disbursements
    - Reduced Army aged intransits and unmatched disbursements from 40 percent to 2 percent
    - Implemented macro on Air Force team that potentially will reduce input time by 50 percent
    - Improved auto post rate for Security Assistance Office State Department disbursements from 80 to 85 percent
  - Formalized Defense Integrated Financial System (DIFS) management oversight
    - Staffed charter for Configuration Control Board (CCB)
    - Developed Continuity of Operations Plan (COOP)
  - Established dedicated DSCA Mission Support Accountant (MSA)
    - Completed Department of State process improvement project

I would like to also share with you some statistics to show how large of an operation we are.

### **Scope of Business**

- Cases Managed — 12,266
- Cases Implemented — 1,373
- Cases Amended — 13,951
- Cases Closed — 1,073
- Field Accounting Support (134 sites) — \$2,981.3 Million
- Audited Financial Statements — \$44 Billion
- Non-FMS Accounts Receivables — \$134 Million

It is with the desire to offer world class service we established an SAA web site and initiated a quarterly news update in December 2008. We will use these tools to establish and maintain an open line of communication with our customers. Please feel free to visit our web site at: <https://dfas4dod.dfas.mil/centers/dfasin/acctgsys/AcctOperationsindex.htm>.

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As the featured organization in this quarter's *DISAM Journal*, we are also providing three articles to help you become more familiar with our organization. These articles provide a brief overview of DFAS, the history of Security Assistance Accounting, and our current organizational functions.

If you have any questions regarding this information, please feel free to call us at either (317) 510-7529 or (317) 510-1713.

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## **Defense Finance and Accounting Service**

In 1991, the Secretary of Defense created the Defense Finance and Accounting Service (DFAS) to reduce the cost of Department of Defense (DOD) finance and accounting operations and to strengthen financial management through consolidation of finance and accounting activities across the department. Since inception, DFAS has consolidated more than 300 installation-level finance and accounting offices into 13 DFAS sites and reduced the work force from about 28,000 to less than 12,000. (To date, we have a record of less than 5% involuntary separation rate.) We have also reduced the number of systems we use from 330 to 75.

Base Realignment and Closure (BRAC) will ultimately consolidate our infrastructure to five primary and five supporting sites, reduce our overall staffing to less than 10,000 employees, and our systems to 57. The good news is that our BRAC efforts will provide us with a net savings of \$461 million by 2011.

### **Mission**

Direct, approve, and perform finance and accounting activities for DOD.

Our mission is about the customer. It is to deliver responsive accounting and finance services to the men and women in uniform, as well as to those who support the warfighters defending our country. It is about providing timely and useful business intelligence to decision-makers who, with the right information, can more effectively manage their resources in support of our troops at home and abroad.

### **Vision**

Transforming with the warfighter to remain the trusted financial partner for DOD.

Our vision is about our future, and DFAS focuses on being a trusted partner and a Center of Excellence (COE) for government finance and accounting. To achieve this vision, DFAS is pursuing continuous improvement in the delivery of finance and accounting services in support of the warfighter. Strategic goals that support this vision align with those in the Office of the Under-Secretary of Defense (Comptroller) strategic plan and focus on achieving measurable outcomes.

### **Core Values**

Integrity = doing what is right

Service = striving to be a trusted financial partner

Innovation = creating new ways to do business

### **Scope of Business**

DFAS is the largest accounting and finance operation in the world. The following are our annual financial activity numbers from 2007 and 2008.

	<b>2007</b>	<b>2008</b>
Pay Transactions (6 million people)	156 million	169 million
Travel Payments	7 million	7.5 million
Commercial Invoices	14 million	14.4 million
General Ledger Accounts (containing billions of transactions)	55 million	55.7 million
Military Retirement and Health Benefit Funds	\$328 billion	\$394 billion
Disbursements to Pay Recipients	\$446 billion	\$591 billion
Foreign Military Sales	\$22 billion	\$26.5 billion
Active numbers of DoD Appropriations	865	927

## Measuring Outcomes

To track our progress towards achieving our goals, we use a Balanced Scorecard (BSC) methodology which we have aligned with our strategic goals. The BSC enables us to translate this strategy into quantifiable measures and targets by bringing together, in a single management report, various aspects of our competitive agenda. The aspects are: becoming customer oriented, shortening response time, improving quality, emphasizing teamwork, enhancing employee growth and satisfaction, and positioning ourselves for the future.

Using the BSC methodology has allowed us to really focus on results. While we have many successes that we are proud of, a couple of key strategic areas where we have seen significant improvements include: our accuracy and timeliness of pay is at the 99.99 percent level and we've experienced a 112 percent increase in productivity improvements.

We adopted the BSC in 2001 to help us implement major strategic changes. We have since been inducted into the BSC Collaborative Balanced Scorecard Hall of Fame for achieving breakthrough performance results.

It is the goal of DFAS to provide a world-class accounting and finance service. To accomplish this, we will continue to strive for process improvements and increased responsiveness to our customers.

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## The History of Security Assistance Accounting

There is a saying that states, “To know where you are going, you must understand where you came from.” In the spirit of this wisdom, we wanted to share a brief history of Security Assistance Accounting with you.

On September 1, 1976, the Department of Defense (DOD) began a move to consolidate the foreign military sales (FMS) billing responsibilities. This newly established organization, the Joint Financial Management Office (JFMO), was collocated at the Air Force Accounting and Finance Center (AFAFC) in Denver, Colorado. Prior to this move, each of the military services was responsible for billing the foreign countries for contracted services and equipment.

This consolidation was a success; therefore, the DOD choose to expand the responsibility of the JFMO and to rename it as the Security Assistance Accounting Center under Department of Defense Directive 5132.11, January 24, 1978. This newly expanded organization was an element of the Defense Security Assistance Agency (now the Defense Security Cooperation Agency).

The expanded responsibilities included:

- Serving as a central point of contact for all FMS related financial inquiries from U.S. Government agencies, DOD components, commercial vendors, and foreign government representatives — this included providing assistance and guidance to these customers on the financial execution of the FMS program:
- Providing DOD-wide FMS forecasting, delivery reporting, trust fund management, foreign country case management, billing, collecting, and DOD component appropriation reimbursement
- Maintaining a centralized, automated FMS financial data system
- Centralizing other Security Assistance programs to include International Military Education and Training (IMET), Foreign Military Financing (FMF), and Special Defense Acquisition Funding

The Defense Integrated Financial System (DIFS) was created and phased into use between 1978 and 1980. It brought about a consolidated and standardized financial management process.

In July 1988, the Security Assistance Accounting Center was separated from the Defense Security Assistance Agency (now the Defense Security Cooperation Agency). Management of it was handed over to the Air Force Accounting and Finance Center. The name of the organization was changed to the Directorate of Security Assistance.

In January 1991, AFAFC, including the Directorate of Security Assistance and its fourteen satellite offices across the United States, was capitalized into the newly formulated Defense Finance and Accounting Service (DFAS). The Directorate of Security Assistance went through yet another name change. They became known as Security Assistance Accounting (SAA).

In the 1995 to 1996 time frame, a Defense Management Review Decision was issued consolidating five of the Security Assistance satellite locations into Security Assistance Accounting at DFAS Denver. These locations were:

- Arlington, Virginia
- Hampton, Virginia

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- Indianapolis, Indiana
  - New Cumberland, Pennsylvania
  - San Antonio, Texas

On March 31, 2000, the DFAS Security Assistance Accounting function was announced to Congress for an Office of Management and Budget (OMB) A-76 study. An A-76 study is conducted when a government function is being considered for its potential to be contracted out to a commercial entity.

Several teams were convened to review SAA and its satellite offices in:

- Dayton, Ohio
- Limestone, Maine
- Omaha, Nebraska
- San Antonio, Texas
- San Bernadino, California
- St. Louis, Missouri

The teams also identified functions performed, work flows, redundancies, inefficient processes, and unnecessary hand-offs. Finally, SAA issued the results of their study. The A-76 cost comparison study, more commonly referred to as the Performance Work Statement (PWS), was the contract proposal the government issued stating the work they would perform and the cost for performing that work.

The competing commercial contractor also submitted their bid. The contracts and bids were compared, and the contract was awarded to the government employees for a period of five years. The period of the contract was from February 2005 to February 2010. (Security Assistance Accounting is currently in the review process once again, preparing for the termination of the contract period.)

Once the bid was awarded to DFAS, Security Assistance Accounting moved into their new organization as stated in the contract proposal, reducing the staff and streamlining the process.

Because contractors are not allowed to perform certain government tasks, Security Assistance Accounting was split into two divisions. The Most Efficient Organization (MEO) was established to perform the operational functions of Security Assistance Accounting. A separate division, the Continuing Government Activity, was established to perform MEO oversight, certification of government fund disbursement, and budgetary oversight.

In 2005, the DOD announced that the following offices would close as part of the BRAC plan:

- DFAS Denver, Colorado
- Dayton, Ohio
- St. Louis, Missouri
- Omaha, Nebraska

The workload would transfer to enduring sites at DFAS Indianapolis, Indiana; Columbus, Ohio; and Limestone, Maine. The process of moving was begun in January 2007 and completed in January 2008. Only twenty percent of the employees at the closing sites chose to move with the work. To

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fill-in the difference, SAA at the enduring sites sent teams of people to the closing sites to learn the numerous tasks and to help move the work.

In less than a year of the completion of the BRAC move, Security Assistance Accounting began addressing the issue of the contract period ending. SAA management established a Business Process Review team to evaluate the future organization. The team's review is scheduled to be complete by mid August 2009. At that time, a recommendation for the future organization will be submitted to management for a decision.

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## **Security Assistance Accounting Most Efficient Organization Functions**

From its inception in September 1976, Security Assistance Accounting within Defense Finance and Accounting Service (DFAS) has gone through many changes in an effort to provide better service and to be cost efficient. Our current structure and responsibilities look very different from the initial Joint Financial Management Office. To help the reader to understand the scope of our responsibilities, we have put together a brief synopsis of the work assigned to each of our teams.

### **The Corporate Accounting Branch**

The Corporate Accounting Branch prepares and processes vouchers and disburses funds for direct commercial sales (DCS) and foreign military sales (FMS) cases. They process both obligation and expenditure authority and perform foreign military funding (FMF) billing and collection. Corporate accounting performs treasury account reconciliation for the military services, creates reports for the Defense Security Cooperation Agency (DSCA), and performs account reconciliation within Defense Integrated Financial System (DIFS).

### **The Army Accounting Branch**

The Army Accounting Branch provides installation level accounting support for the Army Security Assistance Training Activity (SATFA) and Security Assistance Training Management Office (SATMO). The two training activities' mission is to manage and implement training programs in the continental U.S. (CONUS) and outside CONUS. This branch serves as account manager for Army security assistance programs. This support includes centralized accounting records for Temporary Lodging Allowance, Security Assistance (SA) Teams, and school tours. The Army Accounting Branch also performs departmental level analysis, reconciliation, and consolidation of Army installation level status of funds accounting and reporting for all of the Army FMS.

### **The Customer Accounting Branch**

The Customer Accounting Branch is actively involved in the FMS process from initiating the case to final reconciliation and closure. The branch interacts with all of the foreign customers and international programs that participate in the FMS program. The Customer Accounting Branch consists of 5 country managers and 17 country accountants that provide accounting support to the foreign customers and DOD agencies.

When the Letter of Offer and Acceptance (LOA) is signed, the Customer Accounting Branch receives a copy. The country managers and accountants then initiate the new cases in the DIFS. The branch works with the FMS customers to ensure that any required initial deposits for the new cases are received and placed on the cases. The initial deposits must be received into the FMS Trust Fund or Federal Reserve Bank account before the obligation authority (OA) can be released to the implementing agencies (IAs). The branch also implements any LOA Amendments or Modifications in DIFS.

The Customer Accounting Branch is responsible for the DD 645 Quarterly Billing Statements. As the cases progress, the IAs report deliveries to Defense Finance and Accounting Service - Indianapolis (DFAS-IN) on a monthly basis. These deliveries, along with the financial requirements from case payment schedules and the cumulative payments received, are used to determine the amount due from

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the customers. The Customer Accounting Branch sends the bills and delivery reports out quarterly to all customers with active cases.

The branch is responsible for monitoring the countries' available cash balances within the FMS Trust Fund account. Numerous countries are authorized to deposit their FMS payments into accounts at the Federal Reserve Bank (FRB). As disbursements are applied against their available funds in the FMS Trust Fund, the branch monitors the cash balances to ensure they always contain sufficient funds to make payments for the next 30 days. Each month, the country managers review the accounts and determine if they contain sufficient funds and initiate a drawdown to pull funds from the FRB account to replenish the FMS Trust Fund.

When the case has reached supply complete status, the IA will start the case reconciliation and closure process. The IA submits the case closure certificate to SAA for case closure. The Customer Accounting Branch receives the hard copy closure certificate and works with the IA to correct any items that are inhibiting the case from reaching closure. If the case requires additional funds or contains excess funds, the country managers will work with the countries to ensure any additional payments are received or excess monies are refunded. Once the case is closed, a Final Statement of Account will be sent to the customer with the next DD 645 Quarterly Billing Statement.

### **The Air Force Accounting Branch**

The Air Force Accounting Branch performs departmental level accounting support for Air Force Security Assistance Command (AFSAC) and installation level accounting support for Air Force Security Assistance Training. The departmental function includes case reconciliation, processing of interfund transactions, preparing accounting reports, providing budget execution data, maintenance of funds, and processing State Department Voucher Auditor Detail Requests (VADRs) for accounting activities assigned Security Assistance funds. The Air Force Training team posts obligations, posts transactions by-others, processes accounts receivables, and submits accounting reports to departmental for Air Force Security Assistance Training.

### **The Integration Support Branch**

The Integration Support Branch conducts a variety of necessary functions in support of the other branches within SAA. These functions include:

- Audited Financial Statements Reporting
- Most Efficient Organization (MEO) liaison
- Directorate level reports
- Directorate security officer
- Directorate human resource activities
- Systems product distribution and mail service
- Maintenance of the emergency contact list and plan
- Maintenance of both the Directorate and Defense Integrated Finance System (DIFS) Continuity of Operations Plan (COOP)
- Maintenance of the DIFS, maintenance of the DIFS library
- Author of DIFS System Change Requests and problem report
- System testing, system reports and retrievals

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- Terminal Area Security Officer (TASO) for DIFS
  - Control of computer assets
  - Issuance of the customer survey
  - Maintenance of the Balance Scorecard and Customer Index goals and measures
  - Special projects

The branch is also responsible for authoring the SAA News Update, creating and maintaining the SAA web site, monitoring storage of all SAA cases, space management, automating processes for the Directorate, and assuring personally identifiable information is protected.

### **The Navy Accounting Branch**

The Navy Accounting Branch mission is to provide our international and domestic customers the logistics, financial information, and services necessary for the support of Navy Security Assistance Accounting.

Some of the Navy Accounting responsibilities and functions are:

- Case reconciliation and closure
- Administrative reporting
- Financial exceptions
- Intra-Governmental Payment and Collection System (IPAC)
- Journal Voucher Periodic Review (JVR)
- Input of 1080/1081 for DSSN P1701
- Management Information System for International Logistics (MISIL)/Standard-Accounting and Reporting System (STARS) to DIFS Reconciliation, and Prevalidation

This is a very short list of the responsibilities and functions the Navy Branch performs.

The Navy customers include:

- Defense Security Cooperation Agency (DSCA)
- Naval Air System Command (NAVAIR)
- Naval Inventory Control Point (NAVICP)
- Navy International Program Office (NAVIPO)
- Naval Sea System Command (NAVSEA)
- Naval Education & Training Security Assistance Field Activity (NETSAFA)
- Space and Naval Warfare System Command (SPAWAR)
- U.S. Coast Guards (USCG)
- U.S. Marine Corps (USMC)
- All the Navy disbursing stations

### **The Defense Security Cooperation Agency and Security Assistance Office Accounting Branch**

The DSCA/SAO Accounting Branch provides installation level budgetary and accounting support for the six Combatant Commands (COCOMs) to include their 122 Security Assistance Offices

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(SAOs) worldwide and 14 headquarters accounts. They also provide installation level accounting support to the Defense Security Cooperation Agency (DSCA), the Defense Institute for Security Assistance Management (DISAM), Defense Security Assistance Design Center (DSADC), and the DSCA Defense Logistics Office (DLO).

The DSCA/SAO Accounting Branch records all installation level commitments, obligations, and disbursements into the General Accounting and Finance System - Base Level (GAFS-BQ) and produces Status of Funds Reports. They assist in clearing fiscal year 2004-2009 accounting transactions and continually support the Defense Cash Management System, Defense For and By Others System (DCMS/DFB), where world-wide disbursements feed GAFS-BQ. The branch also participates in DSCA/COCOM conferences and anchors the Tri-Annual Review process.

### **Security Assistance Accounting DFAS Columbus - Army Accounting**

The Army Accounting Branch (Columbus) provides accounting and customer service support for the Army Materiel Command. This includes:

- United States Army Security Assistance Command (USASAC) - St. Louis, Missouri and New Cumberland, Pennsylvania
- Tank Automotive and Armament Command (TACOM) - Warren, Michigan and Rock Island, Illinois
- Air and Missile Command (AMCOM)
- Communications & Electronic Command (CECOM)

Their accounting support includes contract reconciliation, case closure, and prevalidation of FMS funds. This team works FMS bills received through the U.S. Treasury's Intra-Governmental Payment and Collection (IPAC) system, as well as Command Pay. The Army Accounting Branch processes manual and automated 1080/1081s for SAA Army materiel, supplies, and equipment to include Interfund, civilian salaries, and transportation bills for Army FMS expenses.

### **Security Assistance Accounting DFAS Columbus - Air Force Accounting**

The Air Force Accounting Branch (Columbus) is responsible for supporting the Security Assistance program for the Air Force Materiel Command, which includes the Air Force Security Assistance Command (AFSAC) at thirteen major installations (as well as numerous other smaller installations) and three major supply depots.

The branch's accounting support includes automated and manual processing of reimbursable billings for materiel, supplies, and equipment. This includes Interfund, civilian salaries and associated personnel expenses, operations and maintenance support, publications and technical orders support, and reconciliation and posting of payments made by-others. They also provide accounting support for Direct Site billings for the Parts and Repair Ordering System and the Worldwide Warehouse Redistribution Service. On average the team processes obligations and expenditures of roughly \$2 billion each year.

The Air Force Accounting team performs a monthly reconciliation of Expenditure Authority including the FMS expenditures processed by all of the Air Force Acquisitions Accounting divisions at DFAS-Columbus. This averages over \$200 million each month. The branch provides guidance and support in Case Reconciliation and Closure to the Air Force Security Assistance Center. They

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also provide reconciliation support and reporting input for both the Air Force customers and their DFAS departmental level partners at Indianapolis.

### **Security Assistance Accounting DFAS Limestone - Air Force Accounting**

The FMS Section at DFAS Limestone performs accounting support for the following:

- Air Combat Command (ACC)
- Air Education and Training Command (AETC)
- Air Mobility Command (AMC)
- Pacific Air Forces (PACAF)
- United States Air Forces Europe (USAFE)
- Air Force District of Washington (AFDW)
- Air Force Reserve Command (AFRC)
- Air National Guard (ANG)

This includes obligating and de-obligating funding documents and monitoring FMS and reimbursement funds to ensure availability for reimbursement transactions and delivery reporting for ADSN 667100 fund codes 4E and 4F and case reconciliations to ensure obligating authority is not exceeded on any given country, case, or line number. They ensure cases are balanced for closure and assign expenditure authority advice numbers to all fund code 4E and 4F expenditures. They also process by-others transactions, perform Merged Accountability and Fund Reporting (MAFR), and reconcile reports.

If you have any questions regarding any of these functions, please feel free to contact us at 317-510-7529 or 317-510-1713 or visit the Security Assistance Accounting web site: <https://dfas4dod.dfas.mil/centers/dfasin/acctgsys/AcctOperationsindex.htm>.



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# LEGISLATION AND POLICY

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## **President Obama's Requests for \$83.4 Billion for War**

[The following article appeared in the Defense Security Cooperation Agency (DSCA) Newsletter, Volume 4 Number 12, April 10, 2009.]

The Office of Management and Budget (OMB) submitted President Obama's \$83.4 billion fiscal year 2009 war funding request to Congress yesterday. The request includes \$75.5 billion in defense funding. It also includes another \$7.1 billion for the State Department to support foreign operations. OMB officials briefed House and Senate Appropriations Committee staffers on the request yesterday and told them that the Administration needs the supplemental signed by Memorial Day. Last week, a spokesman for House Appropriations Defense Subcommittee (HAC-D) Chairman John Murtha (Democrat-Pennsylvania) said that the full HAC [House Appropriations Committee] tentatively plans to mark up the supplemental on 30 April, with floor consideration expected around 5 May 2009. Presumably subcommittee mark ups would take place the week before the full committee marks.

In his cover letter to House Speaker Nancy Pelosi (Democrat-California), President Obama emphasized that the request will be the last planned war supplemental submitted by the Administration and that all future war funding will be included in the President's regular budget. The President asked that lawmakers not use the supplemental to pursue "unnecessary spending" and that Congress quickly send him a bill focused on the needs of the troops.

[The request includes:]

- \$38 billion to fund the incremental costs of ongoing military operations in Iraq and Afghanistan during the remainder of fiscal year 2009
- \$3.1 billion for classified activities in support of ongoing counter-terrorism operations—these activities include support to military operations, intelligence collection and analysis, and overseas law enforcement efforts
- \$400 million for the new Pakistan Counterinsurgency Capabilities Fund which would allow Central Command to provide training and equipment to build the counterinsurgency capability of Pakistan's military, Frontier Corps, and irregular security forces
- \$500 million for the Commander's Emergency Response Program
- \$3.6 billion to expand and improve capabilities of the Afghan security forces
- \$1.5 billion for the Joint Improvised Explosive Device Defeat Fund
- \$50 million within the DOD Iraq Freedom Fund and \$30 million in Department of Justice funding for the costs associated with the President's Executive Orders to close the Guantanamo Bay detainee facility and review U.S. detention and interrogation policies
- \$1.05 billion for Coalition Support Funds
- \$3.607 billion for the Afghan Security Forces Fund
- \$98.4 million of Foreign Military Financing for Lebanon
- \$2 million of International Military Education and Training for Iraq

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# 2008 Country Reports on Human Rights Practices

By  
Bureau of Democracy, Human Right, and Labor  
February 25, 2009

## 2008 Human Rights Report: Introduction

The year just ended was characterized by three trends:

- A growing worldwide demand for greater personal and political freedom
- Governmental efforts to push back on those freedoms
- Further confirmation that human rights flourish best in participatory democracies with vibrant civil societies

These congressionally mandated reports describe the performance in 2008 of governments across the globe in putting into practice their international commitments on human rights. We hope that they will help focus attention on human rights abuses and bring action to end them. At the same time, we hope that the hard-won advances for human freedom chronicled in the reports will hearten those still pressing for their rights, often against daunting odds.

These reports will inform U.S. government (USG) policy making and serve as a reference for:

- Other governments
- Intergovernmental institutions
- Non-governmental organizations
- Human rights defenders
- Journalists

United States foreign policy revolves not only around effective defense, but also robust diplomacy and vigorous support for political and economic development. A vigorous human rights policy reaffirms American values and advances our national interests. As President Obama stated in his Inaugural Address:

America is a friend of each nation and every man, woman, and child who seeks a future of peace and dignity; but to those who cling to power through corruption and deceit and the silencing of dissent, know that you are on the wrong side of history, but that we will extend a hand if you are willing to unclench your fist.

Since the days of our own nation's founding, we have endeavored to correct injustices and fully promote respect for fundamental freedoms for all of our citizens. These efforts have been spurred and sustained by an accountable, democratic system of government; the rule of law; a vibrant free media; and, most important of all, the civic activism of our citizenry.

As we publish these reports, the Department of State (DOS) remains mindful of both domestic and international scrutiny of the United States' record. As President Obama recently made clear, "We reject as false the choice between our safety and our ideals." We do not consider views about our performance voiced by others in the international community—whether by other governments or non-governmental actors—to be interference in our internal affairs, nor should other governments regard expressions about their performance as such. We and all other sovereign nations have

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international obligations to respect the universal human rights and freedoms of our citizens, and it is the responsibility of others to speak out when they believe those obligations are not being fulfilled.

The USG will continue to hear and reply forthrightly to concerns about our own practices. We will continue to submit reports to international bodies in accordance with our obligations under various human rights treaties to which we are a party. United States laws, policies, and practices have evolved considerably in recent years and will continue to do so. For example, on January 22, 2009, President Obama signed three executive orders to close the detention facilities at Guantanamo and review USG policies on detention and interrogation.

We drew the information contained in these reports from governments and multilateral institutions; from national and international non-governmental groups; and from academics, jurists, religious groups, and the media. The reports have gone through a lengthy process of fact checking to ensure high standards of accuracy and objectivity. Each country report speaks for itself. However, some broad, cross-cutting observations can be drawn.

## **One**

In 2008, push back against demands for greater personal and political freedom continued in many countries across the globe. A disturbing number of countries imposed burdensome, restrictive, or repressive laws and regulations against non-government organizations and the media, including the internet. Many courageous human rights defenders who peacefully pressed for their own rights and those of their fellow countrymen and women were harassed, threatened, arrested and imprisoned, killed, or were subjected to violent extra judicial means of reprisal.

## **Two**

Human rights abuses remain a symptom of deeper dysfunctions within political systems. The most serious human rights abuses tended to occur in countries where unaccountable rulers wielded unchecked power or there was government failure or collapse, often exacerbated or caused by internal or external conflict.

## **Three**

Healthy political systems are far more likely to respect human rights. Countries in which human rights were most protected and respected were characterized by the following electoral, institutional, and societal elements:

- Free and fair electoral processes that include not only a clean casting and honest counting of ballots on election day, but also a run-up to the voting that allows for real competition and full respect for the freedoms of expression, peaceful assembly, and association
- Representative, accountable, transparent, democratic institutions of government, including independent judiciaries, under the rule of law to ensure that leaders who win elections democratically also govern democratically and are responsive to the will and needs of the people
- Vibrant civil societies, including independent non-government organizations and free media

To be sure, even in countries where these elements were present, human rights abuses at times occurred. Democratic elections can be marred with irregularities. There can be abuses of power and miscarriages of justice. States having weak institutions of democratic government and struggling

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economies can fall far short of meeting the needs and expectations of their people for a better life. Corruption can undermine public trust. Long-marginalized segments of populations in some countries have yet to enjoy full participation in the life of their nations. Insecurity due to internal and/or cross-border conflict can hinder respect for and retard progress in human rights. But when these electoral, institutional, and societal elements [are obtained], the prospects are far greater for problems to be addressed, correctives to be applied, and improvements to be made.

Taken together, these three trends confirm the continuing need for vigorous United States diplomacy to act and speak out against human rights abuses, at the same time that our country carefully reviews its own performance. These trends further confirm the need to combine diplomacy with creative strategies that can help to develop healthy political systems and support civil society.

Below, readers will find overviews highlighting key trends in each geographic region. Each of the regional overviews is followed by thumbnail sketches of selected countries (ordered alphabetically) that were chosen for notable developments—positive, negative, or mixed—chronicled during calendar year 2008. For more comprehensive, detailed information, we refer you to the individual country reports themselves.

## **Regional Overviews**

### **Africa**

Several African countries served as stabilizing forces on the continent and as powerful examples of the peace and stability that come with respect for the rule of law. Nevertheless, during the year, human rights and democratic development in the region continued to face severe challenges, especially in a number of countries plagued by conflict and others in which a culture of rule of law was fledgling or did not exist.

In many countries, civilians continued to suffer from abuses at the hands of government security forces acting with impunity. In several countries, the systematic use of torture by security forces on detainees and prisoners remained a severe problem; and conditions in detention centers and prisons often were squalid and life threatening. Many detainees suffered lengthy pre-trial detentions, waiting months or years before going before a judge.

For those countries embroiled in conflicts, ending violence remained central to improving human rights conditions. Warring parties failed to implement political agreements designed to bring peace and stability. Violent conflict continued or erupted anew in the Democratic Republic of Congo, Somalia, and Sudan, resulting in mass killings, rape, and displacements of civilians. The Sudanese government continued to collaborate with Janjaweed militias to bomb and destroy villages, killing or displacing hundreds of thousands more innocent civilians.

Authoritarian rule continued to characterize many African countries, for example, in Zimbabwe, the Mugabe regime unleashed a campaign of terror that resulted in the killing, disappearance, and torture of hundreds of opposition party members and supporters following the March 29 elections that were not free and fair. Government repression, restrictions, and mismanagement caused the displacement of tens of thousands; increased food insecurity; and created a cholera epidemic, which killed 1,500 people by year's end. Previously postponed presidential elections were further delayed in Cote d'Ivoire. A coup ousted a democratically elected government in Mauritania. Following the death of Lansana Conte, Guinea's longtime president, a military junta seized power in a coup and suspended the constitution.

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There were, however, some bright spots during the year. Angola held its first elections since 1992; and there were peaceful, orderly, and democratic elections in Ghana and Zambia. Due process and respect for the rule of law prevailed in Nigeria as opposition candidates from the 2007 presidential election respected the Nigerian Supreme Court's ruling upholding President Umaru Musa Yar'Adua's election. The United Nations (U.N.) International Criminal Tribunal for Rwanda sentenced a former Rwandan army Colonel to life in prison for organizing the militants responsible for the killing of 800,000 Tutsis and moderate Hutus during the 1994 Rwandan genocide.

### **Africa: Selected Country Developments**

The human rights situation in the Democratic Republic of the Congo (DRC) deteriorated further during the year, severely undermining the country's progress since national elections in 2006. Despite the signing of the Goma Peace Accords in January and the presence of U.N. peacekeepers, fighting continued in North and South Kivu throughout the year. Security forces and all armed groups continued to act with impunity, committing frequent serious abuses including arbitrary killings, disappearances, arbitrary arrest and detention, torture, rape, looting, and the use of children as combatants. The conflict continued to fuel the worst humanitarian crisis in Africa, resulting in as many as 45,000 Congolese deaths each month, a total of more than one million internally displaced persons, and dozens of attacks on humanitarian workers by armed groups. Pervasive sexual violence continued, including more than 2,200 registered cases of rape in June in North Kivu alone. Throughout the country, security forces harassed, beat, intimidated, and arrested local human rights advocates and journalists, resulting in a marked deterioration in press freedom.

Eritrea's poor human rights record worsened, and the government continued to commit serious abuses including unlawful killings by security forces with impunity. The ruling People's Front for Democracy and Justice (PFDJ) is the only legal political party, and no national elections have been held since Eritrea gained independence in 1993. The constitution, ratified in 1997, has never been implemented. The independent press remained banned, and most independent journalists were in detention or had fled the country. Government roundups of young people for national service intensified in 2008. Credible reports indicate that national service evaders were tortured while in detention, and security forces shot individuals trying to cross the border into Ethiopia. Religious freedom, already severely restricted, declined further. At year's end over 3,200 Christians from unregistered groups were detained in prison, as were more than 35 leaders and pastors of Pentecostal churches, some of whom had been detained for more than three years without charge or due process. At least three religious prisoners died in captivity during the year, from torture and lack of medical treatment.

The violence following Kenya's December 2007 local, parliamentary, and presidential elections ended in February when an international mediation process produced an agreement to form a coalition government under which President Mwai Kibaki retained his office and opposition candidate Raila Odinga was appointed to a newly-created prime ministerial position. The political settlement established a reform framework to investigate and address the underlying causes of the violence, which killed approximately 1,500 persons and displaced more than 500,000. Progress on reform was slow, and efforts to address the economic and social aftermath of the violence were incomplete. Separately, the deployment of security forces to Mount Elgon to quell an abusive militia resulted in human rights abuses by security forces.

Mauritania's human rights record deteriorated, with an abridgement of citizens' rights to change their government, arbitrary arrests, and the political detentions of the president and prime minister

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following an August 6 coup. The president was released from detention in December [2008]. However, the military junta, known as the High State Council (HSC), remained in power with General Mohamed Aziz as head of state at the end of the year. Members of the international community, including the African Union, strongly condemned the coup. Prior to the August 6 coup, the then-democratically elected government supported nationwide sensitization on a new anti-slavery law and increased public discussion on formerly taboo issues, such as ethnic divisions and social injustices. That government also supported national reconciliation efforts regarding the country's 1989–1991 expulsion of Afro-Mauritians through the launch of a repatriation program in coordination with U.N. High Commissioner for Refugees (UNHCR).

In Nigeria, the courts continued to adjudicate the results of the seriously flawed 2007 presidential, gubernatorial, and legislative elections. On December 12, the Supreme Court rejected the appeals of two major opposition presidential candidates, upholding the election of President Yar'Adua. The two opposition leaders respected the court's ruling. Election tribunals nullified nine senatorial elections and 11 gubernatorial elections during the year. Violence continued in the oil-producing Niger Delta region, where over 400 persons (Nigerian nationals and expatriates) were kidnapped in approximately 100 incidents during the year. In November [2008], ethno-religious violence erupted in Jos, resulting in the deaths of several hundred persons and the displacement of tens of thousands. Corruption continued to plague the resource-rich country; and the Economic and Financial Crimes Commission's anti-corruption efforts declined, with little progress on prosecutions of federal, state, and local officials accused of corruption.

In Somalia, fighting among the Transitional Federal Government (TFG)/Ethiopian National Defense Forces and their militias, the Council of Islamic Courts militias, anti-government and extremist groups, terrorist organizations, and clan militias resulted in widespread human rights abuses, including the killing of more than 1,000 civilians; the displacement of hundreds of thousands of people; kidnappings and disappearances; and attacks on journalists, aid workers, civil society leaders, and human rights activists. The political process to establish peace and stability in the country continued as the TFG and the Alliance for the Re-liberation of Somalia reached the Djibouti Agreement on June 9 [2008] and began to implement its terms; however, implementation was slow and marred by political infighting.

In Sudan, conflict in Darfur entered its fifth year; and civilians continued to suffer from the effects of genocide. U.N. data from 2008 indicated that, since it began, the protracted conflict has left more than 2.7 million people internally displaced and another 250,000 across the border in Chad, where they sought refuge. Government, government-aligned militias, and intertribal attacks killed civilians. Government forces bombed villages, killed internally displaced persons, and collaborated with militias to raze villages. The government systematically impeded and obstructed humanitarian efforts, and rebels and bandits killed humanitarian workers. Unidentified assailants killed several joint AU-U.N. peacekeeping mission troops, and government forces attacked a peacekeeping convoy. On May 10, the Justice and Equality Movement, a Darfur rebel group, attacked Omdurman, near Khartoum. The government committed wide scale politically- and ethnically-motivated detentions and disappearances in Omdurman and Khartoum following the attack. The government severely restricted freedom of the press, including through direct and daily censorship. Since 2005, when the Comprehensive Peace Agreement (CPA) between the North and the South was signed, approximately 2.1 million displaced persons and refugees have returned to the South. However, tensions over the implementation of the CPA persisted; and fighting between northern and southern forces destroyed much of Abyei town, killing civilians and displacing more than 50,000 people.

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Zimbabwe's illegitimate government engaged in the systematic abuse of human rights, which increased dramatically during the year, in conjunction with an escalating humanitarian crisis caused by repression, corruption, and destructive economic and food policies, which the Mugabe regime persisted in applying despite their disastrous humanitarian consequences. Civil society and humanitarian organizations were targeted by government and militant groups for their efforts to protect citizens' rights and provide life-saving humanitarian assistance. A nearly three-month ban on the activities of non-government organizations exacerbated the humanitarian crisis as well as food insecurity and poverty. After the ban was lifted, the Mugabe regime continued to impede humanitarian access. Millions of Zimbabweans were food insecure at year's end.

The regime's manipulation of the political process, including the presidential elections, through intimidation, violence, corruption, and vote fraud negated the right of citizens to change their government. Security forces and ruling party supporters killed, abducted, and tortured members of the opposition, student leaders, civil society activists, and ordinary Zimbabweans with impunity. The opposition Movement for Democratic Change (MDC) factions gained a parliamentary majority in the March 29 election; but the results of the presidential race were not released until May 2, calling into question the credibility and independence of the Zimbabwe Electoral Commission. Government-sponsored violence in the period leading up to the June 27 run-off left more than 190 dead, thousands injured, and tens of thousands displaced. The Electoral Commission declared Mugabe the winner of the run-off election after MDC candidate Morgan Tsvangirai—who had scored a strong plurality in the first round—withdrawed because of the Mugabe regime's violence directed at the MDC and its supporters and out of recognition that a free and fair election was not possible. Negotiations mandated by the Southern African Development Community (SADC) led to a September 15 power-sharing agreement. However, due to government intransigence, the provisions of the deal had not been implemented by year's end; and the country remained in crisis.

### **East Asia and the Pacific**

During the year there were both advances and setbacks in human rights in the vast East Asia and the Pacific region, particularly in the areas of accountability for past abuses, freedom of speech and the press, democratic development, and trafficking in persons.

Countries in the region continued to come to terms with past abuses. The Bilateral Commission of Truth and Friendship, created to examine the atrocities committed by both Indonesians and Timorese during the period surrounding Timor-Leste's 1999 independence referendum, delivered its final report during the year. Indonesian President Yudhoyono acknowledged and accepted the report's finding that assigned institutional responsibility to the Indonesian Armed Forces. In addition, in August the Extraordinary Chambers in the Courts of Cambodia refined its internal rules to prosecute more rapidly egregious crimes of the 1975–1979 Khmer Rouge regime. However, the trials had still not begun by year's end.

Some countries increased repression in response to popular efforts to secure respect for human rights. Vietnam increased restrictions on freedom of speech and press, and in China the government increased its severe cultural and religious repression of ethnic minorities in Tibetan areas and the Xinjiang Uighur Autonomous Region and increased its detention and harassment of dissidents and petitioners.

Other unelected rulers attempted to cloak their illegitimacy with trappings of democracy and manipulated the law to their own ends. The Burmese regime pushed through a constitutional

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referendum characterized by widespread irregularities and intimidation in the immediate aftermath of the devastating Cyclone Nargis. While the constitution technically came into effect in May, by the constitution's own terms, the regime will continue to "exercise state sovereignty" until multi-party elections are held in 2010. The constitution will ensure that the military will continue to exercise a dominant role in political life regardless of the outcome of any electoral process. At the end of the year, the regime imposed draconian sentences on more than 100 democracy activists who participated in the 2007 Saffron Revolution and individuals who engaged in the Cyclone relief effort. Many were moved to prisons in remote parts of the country, isolating them from family. In Fiji, the Suva High Court ruled to validate the 2006 Fiji coup, despite simmering opposition to the interim government's refusal to hold elections in March 2009.

Trafficking in persons was another area where results were mixed during the year. Several countries enacted new anti-trafficking legislation—such as Thailand and Cambodia—and began to investigate and prosecute a broader range of trafficking offenses, such as the trafficking of men for labor exploitation. However, in Malaysia, widespread non-government organizations and media reports alleged that Malaysian immigration officials were involved in the trafficking of Burmese refugees along the Malaysia-Thai border.

### **East Asia and the Pacific: Selected Country Developments**

The military regime in Burma continued its oppressive methods, denying citizens the right to change their government and committing other severe human rights abuses. The regime brutally suppressed dissent through extra judicial killings, disappearances, and torture. Human rights and pro-democracy activists were harassed, arbitrarily detained in large numbers, and sentenced up to 65 years of imprisonment. The regime held detainees and prisoners in life-threatening conditions. The army continued its attacks on ethnic minority areas. The regime routinely infringed on citizens' privacy and restricted freedom of speech, the press, assembly, association, religion, and movement. Violence and discrimination against women and ethnic minorities continued, as did trafficking in persons. Workers' rights were restricted, and forced labor persisted. The government took no significant actions to prosecute or punish those responsible for such abuses. The regime showed contempt for the welfare of its own citizens when it persisted in conducting a fraudulent referendum in the immediate aftermath of a cyclone that killed tens of thousands and blocked and delayed international assistance that could have saved many lives.

The government of China's human rights record remained poor and worsened in some areas. The government continued to limit citizens' privacy rights and tightly controlled freedom of speech, the press (including the internet), assembly, movement, and association. Authorities committed extra judicial killings and torture, coerced confessions of prisoners, and used forced labor. In addition, the Chinese government increased detention and harassment of dissidents, petitioners, human rights defenders, and defense lawyers. Local and international non-government organizations continued to face intense scrutiny and restrictions. China's human rights record worsened in some areas, including severe cultural and religious repression of ethnic minorities in the Xinjiang Uighur Autonomous Region and Tibet. Abuses peaked around high-profile events, such as the Olympic Games and the unrest in Tibet. At the end of the year, the government harassed signatories of Charter 2008 who called for respect for universal human rights and reform and arrested writer Liu Xiaobo for his participation in the drafting of the Charter. In October, the government made permanent [the] temporary Olympic Games-related regulations granting foreign journalists greater freedoms.

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The government of Malaysia generally respected the human rights of its citizens; however, there were problems in some areas, including the abridgment of its citizens' right to change their government. Despite their complaint that the ruling party exploited the powers of incumbency, opposition parties made significant gains by capturing 82 of 222 parliamentary seats in March 8 elections, effectively denying the ruling coalition the two-thirds super majority needed to amend the constitution at will. The government continued to restrict freedoms of press, association, assembly, speech, and religion. The government arrested opposition leaders and journalists. Internet bloggers were arrested for apparently political reasons. Deaths in police custody remained a problem, as did police abuse of detainees, overcrowded immigration detention centers, and persistent questions about the impartiality and independence of the judiciary. Some employers exploited migrant workers and ethnic Indian-Malaysians with forced labor, and some child labor occurred in plantations.

North Korea's human rights record remained abysmal. While the regime continued to control almost all aspects of citizens' lives, denying freedom of speech, press, assembly, and association and restricting freedom of movement and workers' rights, reports of abuse emerged from the country with increased frequency. However, these reports continued to be difficult to confirm. Reports of extra judicial killings, disappearances, and arbitrary detention, including of political prisoners, continued to paint a grim picture of life inside the reclusive country. Some forcibly repatriated refugees were said to have undergone severe punishment and possibly torture. Reports of public executions also continued to emerge.

Despite a tumultuous political atmosphere, Thailand avoided unconstitutional disruptions in governance. Nevertheless, there continued to be reports that police were linked to extra judicial killings and disappearances. Police abuse of detainees and prisoners persisted as well, as did corruption within the police force. The separatist insurgency in the south resulted in numerous human rights abuses, including killings, committed by ethnic Malay Muslim insurgents, Buddhist defense volunteers, and government security forces. The government maintained some limits on freedom of speech and of the press, particularly through the use of *lesé majeste* provisions. Members of hill tribes without proper documentation continued to face restrictions on their movement; however, the *2008 Nationality Act*, which took effect on February 28, increased the possibility of citizenship for hill tribe members.

The government of Vietnam continued to restrict citizens' rights in significant ways. Citizens could not change their government, political opposition movements were prohibited, and the government continued to suppress dissent. Individuals were arbitrarily detained for political activities and denied the right to fair and expeditious trials. Suspects were abused during arrest, detention, and interrogation. Corruption was a significant problem among the police force, as was impunity. The government continued to limit citizens' privacy rights and freedom of expression. There was a general crackdown on press freedom throughout the year, resulting in the firings of several senior media editors and the arrest of two reporters. These actions dampened what had previously been a trend toward more aggressive investigative reporting. Restrictions on assembly, movement, and association continued. Independent human rights organizations were prohibited. Violence and discrimination against women remained a problem, as did trafficking in persons. The government limited workers' rights and arrested or harassed several labor activists.

## **Europe and Eurasia**

The key challenges in the region remained: strengthening new democracies, stemming government restrictions on and repression of human rights non-government organizations, and addressing hate

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crimes and hate speech while protecting fundamental freedoms against a backdrop of migration, rising nationalism, and economic recession.

In several post-Soviet countries, previous gains for human rights and democracy were reversed; or the slide towards authoritarianism continued. A number of elections failed to meet democratic standards set by the Organization for Security and Cooperation in Europe, and media freedom remained under attack. Journalists were killed or harassed, and laws often restricted rather than protected freedom of expression.

During the August conflict that began in the Georgian separatist enclave of South Ossetia, military operations by Georgian and Russian forces reportedly involved the use of indiscriminate force and resulted in civilian casualties, including a number of journalists. After the Russians entered South Ossetia, there were allegations that South Ossetian irregulars engaged in executions, torture, ethnic attacks, and random burning of homes; and at least 150,000 Georgian citizens were displaced by the fighting. Russian and South Ossetian forces occupied villages outside of the administrative borders of South Ossetia and Abkhazia, the other separatist region in Georgia. Although Russian forces mostly withdrew by October 10 from the regions outside of Abkhazia and South Ossetia, they blocked access to both regions for Georgians and international organizations, making it dangerous for residents and difficult to monitor conditions in the region with respect to human rights and compliance with humanitarian law.

In many countries, governments impeded the freedom of the press. In Azerbaijan, increasing numbers of attacks on journalists went unpunished, while journalists themselves remained in prison on purported criminal charges. Russia remained a dangerous place for journalists, a number of whom were killed or brutally attacked during the year. In Belarus, President Lukashenka signed a new media law that could further restrict press freedoms, including internet publications. Developments in Georgia, including the opposition's loss of control of Imedi Television, which had been the sole remaining independent national television station, raised significant concerns about the state of media diversity.

Non-government organizations and opposition parties were the targets of government oppression in several countries. The government of Bosnia and Herzegovina forced the closure for several days of an international anti-corruption non-government organization after a report accusing government officials of corruption. In Russia, authorities increasingly harassed many non-government organizations that focused on politically sensitive areas; and during the year the government amended the law on extremism, making it easier to bring charges against an organization. The previous version of the law had already raised concerns about restriction of the freedom of association and legitimate criticism of the government. In Belarus, while the release of nine political prisoners was welcome, concern remained about the government's arbitrary constraints on freedom of assembly and association and its frequent harassment of independent activists. In Russia, police sometimes used violence to prevent groups from engaging in peaceful protests, particularly opposition protests.

There were both hopeful and troubling indicators for democratic governance in the region. On a positive note, Kosovo's democratically-elected government successfully declared its independence on February 17 and put in place a constitution and laws with model provisions for human rights. Unfortunately, other nations did not have such encouraging results. The February presidential elections in Armenia were significantly flawed and followed by days of peaceful protests that the government ultimately put down violently. In Russia, the March presidential election was marked by problems both during the campaign period and on Election Day, including bias by government-controlled-

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or-influenced media in favor of the ruling party and its candidates, authorities' refusal to register opposition party candidates, lack of equal opportunity for conducting campaigns, and ballot fraud. Parliamentary elections in Belarus fell significantly short of Organization for Security and Cooperation in Europe (OSCE) commitments for democratic elections, and all of the 110 declared winners were government supporters. Elections in Azerbaijan failed to meet key OSCE commitments.

Human rights concerns were not limited to the eastern portion of the continent. A number of the well-established democracies of western and central Europe wrestled with continuing challenges resulting from the large influx of new migrants from the Middle East, Africa, and elsewhere that strained economic and social resources and led to restrictive practices toward immigrants and many charges of mistreatment. In many countries, detention facilities for undocumented migrants suffered from poor conditions and were inferior to those for other detained individuals. The majority of hate crimes in Ukraine during the year involved people of African, Middle Eastern, and Asian origin. In Russia the disturbing and steady rise in xenophobic, racial, and ethnic attacks continued. There were manifestations of anti-Semitism in many countries in the region, and incidents of violent anti-Semitic attacks remained a concern. In a number of countries, including Italy and Hungary, members of the Roma community were targets of societal violence, which in some cases was more frequent and lethal than in previous years.

France, Germany, the Netherlands, Switzerland, and the United Kingdom sought to outlaw hate speech in order to protect minorities from discrimination and violence. However, some human rights observers worried that this impinged on free speech.

### **Europe and Eurasia: Selected Country Developments**

There were significant setbacks for democracy in Armenia, including the worst post-election violence seen in the Caucasus in recent years. After weeks of generally peaceful protests following a disputed February presidential election, the government used force to disperse protestors on March 1-2, which resulted in violent clashes and 10 deaths. The violence ushered in a 20-day state of emergency and a blackout of independent media during which the government severely curtailed civil liberties. During the remainder of the year, there were significant restrictions on the right to assemble peacefully or express political opinions freely without risk of retaliation; and several opposition sympathizers were convicted and imprisoned with disproportionately harsh sentences for seemingly political reasons. Fifty-nine opposition sympathizers reportedly remained imprisoned on seemingly political grounds at year's end; no government officials were prosecuted for their alleged role in election-related crimes. Despite the mixed success of a politically-balanced fact-finding group established by the government to investigate the March events, the climate for democracy was further chilled by harassment, intimidation, and intrusive tax inspections against independent media and civil society activists.

In Azerbaijan, Ilham Aliyev was re-elected president for a second term in October in a process that international observers assessed did not meet international standards for a democratic election, despite some government improvement in the administration of the election. Shortcomings included serious restrictions on political participation and media, pressure and restrictions on observers, and flawed vote counting and tabulation processes. During the year restrictions and pressure on the media worsened. A media-monitoring non-government organizations reported that during the first half of the year there were 22 acts of verbal or physical assault on journalists, up from 11 in the same period of 2007, with no accountability. Several journalists remained imprisoned on charges that many criticized as politically motivated. On December 30, the government announced that as of January

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1, 2009 it would no longer permit Radio Free Europe/Radio Liberty, Voice of America, or BBC to continue to broadcast on national television and FM radio frequencies; without these international broadcasters, the public no longer had access to unbiased news on any widely accessible broadcast media.

In Belarus, the government's human rights record remained very poor; and authorities continued to commit frequent serious abuses. Despite prior government assurances, parliamentary elections in September were neither free nor fair. Authorities failed to account for past politically motivated disappearances. Prison conditions remained extremely poor, and reports of abuse of prisoners and detainees continued. The judiciary lacked independence. The government further restricted civil liberties, including freedoms of press, speech, assembly, association, and religion. State security services used unreasonable force to disperse peaceful protesters. Corruption remained a problem. Non-government organizations and political parties were subjected to harassment, fines, prosecution, and closure. Religious leaders were fined or deported for performing services, and some churches were closed.

In Georgia, President Mikheil Saakashvili was re-elected in January in an election that international observers found consistent with most OSCE democratic election commitments. However, they also highlighted significant challenges, including widespread allegations of intimidation and pressure and flawed vote counting. Problems also were noted in parliamentary elections in May. There were allegations of politically motivated detentions. Media diversity was reduced when opposition voices lost control over the one remaining independent national television station. During the August conflict, military operations by Georgian and Russian forces reportedly involved the use of indiscriminate force and resulted in civilian casualties, including of a number of journalists.

The Russian Federation continued a negative trajectory in its overall domestic human rights record with numerous reports of government and societal human right problems and abuses during the year. During the August conflict, military operations by Georgian and Russian forces reportedly involved the use of indiscriminate force and resulted in civilian casualties, including of a number of journalists. The government's human rights record remained poor in the North Caucasus with security forces reportedly engaged in killings, torture, abuse, violence, and other brutal treatment, often with impunity. In Chechnya, Ingushetiya, and Dagestan, security forces allegedly were involved in unlawful killings and politically motivated abductions; for a second year, there was a significant increase in the number of killings, usually by unknown assailants, of both civilians and officials in Ingushetiya.

Civil liberties continued to be under siege, reflecting an erosion of the government's accountability to its citizens. Government pressure weakened freedom of expression and media independence, and it remained a dangerous environment for media practitioners. Five journalists were killed during the year, in one case in Ingushetiya by police. Killings of journalists in past years remained unresolved. The government limited freedom of assembly, and police sometimes used violence to prevent groups from engaging in peaceful protest. Authorities' hostility toward and harassment of some non-government organizations, in particular those involved in human rights monitoring, as well as those receiving foreign funding, reflected an overall contraction of space for civil society. Given an increasingly centralized political system where power is concentrated in the presidency and the office of prime minister, the problems that occurred in the December 2007 Duma elections were repeated in the March presidential elections, which failed to meet many international standards.

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## Near East and North Africa

Continued serious challenges for the promotion of democracy and human rights characterized the Middle East region during the year, though there were some notable steps forward.

Several governments, including Egypt, Iran, Libya, and Syria, continued to imprison activists because of their beliefs. Ayman Nour, the runner-up in the 2005 Egyptian presidential election, remained in prison in Egypt throughout the reporting period (although he was released on February 18, 2009). Iran's government regularly detains and persecutes women's rights and student activists, labor unionists, and human rights defenders. Iranian authorities continued to crack down on civil society institutions, notably by closing the Center for the Defense of Human Rights on December 21 as it prepared to celebrate the 60th anniversary of the *Universal Declaration of Human Rights*. The government of Libya announced in March that it had released political activist Fathi El-Jahmi, but he remained in detention at the Tripoli Medical Center during the year and was granted only sporadic visits by his family. In Syria, the government detained several high-profile members of the human rights community, particularly individuals affiliated with the national council of the Damascus Declaration for Democratic National Change, an umbrella organization of reformist opposition groups.

Along with greater access to information through the internet and satellite television came greater restrictions on media, including internet bloggers. In Egypt, police detained and allegedly tortured bloggers. Iran's best-known blogger, Hossein Derakhshan, was arrested late in the year. Tunisia regressed on media freedom, with authorities arresting or harassing bloggers. In Iraq, journalists continued to struggle for safety while reporting on politics, women's rights, and homosexuality. Although the number of killings of journalists in Iraq dropped last year, the death rate remained high.

Many countries in the region continued to restrict religious freedom and expression. Iran detained seven leaders of the Baha'i faith since May, and the Iranian president continued to denounce the existence of Israel. Saudi Arabia strictly prohibited public worship of faiths other than Sunni Islam; and religious minorities faced discrimination in access to education, employment, and representation in government. Members of religions that are not recognized by the government experienced personal and collective hardship in Egypt. Other countries, such as Bahrain and Algeria, enacted discriminatory legislation or, like Jordan, continued to implement policies that favored the majority religions.

Legal and societal discrimination as well as violence against women continued throughout the region. Iranian women's rights activists were harassed, abused, arrested, and accused of "endangering national security" for participating in peaceful protests and demanding equal treatment under Iranian law through the One Million Signatures Campaign. However, other countries in the region witnessed incremental progress on women's rights; and women actively sought leadership roles in local and national governments. In Kuwait, 27 women ran for office in May 2008 national elections, although none of the female candidates won. Also during the year, the United Arab Emirates (UAE) appointed its first female judge and two female ambassadors.

Some countries in the Near East have taken significant steps over the past several years to address worker abuse and to raise labor standards. Oman and Bahrain enacted comprehensive laws to combat human trafficking, and Jordan extended labor law protections to expatriate household workers. Significant challenges remain, however, regarding protection for foreign workers and implementation of existing labor laws and regulations for all workers, especially for construction and household workers.

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## Near East and North Africa: Selected Country Developments

In Egypt, there was a decline in the government's respect for freedoms of speech, press, association, and religion during the year. In particular, detentions and arrests of internet bloggers appeared to be linked primarily to their efforts to organize demonstrations through their blogs and participation in street protests or other activism. The state of emergency, enacted in 1967, remained in place; and security forces used unwarranted lethal force and tortured and abused prisoners and detainees, in most cases with impunity.

The government of Iran intensified its systematic campaign of intimidation against reformers, academics, journalists, and dissidents through arbitrary arrests, detentions, torture, and secret trials that occasionally end in executions. Executions of defendants who were juveniles at the time of their arrest continued. Iranian-American dual nationals, as well as Iranians with contacts in or travel to the United States, continued to be targets of intimidation and harassment. Prior to parliamentary elections in March, the Guardian Council disqualified almost 1,700 reformist candidates.

The general security situation throughout Iraq substantially improved, and some reconciliation and easing of tensions occurred in several provinces. However, continuing insurgent and extremist violence against civilians undermined the government's ability to uphold the rule of law, resulting in widespread and severe human rights abuses. However, there were positive developments including the passage of the Provincial Election Law on September 24 calling for elections in 14 Arab majority provinces on January 31, 2009, with elections later in the year in the three Kurdish provinces and Tameem (Kirkuk). The November 16 adoption of a law authorizing the establishment of the constitutionally mandated Independent High Commission for Human Rights also marked a step forward to institutionalize protection of those rights.

In Jordan, civil society activists expressed concern about a new law on associations. The law, which has yet to be implemented, allows the government to deny registration of non-government organizations for any reason; dissolve associations; and intervene in the management, membership, and activities of non-government organizations. According to international and local non-government organizations, prisons continued to be overcrowded and understaffed with inadequate food and health care and limited visitation. Although Jordanian law prohibits torture, Human Rights Watch reported that torture remained widespread and routine. There were reports by citizens and non-government organizations that political prisoners, including Islamists convicted of crimes against national security, received greater abuse than other prisoners and guards abused prisoners with impunity. Women held a limited number of government leadership positions, albeit at levels higher than elsewhere in the region; at the same time, domestic violence and so-called honor crimes persisted. A 2007 press law abolished imprisonment of journalists for ideological offenses; however, limited detention and imprisonment of journalists for defamation and slander continued through provisions in the penal code. Many journalists reported that the threat of stringent fines led to self-censorship. In July the Labor Law was amended to include agriculture workers and domestic servants, placing them under some legal protections.

For a fourth consecutive year, internal violence and political battles hindered Lebanon's ability to improve the country's human rights situation. On May 7, opposition fighters led by Hizballah, a Shia opposition party and terrorist organization, seized control of Beirut International Airport and several West Beirut neighborhoods. On May 21, after 84 died and approximately 200 were wounded, rival leaders reached a deal to end the violence and the 18-month political feud. Despite the cessation of hostilities and parliament's May election of President Michel Sleiman, Hizballah retained significant

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influence over parts of the country; and the government made no tangible progress toward disbanding and disarming armed militia groups, including Hizballah.

The Syrian government continued to violate citizens' privacy rights and to impose significant restrictions on freedoms of speech, press, assembly, and association, in an atmosphere of government impunity and corruption. Security services disrupted meetings of human rights organizations and detained activists, organizers, and other regime critics without due process. Throughout the year, the government sentenced to prison several high-profile members of the human rights community, especially individuals affiliated with the national council of the Damascus Declaration for Democratic National Change (DDNC).

In Tunisia, the government continued its systematic, severe repression of freedom of expression and association. The government remained intolerant of public criticism by human rights and opposition activists and used intimidation, criminal investigations, and violent harassment of editors and journalists to discourage criticism. Authorities strictly censored publications both in print and online and routinely harassed journalists. Security forces killed a political protestor during the year; and detainees faced torture, sexual assault, and coercion in attempts to elicit confessions.

### **South and Central Asia**

Significant attacks on basic rights, including the freedoms of expression, religion, and association, marked 2008 in South and Central Asia.

A number of governments in the region continued to harass individual journalists and media outlets; and several countries continued to restrict free access to information on the internet, particularly in Central Asia. In Kyrgyzstan, the government removed programs of a prominent independent broadcaster from state-run radio and television. A government-controlled internet provider in Kazakhstan intermittently blocked specific news and opposition-focused web sites. Both governments levied heavy criminal libel penalties against journalists; and, in some cases, the journalists left the country due to fear for their own safety. As in years past, journalists working in Turkmenistan were subject to government harassment, arrest, detention in psychological clinics, and violence. In Afghanistan, the government convicted a student journalist of blasphemy and sentenced him to death for distributing an article he downloaded from the internet about women's rights in Islam; an appeals court reduced the sentence to twenty years in prison. In Pakistan, arrests of journalists declined following the election of a new government. Even so, unidentified actors continued to intimidate, abduct, and kill journalists, particularly in regions of internal conflict. In Sri Lanka, defense and government officials made threatening statements against independent media outlets in the aftermath of several unresolved attacks against members of the free press.

Freedom of religion came under attack in the region with the parliaments of Kazakhstan, Kyrgyzstan, and Tajikistan introducing laws that would increase restrictions on religious freedom, disproportionately affecting religious minorities, and through violence against minorities in the Indian state of Orissa. These actions took place in the context of increased harassment of minority religious groups by the governments of Kazakhstan and Tajikistan and continued harassment by the government of Uzbekistan. Turkmenistan welcomed a visit by the U.N. Special Rapporteur on Freedom of Religion or Belief, but the government closely controlled and monitored all religious activity.

Significant issues remained on labor rights across the region. Child labor continued in agriculture and manufacturing sectors in Afghanistan, Pakistan, and India. There was widespread child labor

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in Kyrgyzstan and Tajikistan in cotton and other sectors, and Uzbekistan continued to compel many schoolchildren to work in the cotton harvest. Although the government of Kazakhstan is making strides to eliminate child labor, the practice still occurs in the cotton and tobacco sectors. Forced labor, especially in the large informal sectors and among socially disadvantaged minorities, continued in Nepal, Pakistan, and India. Labor organizers in Bangladesh reported acts of intimidation and abuse as well as increased scrutiny by security forces.

Although some governments in the region restricted political opposition and prohibited genuine electoral competition, there were several improvements with regard to elections and political competition in South Asia. In Pakistan, the two main opposition parties, Pakistan People's Party and the Pakistan Muslim League-Nawaz, together won majority seats in competitive parliamentary elections and formed a coalition government ending nine years of military rule. The people of Maldives elected a former political prisoner as president in a free and fair election, peacefully unseating the longest-serving Asian leader. The Afghan Independent Election Commission led preparatory efforts for Afghanistan's second round of elections since the fall of the Taliban. Elections in Nepal produced the most diverse legislature in the country's history; and the new parliament subsequently declared Nepal a federal democratic republic, peacefully dissolving the monarchy. Bangladesh held free and fair parliamentary elections with isolated irregularities and sporadic violence. The elections and subsequent peaceful transfer of power ended two years of rule by a military-backed caretaker government. In Bhutan, elections for the lower house of parliament completed the country's transition to a constitutional and limited monarchy with genuine popular oversight and participation.

### **South and Central Asia: Selected Country Developments**

Although human rights in Afghanistan have improved significantly since the fall of the Taliban in 2001, the country's record remained poor due to weak central government institutions and a deadly insurgency. The Taliban, al Qaeda, and other extremist groups continued attacks against government officials, security forces, non-government organizations and other aid personnel, and unarmed civilians. There were continued reports of arbitrary arrests and detentions, extra judicial killings, torture, and poor prison conditions. Government repression and armed groups prevented the media from operating freely.

In Bangladesh, levels of violence declined significantly; and the caretaker government oversaw successful elections. But the government's human rights record remained a matter of serious concern. The state of emergency, which the government imposed in January 2007 and lifted on December 17, curtailed many fundamental rights, including freedom of expression, freedom of association, and the right to post bail. The government's anti-corruption drive was greeted by popular support but gave rise to concerns about fairness and equality under the law. Although the number of extra judicial killings decreased, security forces committed serious abuses, including extra judicial killings, custodial deaths, arbitrary arrest and detention, and harassment of journalists. Some members of security forces acted with impunity and committed acts of torture, and the government failed to investigate fully extra judicial killings.

In Kazakhstan, the political opposition faced government harassment via politically motivated criminal charges and restrictions on freedom of assembly. The government continued to harass independent and opposition-oriented media outlets and journalists. At year's end, the government was considering amendments to laws governing political parties, media, and elections. Some civil society representatives and opposition parties criticized the process as lacking transparency. The

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government was also considering amendments to the religion law that, if enacted, would represent a serious step backward for religious freedom.

Although Kyrgyzstan has a vibrant civil society and independent media, in the past year, the government increasingly sought to control various aspects of civil life. New laws or amendments placed restrictions on public assembly, religious freedom, and media. In October, the National Television and Radio Network took Radio Free Liberty/Radio Europe off the air, reducing the public's access to this independent source of information. The Central Election Commission chairwoman fled the country after claiming she had been pressured by the president's son over registering an opposition candidate for October local council elections.

Nepal became a federal democratic republic shortly after national elections in April produced the most diverse legislature in the country's history. Although there were reports of political violence, intimidation, and voting irregularities, observers reported that the elections reflected the will of the people. Violence, extortion, and intimidation continued throughout the year; and impunity for human rights violators, threats against the media, arbitrary arrest, and lengthy pretrial detention were serious problems. Members of the Maoists, the Maoist-affiliated Young Communist League, and other small, often ethnically based armed groups committed numerous grave human rights abuses. Such abuses included arbitrary and unlawful use of lethal force, torture, and abduction. Several armed groups, largely in the Terai region, attacked civilians, government officials, members of particular ethnic groups, each other, or Maoists.

Pakistan returned to civilian democratic rule during the year. Opposition parties prevailed in February parliamentary elections and formed a coalition government. The coalition lasted only part of the year though the government remains in power. In September, Asif Ali Zardari, widower of former Prime Minister Benazir Bhutto, succeeded Pervez Musharraf as president. The new government put back on the bench under a new oath five of the 13 Supreme Court judges Musharraf deposed during the November 2007 state of emergency, while three retired or resigned. The chief of army staff withdrew 3,000 army officers from civilian government posts they held during Musharraf's tenure. Despite these positive steps, the human rights situation remained poor. Military operations in the country's northwest killed approximately 1,150 civilians. Militant attacks in that region killed 825 more civilians. Sectarian violence in the country killed an estimated 1,125 persons, and suicide bombings killed more than 970 individuals. Ongoing battles with militants left approximately 200,000 persons displaced at year's end.

In Sri Lanka, the democratically elected government's respect for human rights declined as armed conflict escalated in the country's 25-year civil war. By year's end, there was little movement on political inclusion of minorities; and they continued to suffer the majority of human rights abuses, such as killings and disappearances. The government expelled most international humanitarian assistance providers from the northern conflict zone. Although the government took initial steps to address the use of child soldiers by pro-government militias, the problem was not resolved. The government failed to investigate and prosecute any security forces for human rights violations and to implement constitutional provisions that would provide oversight of government institutions. Civil society was intimidated, and independent media and journalists came under particular pressure through attacks and threats from pro-government actors.

Although there were modest improvements, the government of Turkmenistan continued to commit serious abuses; and its human rights record remained poor. Political and civil liberties continued to be severely restricted. In June authorities arrested former activist and former political prisoner Gulgeldy Annaniyazov after he allegedly reentered the country illegally and sentenced him in a closed trial to

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eleven years in prison. December parliamentary elections fell far short of international standards. The government continued its effort to revise laws, including its constitution, to bring them into conformity with relevant international conventions.

The government of Uzbekistan took steps to address human rights concerns such as defendants' rights, trafficking in persons, and child labor in the cotton industry. However, serious human rights abuses continued; and torture remained systemic in law enforcement. Authorities compelled many children to pick cotton, at times under poor living conditions. Human rights activists and journalists who criticized the government continued to be subjected to harassment, arbitrary arrest, politically motivated prosecution, and torture.

### **Western Hemisphere**

Governments in the region continued to address past human rights abuses by working to ensure justice for victims and to end impunity. In Colombia, a number of commanding officers were under investigation for gross human rights violations. The Prosecutor General's Office was investigating 27 military officials, including three Generals and four Colonels, dismissed from the Armed Forces in late October for their alleged involvement in the murder of eleven youths from Soacha, near Bogotá. Several investigations continued in Chile and Argentina, and a number of judgments were handed down in cases related to abuses of the 1970s and 1980s. In Peru, the state continued prosecutions against former president Fujimori and other former government officials for corruption and serious human rights abuses. Forensic anthropology teams exhumed the remains and began identifying the bodies of hundreds of persons forcibly disappeared or massacred and buried in clandestine graves during the 1980s and 1990s. The U.N.-led Commission Against Impunity in Guatemala continued its investigation of 15 high-profile human rights cases involving femicide, killings of bus drivers, trafficking in persons, and attacks against and killings of trade unionists and human rights defenders.

In general, electoral institutions throughout the Western Hemisphere maintained the independence and rigor they have gained in recent years. Various electoral processes, such as the presidential election in Paraguay, the presidential primary in Honduras, and referendums in Bolivia and Ecuador, were judged generally free and fair. There were exceptions, however. In Nicaragua, the municipal elections were marred by widespread fraud, intimidation, and violence. In Venezuela, the Comptroller General declared nearly 300 (mostly opposition) mayoral and gubernatorial candidates ineligible to run due to administrative infractions.

In some cases governments used democratic processes, such as constitutional referendums, to pursue policies that threatened to undermine democratic freedoms and institutions, reduce checks and balances, or consolidate power in the executive branch. In Ecuador, the 2008 Constitution contains provisions requiring media to provide the government free airtime, prompting concerns that freedom of speech and press will be affected. In Venezuela, the 26 "enabling" laws [passed], some of which reflect aspects of the failed 2007 constitutional referendum; [these laws] feature clauses that reduce the scope of authority of elected officials and promote centralization of power.

There were threats to press freedom. In Venezuela, independent media outlets and journalists continued to be subjected to public harassment and intimidation by high-ranking government officials on state-owned media; and the independent Venezuelan television station Globovision was the target of a tear gas attack by pro-government supporters. The Nicaraguan government used administrative, judicial, and financial measures to undermine the exercise of freedom of speech. Although Bolivia's

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government generally respected press freedom, it maintained an antagonistic relationship with the press. Several non-government organizations alleged that President Morales and government officials made disparaging statements regarding the press, condoning violence against journalists and media outlets, politicizing state-produced media content, and promulgating laws designed to restrict independent media.

Cuba continued to be the hemisphere's only totalitarian state after an undemocratic transfer of power from Fidel Castro to his brother, Raul.

### **Western Hemisphere: Selected Country Developments**

In Bolivia, government efforts to bring a controversial new constitution to a national referendum, opposition claims for greater regional autonomy, and competing demands for government funds led to a series of violent confrontations and large-scale road blockades. The violence peaked in September in Pando Department with 13 deaths and the illegal, prolonged detainment of the governor. In May and June, eastern departments held autonomy referenda, which the federal government refused to recognize and the international community declined to monitor. A nationwide recall referendum in August left most prefects (governors) and President Evo Morales in office, strengthening the president's Movement Toward Socialism party and its efforts to hold a national vote on a new constitution.

Against the backdrop of its 44-year armed conflict with terrorist organizations, the government of Colombia continued efforts to improve human rights, particularly in implementing its Justice and Peace Law, a process that has helped clarify approximately 164 thousand crimes and led to reform of the military justice system. During the first 10 months of the year, killings decreased by 6 percent and kidnappings by 14 percent compared with 2007, while investigations of links between politicians and paramilitary groups implicated 70 congressmen and 15 governors, a number of whom have been imprisoned. Nonetheless, numerous societal problems and governmental human rights abuses persisted, including unlawful killings, insubordinate-military collaboration with illegal armed groups, and harassment of journalists and human rights groups. Terrorist organizations, notably the Revolutionary Armed Forces of Colombia and the National Liberation Army, committed serious human rights abuses including:

- Political and other killings
- Kidnappings
- Massive forced displacements
- Recruitment of child soldiers
- Attacks against human rights activists, teachers, and trade unionists

In Cuba, there was an increase in suppression of freedom of speech and of assembly compared to the previous year. Harassment of dissidents intensified, including the beating of activists by security officials or government-organized mobs. The government also increased its use of brief detainments and subsequent release without charges to intimidate activists and prevent them from organizing. At least 219 political prisoners remained imprisoned in squalid and life-threatening conditions, which included beatings and denial of medical treatment. Those released during the year had served their full sentences. The government continued to restrict citizens' access to independent information and in particular sought to restrict internet access, despite permitting individual citizens to own personal computers for the first time.

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Guatemala made efforts to improve its human rights situation. The U.N.-led Commission Against Impunity in Guatemala continued its investigation of high-profile human rights cases and expanded its investigative capacity through the creation of a new unit of prosecutors. However, there continued to be widespread violence and impunity. Members of the national police committed unlawful killings, and in many cases authorities transferred individual police officers or dismissed them rather than investigate and prosecute alleged wrongdoers. Other violence stemmed from gang incidents, sexual assault, extortion, organized crime, and narcotics trafficking. Trade unionists were threatened with violence or killed by unknown assailants. Government corruption remained a serious issue, with public surveys indicating a lack of confidence in nearly all governmental institutions.

Nicaragua's ruling Sandinista government excluded credible international observers from the November municipal elections, which were marred by widespread fraud, irregularities, and intimidation. The country continued to suffer from lack of respect for the rule of law, systemic corruption, and politicization of the judiciary and other government organs. The government and other actors intimidated and harassed journalists and civil society groups that did not support official policies.

In Venezuela, the non-government community noted an erosion of both democratic and human rights, with potentially severe consequences. During the year, the National Assembly passed 26 laws that featured clauses reducing the scope of authority of elected officials and promoting centralization of power. The government drew international criticism and accusations of unconstitutionality by declaring 272 candidates for municipal and gubernatorial elections ineligible to run; the majority of these were opposition candidates. President Chavez declared his intention to establish another constitutional referendum—on February 15, 2009—that would again attempt to abolish term limits for the president and for the first time for all elected officials. There were numerous and substantive hindrances and threats to freedom of expression, including media freedom. Government officials publicly harassed and intimidated independent media outlets and journalists on state-owned media. The government sued an independent Venezuelan television station, alleging that the network had promoted the assassination of President Chavez. Individuals and media networks also were accused of fomenting violence and destabilizing the government after they made statements that were critical of, or urged action in opposition to, the government. Government institutions and officials and government-affiliated media outlets promoted anti-Semitism through numerous anti-Semitic comments, which had a spillover effect into society, taking the form of anti-Semitic expression, caricatures, vandalism, and other physical attacks against Jewish institutions.

## **Conclusion**

December 10, 2008 marked the 60th anniversary of the adoption of the *Universal Declaration of Human Rights* by the United Nations General Assembly. In the decades since the Declaration's adoption, there have been remarkable gains on every continent for the rights it enumerates. Still, 60 years later, hundreds of millions of people are denied fundamental freedoms by their governments.

The United States is a country founded on human rights and the rule of law. In publishing these reports, we seek to be a source of information, hope, and help to people everywhere who are oppressed, silenced, and marginalized. We are inalterably committed to working at all levels—national, regional, and global—to ensure that the human rights enshrined in the Universal Declaration are protected and respected.

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## The House Foreign Affairs Committee Discusses the Department of Defense Role in Foreign Assistance

[The following are excerpts from opening remarks and testimony relative to the title subject, 18 Mar 2009.]

The House Foreign Affairs Committee (HFAC) conducted the hearing, “Striking the Appropriate Balance: the Defense Department’s Expanding Role in Foreign Assistance,” on 18 March 2009 to discuss the role of the military in foreign assistance. Representative Howard L. Berman of California, the chairman of the House Foreign Affairs Committee, said that the decision to hold this hearing was due to the fact that several full and subcommittee hearings addressed the issue of foreign assistance last year and that they touched upon the Defense Department’s increasing role in foreign assistance.

### **The following is a transcript of Representative Berman’s remarks:**

We have heard the same explanation for this over and over again: DOD is filling a vacuum left by the State Department and U.S. Agency for International Development (USAID), which lack the capacity to carry out their diplomatic and development functions. For example, USAID has only about 2,500 permanent staff today, compared to 4,300 in 1975. The agency is responsible for overseeing hundreds of infrastructure projects around the world, yet employs only five engineers. They have only 29 education specialists to monitor programs in 87 countries. Likewise, the State Department lacks resources to fill critical diplomatic posts. Today, the agency has a 12 percent vacancy rate in overseas Foreign Service positions, and an even higher vacancy rate here in the United States. This hollowing out of the State Department cripples its ability to aggressively pursue and protect American interests abroad. President Obama’s fiscal year 2010 international affairs budget request represents an important step forward in addressing these weaknesses. The Committee also plans to tackle these troubling capacity issues when we take up the State Department authorization bill and foreign assistance reform legislation later this year.

Beyond capacity and resources, there are some deeper issues I would like to examine today:

- Is providing military assistance to a foreign country a foreign policy decision that should be the primary responsibility of civilian agencies with appropriate Defense Department involvement in implementation? Or is it a national security mission that should be planned and carried out by the Pentagon?
- Does DOD have such a comparative advantage in performing certain non-traditional defense missions that it should be carrying out activities previously reserved for civilian agencies? And what are the implications of putting a military face on development and humanitarian activities? How does this affect the way we are viewed in the world, and what is the practical impact on USAID’s ability to carry out development projects?

The Department of Defense has always played an important role in carrying out certain security assistance activities, particularly implementing military training and military sales directed by the Department of State. However, DOD’s role significantly expanded in the context of Iraq and Afghanistan, where they took on a direct role in planning, funding, and implementing military and police training and other non-military activities. And beyond those two conflicts, the Pentagon began requesting—and receiving—authority to conduct similar activities in other parts of the world. DOD’s goal was to address irregular security threats on a global scale—threats they argued did not fit neatly

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into traditional State Department or Defense Department missions and thus required new tools of engagement.

These include global train and equip authority, also known as the Section 1206 program; a worldwide stabilization and reconstruction fund, also known as the Section 1207 program; and numerous new training programs directly managed by the Defense Department. In addition, some existing authorities were expanded, including the Combatant Commander's Initiative Fund and Overseas Humanitarian, Disaster, and Civic Assistance.

DOD's argument that these programs are justified by "military necessity" should be given significant deference. Indeed, I can think of many situations in which it might make sense for military commanders to get involved in activities that—in peacetime—would be considered foreign assistance. However, many questions remain regarding the utility and implications of such programs. For example, on several occasions this Committee has raised concerns about the use of Section 1206 funds. In some cases, it appears they've been used for programs with only a tenuous link to counterterrorism. In others, it looks more like a traditional diplomatic tool designed to curry influence with potential friends. In the development context, critics have argued that DOD's role erases the distinction between military personnel and civilians carrying out similar development activities, ignores development best practices such as sustainability and effectiveness, and puts a military face on inherently civilian programs.

It can also result in waste, fraud, and abuse, which has been well documented by the Office of the Special Inspector General for Iraq Reconstruction. Interestingly, in a letter attached to a report submitted last week on one of DOD's international programs, the Pentagon stated, "Humanitarian assistance activities continue to provide significant peacetime engagement opportunities for Combatant Commanders (COCOMs) and U.S. military personnel while also serving the basic economic and social needs of people in the countries supported." The questions remains:

- Shouldn't our "peacetime engagement" efforts be carried out by USAID, our nation's premier development agency?
- And should our military be responsible for performing the mission of civilian agencies?
- Do we really want to ask the men and women who go to war to do the mission of both Defense and State?

Some have suggested that a National Development Strategy would serve as a useful mechanism to help coordinate and establish appropriate roles for various agencies that provide foreign assistance.

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## **Testimony of General Michael Hagee United States Marine Corps (Retired)**

[The following are excerpts of the testimony of General Michael Hagee, former Commandant of the U.S. Marine Corps, presented before the House Committee on Foreign Affairs, March 18, 2009.]

You are taking on a most important task, and I appreciate the opportunity to share my views on the need to “strike the appropriate balance” in our national security policy and in provision of foreign assistance.

I believe the balance the Committee is looking for is in the application of “smart power”, an approach that ensures that we have strong investments in global development and diplomacy alongside a strong defense. For the United States to be an effective world leader, and to keep our country safe and secure, we must balance all of the tools of our national power, military and non-military.

Mr. Chairman, I think of smart power as the strategic triad of the 21st century—the integrated blend of defense, diplomacy, and development. But this strategic approach will only be effective if all three smart power pillars are coherent, coordinated, and adequately resourced. While the Department of Defense rightfully has received strong Congressional support over the years, funding and support for the State Department and United States Agency for International Development (USAID) has been more problematic. It is time to address the imbalance, both in strategic emphasis and in funding.

I am here today as a member of the National Security Advisory Council for the Center for U.S. Global Engagement and the U.S. Global Leadership Campaign. I am proud to join with nearly fifty retired senior flag and general officers who share a concern about the future of our country and the need to revitalize America’s global leadership. Our allies in this effort include a bipartisan array of some of America’s most distinguished civil servants, Congressional leaders, and Cabinet Secretaries. This coalition also includes major American corporations such as Boeing, Caterpillar, Lockheed Martin, Microsoft, and Pfizer, as well as private voluntary groups such as Mercy Corps, represented here today by my fellow witness, Nancy Lindborg, and hundreds of others such as CARE, Catholic Relief Services, International Rescue Committee, Save the Children, and World Vision, to name a few.

Despite our diverse backgrounds, we share a common belief that America is under-investing in the array of tools that are vital to our national security, our economic prosperity, and our moral leadership as a nation.

Now some may wonder why a Marine, an infantryman, a warfighter, would advocate for empowering the DOS, USAID, and our civilian-led engagement overseas. I am here because I have been on the front line of America’s presence in the world, in some of the most difficult security environments; and I know that the U.S. cannot rely on military power alone to keep us safe from terrorism, infectious disease, economic insecurity, and other global threats that recognize no borders. And I know that the military should not do what is best done by civilians.

Mr. Chairman, I have witnessed many of the tough security and global challenges that burden the world today. I have been in nations that have failed to provide the most basic services to their citizens, in areas where tribal and clan divisions threaten unbelievable violence to the innocent. In Somalia, I saw the consequences of poverty and hunger that result in anger, resentment, and desperation. Some

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people respond with slow surrender to this hardship, while others look for political conspiracies and/or turn to extremist ideologies or crime to seek blame or retribution for a life of frustration.

When that frustration spills over into armed conflict, the alarms go off; and too often our military is forced into action. We have the strongest and most capable armed forces in the world; yet as this committee knows so well, the military is a blunt instrument to deal with these sorts of challenges. The U.S. military does have its unique strengths: in times of humanitarian crisis, such as during the Asian tsunami in 2004 or the Pakistani earthquake in 2005. We can provide the logistics and organization to [help get] humanitarian aid to those in need; no other organization on this earth can respond as quickly or efficiently. We can break aggression, restore order, maintain security, and save lives. And where our actions are clearly humanitarian in nature, they have been well-regarded by the people we helped and have bolstered America's image overseas.

But the military is not the appropriate tool to reform a government, improve a struggling nation's economic problems, redress political grievances, or create civil society. It is not, nor should it be, a substitute for civilian-led, governmental and non-governmental efforts that address the long-term challenges of helping people gain access to decent health care, education, and jobs.

To be clear, all the military instrument can do is to create the conditions of security and stability that allow the other tools of statecraft—diplomatic and development tools—to be successful. But as my colleague General Zinni has said, when those tools are underfunded, understaffed, and under appreciated, the courageous sacrifice of the men and women in uniform can be wasted. We must match our military might with a mature diplomatic and development effort worthy of the enormous global challenges facing our nation today. We have to take some of the burden off the shoulders of our troops and give them to our civilian counterparts with core competencies in diplomacy and development.

As I look back, we all know how this imbalance came to be. As the funding for the DOS and the development agencies was either flat or declined, going back over many Administrations, the military mission expanded to fill the void. The DOS and USAID has been forced to make do with fewer personnel, more responsibility, less resources, and less flexibility in how to spend those resources.

This has not developed overnight. Former Chairman of the Joint Chiefs General Shalikashvili warned years ago:

What we are doing to our diplomatic capabilities is criminal. By slashing them, we are less able to avoid disasters such as Somalia or Kosovo; and, therefore, we will be obliged to use military force still more often.<sup>1</sup>

[General Shalikashvili's comments [above] sound remarkably similar to those of Defense Secretary Gates, who said last July 2008 [below]].

In the campaign against terrorist networks and other extremists, we know that direct military force will continue to have a role. But over the long term, we cannot kill or capture our way to victory. What the Pentagon calls "kinetic" operations should be subordinate to measures to promote participation in government, economic programs to spur development, and efforts to address the grievances that often lie at the heart of

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<sup>1</sup> Quoted in Dana Priest, *The Mission: Waging War and Keeping Peace with America's Military* (W.W. Norton, 2003), 54.

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insurgencies and among the discontented from which the terrorists recruit . . . it has become clear that America's civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long—relative to what we traditionally spend on the military and, more important, relative to the responsibilities and challenges our nation has around the world.<sup>2</sup>

Mr. Chairman, we all know that some believe it is easier to vote for defense spending than for foreign assistance. But it is time to rethink these patterns. We need [to] take a comprehensive approach to promote our national security. Strengthening our development and diplomatic agencies and programs will not only reduce the burden on our troops, but will stimulate economic growth which will increase international demand for U.S. goods and products—and in turn will create American jobs. It is in our nation's self-interest to make a larger investment in global development and poverty reduction.

Clearly, the global financial crisis gives new impetus to action. The World Bank reports that the crisis is driving as many as 53 million more people into poverty as economic growth slows around the world, on top of the 130-155 million people pushed into poverty in 2008 because of soaring food and fuel prices.<sup>3</sup> This rise in global poverty and instability is complicating our national security threats well beyond the two wars we are already fighting in Iraq and Afghanistan. Although we have a profound economic crisis and budget pressure, I do not believe that we can wait to modernize and strengthen our foreign assistance programs, to make the best use of American skills for the betterment of the world, and the most effective use of taxpayer dollars. It is time to put smart power to work.

Mr. Chairman, there is growing support for this shift in our global engagement strategy. Over the past two years, over 2000 pages and 500 expert contributors in more than 20 reports have concluded that America needs to strengthen its civilian capacity as a critical part of our foreign policy and national security strategy. From RAND [Corporation] to Brookings, American Enterprise Institute (AEI) to [Center for Strategic and International Studies (CSIS)], the Helping to Enhance the Livelihood of People Around the Globe HELP Commission to the Center for American Progress, a diverse, bipartisan group of experts and institutions agree that many of the security threats facing the United States today cannot be solved by the sole use of military personnel and force. These experts conclude that a shift to a smart power strategy is necessary to improve America's image in the world and make our global engagement efforts more effective.<sup>4</sup>

Among the wide variety of recommendations contained in these studies, seven action areas stand out:

- Formulate a comprehensive national security strategy that clearly articulates the required capacity for ALL elements of national power needed to achieve our national security goals
- Increase substantially funding and resources for civilian-led agencies and programs, especially through USAID and the DOS

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2 Secretary Robert Gates, Speech to USGLC (U.S. Global Leadership Campaign) Tribute Dinner, (July 15, 2008), transcript available at the following web site: [www.usglc.org](http://www.usglc.org).

3 "Topics in Development: Financial Crisis" (World Bank, March 2009), [www.worldbank.org/html/extdr/financialcrisis/](http://www.worldbank.org/html/extdr/financialcrisis/).

4 "Report on Reports—Putting Smart Power to Work: An Action Agenda for the Obama Administration and the 111th Congress" (Center for U.S. Global Engagement, March 2009), <http://www.usglobalengagement.org/tabid/3667/Default.aspx>.

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- Elevate and streamline the U.S. foreign assistance apparatus to improve policy and program coherence and coordination
  - Reform Congressional involvement and oversight, including revamping the *Foreign Assistance Act* (FAA)
  - Integrate civilian and military instruments to deal with weak and fragile states
  - Rebalance authorities for certain foreign assistance activities currently under the DOD to civilian agencies
  - Strengthen U.S. support for international organizations and other tools of international cooperation

While these reports focus on various tactics to achieve these steps, there is a broad consensus that we need to go beyond the institutional stovepipes of the past and revitalize and rebuild the civilian components of our national security toolbox.

Let me focus on three of these areas in particular. The first is increased funding for our civilian-led foreign affairs agencies and programs. As Secretary Gates admonishes us, our civilian [agencies and programs] have been “undermanned and underfunded” for much too long.<sup>5</sup> Out of our entire national security budget, over 90 percent goes to defense and less than 7 percent to diplomacy and development. Recently, I joined 46 other senior retired Generals and Flag officers in a letter to President Obama requesting that he submit a robust International Affairs Budget (IAB) request for fiscal year 2010. We are pleased that his request for the IAB included a 9.5 percent increase. I believe that this increase is an important step forward and will provide a critical down payment toward strengthening our diplomatic and development tools. I hope Congress will approve the President’s request.

Second, we must better integrate our civilian and military instruments to deal with weak and fragile states. Both civilian and military capabilities are necessary to respond to the kind of challenges we face in fragile environments; but their respective roles and points of intervention should vary depending on the political and security situation, the scope of the crisis, and the humanitarian needs. As stability and security are assured, the military should be able to withdraw and give civilian agencies the leadership role in providing assistance. However, this can only happen if we give our civilian agencies the resources and capabilities they need to operate effectively in concert with our military. This requires us to invest in building a “civilian surge” capacity that is much more substantial than what State and USAID have today.

Third, we must begin to rebalance authorities for certain foreign assistance activities currently under the Department of Defense to our civilian agencies. In recent years, as much as 25 percent of foreign assistance has been managed by DOD, due to the military’s significantly greater resources, capacity, and flexibility as compared to State and USAID.<sup>6</sup> We must strike the appropriate balance between civilian and military involvement in certain foreign assistance activities by rebuilding civilian capacity and transferring appropriate authorities, such as those covered under Sections 1206 and 1207 of the *Defense Authorization Act*. This shift cannot and should not happen overnight, but must be phased in gradually and responsibly, as increased civilian capacity permits.

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5 Secretary Robert Gates, Speech to USGLC Tribute Dinner (July 15, 2008), transcript available at [www.usglc.org](http://www.usglc.org).

6 Steve Radelet, Rebecca Schutte, and Paolo Abarcar, “What’s Behind the Recent Declines in U.S. Foreign Assistance” (Center for Global Development, December 2008).

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The Commanders' Emergency Response Program (CERP) has been an important tool for the military, allowing for quick response to humanitarian and other foreign assistance needs, like digging wells or fixing bridges, without coming back to Washington each time to get permission. Yet, our military often then turns to the USAID workers or Provincial Reconstruction Teams to implement these projects because they have the necessary expertise. Our ambassadors and civilian Foreign Service Officers should have capacity and authority to allocate funds in the field without coming back to Washington to get permission for each expenditure. It just makes sense to give the funds and decision-making in the hands of those people on the ground who have the best idea of the most urgent needs and how to invest our funds most effectively.

Mr. Chairman, this Committee is poised to take the lead in developing a smart power approach to our nation's national security challenges. It is clear to me that you have strong support from the Executive Branch for legislative action to promote smart power. President Obama, Secretary of Defense Gates, Secretary of State Clinton, Chairman of the Joint Chiefs Admiral Mullen, National Security Adviser Jim Jones—all have called for greater balance between civilian and military components of our policy for modernized foreign assistance policies, tools and operations, increased staffing level for State, USAID, and the Peace Corps and higher funding levels. As President Obama said just last week at the National Defense University:

Poverty, disease, the persistence of conflict, and genocide in the 21st century challenge our international alliances, partnerships, and institutions and must call on all of us to re-examine our assumptions. These are the battlefields of the 21st century. These are the challenges that we face. In these struggles the United States of America must succeed, and we will succeed.<sup>7</sup>

There is also bipartisan support from the leadership of previous Administrations. As former Secretary of State Colin Powell said recently:

The President's request for a robust international affairs budget is a smart and necessary investment in strengthening America's civilian capacities for global development assistance and diplomacy, which augment our defense and are vital to our national security and prosperity.<sup>8</sup>

And Secretary of State Madeleine Albright has argued:

Although the complete prevention of conflict is not attainable, the more versatile we are; the more effective we will be. And this argues for a robust military matched by a much stronger and better-financed civilian national security capability . . . There is a vast gap between the Marine Corps and the Peace Corps; and we need to fill that gap with people who are skilled in law enforcement, good governance, economic reconstruction, the art of reconciliation, and the creation of lasting democratic institutions.<sup>9</sup>

As I noted earlier, there is broad support for this rebalancing from those of us who have served in the military—both retired and active duty. Years of experience in Iraq and Afghanistan have underlined what knowledgeable military leaders have known for some time: today's wars, conflicts,

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7 President Barack Obama, Remarks at Dedication of Lincoln Hall at National Defense University (March 12, 2009).

8 General Colin Powell, USGLC press release on International Affairs Budget (February 26, 2009), [www.usglc.org](http://www.usglc.org).

9 Secretary of State Madeleine Albright, Remarks at "Preventive Priorities for a New Era, Session I" (Council on Foreign Relations, December 9, 2008), [http://www.cfr.org/publication/17961/preventive\\_priorities\\_for\\_a\\_new\\_era\\_session\\_i.html](http://www.cfr.org/publication/17961/preventive_priorities_for_a_new_era_session_i.html).

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and complex national security issues can only be “won” with the application of ALL elements of national power. And, in most cases, the military element, once the situation is stabilized, is the much less important element. Commanders have also learned that not only do these elements need the right capacities and abilities, but they MUST BE integrated and coordinated. Furthermore, this integration and coordination should not start on the battlefield.

It is my sense that there is no stronger advocate for diplomacy and development in the field than the active duty military. In fact, in a poll last July, the Center for Global Engagement found that over 80 percent of active duty officers’ surveyed say that strengthening non-military tools should be at least equal to strengthening military efforts when it comes to improving America’s ability to address threats to our national security.<sup>10</sup>

In after-action reports and strategy exercises conducted by the various Commands around the world, there is a constant theme. We need civilians who know the area; speak the language; bring needed expertise; and, most importantly, have long standing [personal] relationships with local decision makers. These are not skills and assets that can be developed over night. And they should not be abandoned after a short term assignment. Clearly, we need to tap the talent we already have at the State Department and our USG development agencies as well as in our private and voluntary organizations. The insight and real life experience they bring to the table has too often been ignored in the policy process.

Shifting the emphasis of U.S. foreign policy from one that relies heavily on military might to one that elevates the value of diplomacy and development will, indeed, take strong political leadership, a decisive strategy to guide us, and adequate resources and personnel to ensure we are successful. Such leadership and shift in strategy is not without precedent. Over 60 years ago, the nation was exhausted from war and worried that the specter of economic depression might return. Yet when the nation faced a new challenge on the horizon, leaders from the DOS, the services, and Congress came together, carefully analyzed the problem at hand, and developed a strategy to meet the Soviet threat. They began with “measures other than war”; they structured a strategy later known as “containment.” Congress designed and funded the institutions and policies to implement that strategy, from the *National Security Act of 1947* to the Marshall Plan, to the Truman Plan, and the early efforts for post-colonial economic development.

Over the years this Committee wrote the major foreign assistance legislation for our nation [and] supported the State Department, USAID, and the other departments concerned with foreign relations. You and your predecessors authorized a wide number of programs to address the world’s problems.

In the over fifty years that our nation has been at this growing task, our assistance has:

- Created the capacity for millions of people to feed their families through agricultural breakthroughs in crop production and soil conservation
- Contributed to broad based income growth which resulted in demand for American goods and services
- Nearly eradicated river blindness, polio, and smallpox
- Helped war torn nations rebound from civil and ethnic conflict

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10 Center for U.S. Global Engagement poll (July 2008), highlights available at [www.usglobalengagement.org](http://www.usglobalengagement.org).

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- Saved millions of lives each year through vaccinations and access to basic health care, access to potable water, and sanitary food preparation education
  - Provided hundreds of thousands of HIV patients with life-saving anti-retroviral treatments

While these are remarkable achievements, we must build on them to lay the foundation for a new era of hope. The *National Security Act of 1947* is completely inappropriate for our challenges today. We need a new leadership team from all the agencies and departments with overseas impact. These departments, working with the National Security Council (NSC) and the Congress, need to design and implement a new, comprehensive national security strategy to accomplish the following:

- Define and assess the global security challenges facing the United States today
- Set realistic goals
- Provide the resources to achieve those goals

We must understand the threats from movements of tribes and religious extremists as well as the broader conditions of poverty and despair. We must assess the impact of constrained resources on an ever more challenging and unstable world. Designing a strategy to take on insurgent movements, extremist attitudes, the lack of civil society, and good governance requires deep understanding of histories, cultures, and values. It may mean a new alliance system with tribes in addition to states and reviving coalitions with allies who share our values and are prepared to share the burden of world leadership.

Time is of the essence. As we work to get our own economic house in order, we must be able to address the deeper threats in fragile states that can threaten our own security and prosperity. If we are determined to reduce the strain on our troops, respond to the threat of global and political and cultural insurgency, and protect America, we must be prepared to make bold changes.

We need to give the brave men and women of both our military and the civilian diplomatic and development communities the resources they need. We need civilian career paths that include longer tours, in-depth preparation, language competency, and cultural understanding. Specifically, we need substantial personnel increases at State and USAID, large enough to allow for a float so that they can attend combined and joint professional education and training, as we do for our military personnel. I currently co-chair a Defense Science Board Study Group that is addressing how we should change and enhance joint professional military education. This Committee might want to consider the broader need for educational opportunities and how to bring State and USAID officers into a version of this system.

In closing, Mr. Chairman, the need is clear; and the broad support is evident—from the President, from the State Department, the Defense Department, and the military in the field, as well as from opinion leaders and experts across the political spectrum. It is time to rethink our investments for a better and safer world. It is time to deploy smart power and increase our support for civilian-led efforts in diplomacy and development. But to achieve this new strategy, which some have referred to as a “whole of government” approach to national security policy, we are going to need a “whole of Congress” response to this challenge. I hope your Committee will form a strategic alliance with the Armed Services Committee, the Defense and State Appropriations Subcommittees, and your Senate counterparts to make smart power a reality. I hope that we see the day soon when Members of Congress see the Defense Authorization, the State Department Authorization, and the *Foreign*

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*Assistance Act* together as vital components of a new strategic, smart power triad for our country's leadership in the world.

Other transcripts of those asked to testify by the Committee: Ms. Nancy Lindborg, President, Mercy Corps; Reuben Brigety, Ph.D., Director of the Sustainable Security Program Center for American Progress Action Fund; and The Honorable Philip L. Christenson, Former Assistant Administrator, United States Agency for International Development can be viewed in their entirety at: <http://foreignaffairs.house.gov/111/lin031809.pdf>.

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## Four Billion Dollar Increase for Foreign Affairs

[The following article appeared in the *Defense Security Cooperation Agency Newsletter*, Volume 4 No. 12, 3 April 2009.]

Senator John Kerry, Democrat-Massachusetts, Senate Foreign Relations Committee Chairman, said this week that he and ranking Republican Richard G. Lugar, Republican-Indiana, have been gathering supporters to help them push for a \$4 billion international affairs spending increase to the 2010 budget resolution, offset by unspecified budget cuts.

Senator Kerry supports the entire amount of money that the Obama Administration requested for the international affairs account, which includes discretionary spending for global health, aid to countries such as Afghanistan and Pakistan, and nuclear nonproliferation programs. The Senate's 2010 budget resolution only calls for \$49.8 billion.

Although Senate Budget Committee Chairman Kent Conrad, Democrat-North Dakota, warned against such an increase, Kerry argued that money for development and diplomacy is a smart investment especially for U.S. national security. At one point, Kerry did consider adding the money to the fiscal 2009 supplemental spending bill.

### **Representative Howard L. Berman Urges Support for International Affairs Budget**

Representative Howard L. Berman, Democrat-California, Chairman of the House Foreign Affairs Committee, voiced strong support this week for President Obama's plan to boost civilian assistance efforts in Afghanistan and Pakistan and for the President's overall international affairs budget request, which proposes long-overdue investments in diplomacy and development.

His remarks are as follows:

For far too long, we have failed to provide adequate funding for the State Department and the U.S. Agency for International Development, the civilian national security and stabilization agencies that will be at the forefront of our efforts in Afghanistan. I applaud President Obama for proposing an international affairs budget that begins to reverse this damaging trend, and I will work with him to see that it is fully funded by the Congress. I also look forward to working with the Administration to advance its comprehensive strategy for the Afghanistan/Pakistan region.

President Obama rightly noted that it will take a substantial increase in civilian assistance to ensure lasting stability in Afghanistan. As the President said, this civilian effort should not be short-changed; it is an investment that will pay dividends for years to come in greater security for the United States and the world.

### **Berman Introduces Pakistan Bill**

Berman introduced legislation on Pakistan on 2 April that will significantly increase funding for democracy programs, economic development, education, and strengthening Pakistan's civilian government. While the bill would authorize \$500 million of Foreign Military Financing (FMF) annually through fiscal year 2013, it would prohibit the use of FMF for Pakistan's F-16 program beyond the \$142 million that is expected to be notified to Congress shortly. It will also ensure that all assistance provided to Pakistan, including military aid, is managed through civilian authorities of the Pakistani government. In addition, it will call for auditing, monitoring, and evaluation of all of U.S. assistance to Pakistan.

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# Armed Services Committee Testimony

By  
**Admiral Timothy J. Keating, United States Navy Commander  
United States Pacific Command**

[The following are excerpts from a transcript of the Admiral's testimony before the House Armed Services Committee, 24 March 2009. The article is provided by the courtesy of the U.S. Pacific Command (USPACOM) web site:

[http://www.pacom.mil/web/site\\_pages/commander/Statements%20&%20Testimony.shtml](http://www.pacom.mil/web/site_pages/commander/Statements%20&%20Testimony.shtml).]

## Introduction

In November [2008], we [PACOM] published the U.S. Pacific Command Strategy. It underscores the fundamental importance of sustained and persistent cooperation and collaboration in times of peace to mitigate situations that could lead to conflict and crisis. While it emphasizes security cooperation and capacity building, it does not signal a departure from our primary responsibility to fight and win. Instead, it acknowledges the complexity of our security environment and the importance of pro actively employing forces to strengthen partnerships and support conditions that preclude the necessity for combat operations. It is a strategy in which we collectively seek with our allies, partners, and friends multilateral solutions, recognizing challenges are best met together. Ours is a strategy based on partnership, readiness, and presence.

It is hard to overstate the importance of our engagement in the Asia-Pacific both to our national interests and to the broader interests of all in the region. Having visited most of the 36 nations in our area of responsibility (AOR), I am convinced that our success depends on our ability to understand the complexities and intricacies of this dynamic region. Please consider the following:

- USPACOM AOR encompasses almost half the earth's surface.
- More than half the world's population lives in our region.
- The Asia-Pacific is home to 36 nations, 3.4 billion people, three thousand different languages, the world's six largest militaries,<sup>1</sup> and five nations allied with the U.S. through mutual defense treaties.<sup>2</sup>
- The region includes the most populous nation, the largest democracy, the largest Muslim-majority nation, and the smallest republic in the world.<sup>3</sup>
- China, Japan, [and] South Korea are three of our top trading partners. About one-third of our total two-way goods trade<sup>4</sup> is with nations in the region.
- Collectively, the region contributes 20 percent of the world's gross domestic product (GDP), thanks to several of the largest economies in the world.<sup>5</sup>
- The Asia-Pacific region is home to 10 of the 15 smallest economies and to several hundred million people who still live below the \$1.25 a day poverty line.

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1. USA, China, India, Russia, North Korea, South Korea (International Institute for Strategic Studies).

2. Japan, South Korea, Australia, The Philippines, and Thailand (Department of State *Treaties in Force 2007*).

3. China, India, Indonesia, Nauru.

4. \$3.4 trillion (U.S. Census Trade Statistics Data).

5. #2 Japan, #3 China, #8 Russia, #12 India, #14 Australia, and #15 South Korea Central Intelligence Agency (CIA) *World Fact Book*).

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Given such diversity, the challenges are many. While the region is characterized by a remarkable level of relative stability, the endurance of the secure and stable conditions that underpin prosperity in the region is not a foregone conclusion. While USPACOM cannot take full credit for this generally favorable environment, the positive contributions of U.S. Armed Forces cannot be disputed. Our strategy is designed to ensure USPACOM remains an engaged and trusted partner committed to preserving the security, stability, and freedom upon which enduring prosperity in the Asia-Pacific region depends.

USPACOM readiness and presence support extensive military and civil cooperation in the Asia-Pacific. In response to several significant natural disasters this past year, our military forces provided aid during a number of Humanitarian Assistance and Disaster Relief (HADR) operations. Coordinating with U.S. Government (USG) agencies, U.S. embassy teams, and other Asia Pacific nations, our forces provided support to Burma in the aftermath of Cyclone Nargis. In February and in May 2008, our men and women aided China after it was struck first by extreme winter storms and followed by an earthquake in the Sichuan province; and in the wake of Typhoon Fengshen, the USS [U.S. Ship] Ronald Reagan Strike Group delivered critical supplies to outlying areas of the Philippines. The tradition of non-disaster related humanitarian assistance continued this past summer with the four-month deployment of USNS (U.S. Naval Ship) Mercy. This multinational, civil-military effort resulted in the treatment of more than 90,000 people in five nations:

- The Republic of the Philippines
- Vietnam
- Timor-Leste
- Papua New Guinea
- The Federated States of Micronesia

All five of our alliance relationships are strong and remain critical to stability. Military transformation and realignment continue in Japan with the Defense Policy Review Initiative (DPRI). The transition of United States Forces Korea (USFK) to Korea Command (KORCOM) moves forward with the shift of wartime operational control to the Republic of Korea in 2012.

In the Philippines, we are working with our ally to combat violent extremism in its southern region. The 28th Cobra Gold multinational exercise in Thailand enhances regional interoperability in joint operations. And Australia remains a trustworthy and steadfast ally whose leadership enhances stability within the Pacific.

Our engagement and relationship with the People's Republic of China (PRC) continues to mature. In July, USPACOM hosted the Commander of the Guangzhou Military Region whose responsibilities include the South China Sea and support operations in the Taiwan Strait. We enjoyed a productive visit and developed a relationship that I hope to strengthen in the coming year. Recently, our Senior Enlisted Advisor led a delegation of Non-Commissioned Officers (NCO) to the PRC to develop a relationship through NCO engagement. In October [2008], his counterparts from the People's Liberation Army (PLA) made a reciprocal visit to USPACOM.

Improving the interaction between USPACOM and China's armed forces is critical to maintaining peace and stability across the Taiwan Strait and reassures our regional allies, partners, and friends. While cautiously optimistic, we seek a mature, constructive relationship with our Chinese

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counterparts. Through cooperation and candor, we aim to reduce the chances of miscalculation, increase mutual understanding, and encourage cooperation in areas of common interest.

In November, we partnered with the Chief of the Indonesian Armed Forces to cohost the 11th annual Chiefs of Defense Conference in Indonesia. Of the 27 nations represented, 22 nations were from the Asia-Pacific. This was a remarkable gathering, and the informal setting encouraged candor and constructive dialogue. Discussions during the conference did not focus on terrorism, nuclear proliferation, the wars in Iraq and Afghanistan, or emerging threats in the region. Rather, the military leaders shared a common concern over the issues surrounding energy and the impact on the environment and regional security.

For over sixty years, USPACOM has been a force for security and stability within the Asia-Pacific.

Nations rely on our leadership and presence—we are an “indispensable partner” to our allies, partners, and friends. Furthermore, we will continue to extend an outstretched hand to nations who desire to collaborate in addressing mutual security goals and concerns.

### **Partnership: Northeast Asia**

#### **Japan**

Our alliance with Japan is the cornerstone of our strategy in the Asia-Pacific region. Despite difficult economic times and changes in administrations, it remains strong. Six weeks before the elections in the United States, Japan chose a new prime minister, Taro Aso, whose government has continued strong support for the U.S. and Japan Alliance. Secretary of State Clinton’s first overseas visit to Tokyo demonstrated the importance of the alliance and our broader ties with Japan. The signing of the International Agreement on Guam reflects our shared commitment to the realignment process.

Japan remains a reliable partner in maintaining regional and global stability. From March 2004 to December 2008, Japanese C-130 aircraft flew missions in support of Iraqi reconstruction. In November 2008, the Diet renewed the law allowing Japanese Maritime Self Defense Force ships to refuel coalition ships supporting operations in Afghanistan. And just this past week, Japan deployed two ships to the Gulf of Aden region for counter-piracy operations. Japan hosts the bulk of our forward-deployed forces in the region and contributes over \$4 billion in host nation support.

Despite a Japanese defense budget that has decreased each year since 2002, the Japan Self-Defense Forces remain willing to interact bilaterally with the U.S. and trilaterally with the U.S. and our allies, such as the Republic of Korea and Australia, to enhance regional stability. This year witnessed the completion of several successful milestones in our relationship, including the completion of a year-long study of contingency command and control relationships and the Ballistic Missile Defense (BMD) testing of a second Japan Maritime Self Defense Force Aegis destroyer.

#### **Republic of Korea**

The U.S. and the Republic of Korea (ROK) alliance is also a critical pillar in our regional strategy and stability in Northeast Asia. The alliance remains focused on the most immediate security threat: North Korea. We do not foresee a near-term, overt challenge by North Korea; however, Pyongyang retains a significant conventional capability with massed forces near the demilitarized zone and a

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potent missile arsenal. We remain convinced that a strong U.S. and ROK alliance is the key to deterring North Korea.

The U.S. and ROK alliance continues to transform to better meet security challenges, both on and off the peninsula. ROK is scheduled to assume wartime operational control over its own forces in April 2012, which is a testament to the advanced capabilities of the ROK military and the strength of our alliance. We continue to seek opportunities to build upon our partnership with the ROK to respond to regional security challenges such as counter-proliferation and maritime security. The ROK successfully concluded a four-year deployment in Iraq in 2008 and recently dispatched a ROK Navy warship to the Gulf of Aden in support of anti-piracy and maritime security operations. Also, trilateral security cooperation between the U.S., ROK, and Japan is particularly relevant since our three nations have the shared values, financial resources, logistical capability, and planning ability to address complex contingencies throughout the region.

### **People's Republic of China**

Our policy toward China and Taiwan is based on our one China policy, the three joint U.S. and China communiqués, and the *Taiwan Relations Act*.

Our military-to-military interaction with the People's Liberation Army (PLA) fell short of expectations in 2008. This year's engagement was impacted by the Chinese prioritization of Olympic security and their reaction to the U.S. announcement of arms sales to Taiwan in October [2008]. I was able to visit China twice before the Olympics and found my discussions with their senior military leaders generally candid. Overall though, we saw little change in PRC willingness to allow port visits in China, reciprocate a mid-level officer exchange, or conduct pragmatic interactions such as safety issues in the Military Maritime Consultative Agreement (MMCA) talks. The activities USPACOM views as most useful in reducing the potential for miscalculation and misunderstanding between our forces. The unlawful and dangerous behavior exhibited by Chinese vessels against unarmed U.S. special mission ships lawfully operating in the East and South China Seas underscores the importance of these types of interactions.

Our attempts at engagement with the PRC have been complicated by both nations' differing objectives in our military-to-military relationship. We desire engagement to build understanding and create trust, while the PRC emphasizes putting its best foot forward for the outside world to see, illustrated by our experience when attempting to schedule U.S. port calls in China. Chinese ships have had the opportunity to visit all U.S. fleet concentrations over the years with the exception of Norfolk. In return, the Chinese have offered the U.S. access to ports that, although ostensibly military, are designed primarily to showcase their modern and prosperous cities while minimizing our access to their operational forces. We continue to strive for reciprocity in our exchanges with the Chinese military and encourage the Chinese to be more open and forthcoming.

A high point in our relationship with the PLA is the emerging military-to-military exchange among enlisted members of the U.S. Armed Forces and the PLA. In June 2008, our Senior Enlisted Adviser led 12 Senior Non-Commissioned Officers (SNCOs) on a trip to China. The itinerary included briefings by the PLA Department of NCO Administration and Discipline of the General Staff, Nanjing Military Regional Political and Operations Department, and an NCO roundtable and tour of the 179th Motorized Infantry Brigade (Nanjing). In October, a PLA Delegation reciprocated by visiting USPACOM to continue dialogue between the two countries. Both visits represent positive steps in maturing the U.S. and PRC military-to-military relationship and support the USPACOM goal

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of promoting operational and tactical level exchanges to influence future PLA leaders. In all cases, our contacts and exchanges with the People's Liberation Army comply with relevant provisions of the *National Defense Authorization Act for Fiscal Year 2008*.

## **Taiwan**

The foundation of our relationship with Taiwan is based on common democratic values and commitment to peace, stability, and prosperity in the Western Pacific. In accordance with legislation and policy, the USPACOM relationship with Taiwan is "unofficial." The USPACOM relationship with Taiwan makes available advice, training, and support for Congressionally-approved equipment necessary to enable Taiwan to maintain a sufficient self-defense capability. This unofficial relationship results in a range of restrictions on our military-to-military interaction; however, we still maintain a robust engagement schedule. USPACOM and its service components provide a wide range of training and assessment activities including support to Taiwan's annual Han Kuang (HK) exercise.

President MA Ying-jeou's administration has significantly reduced cross-strait tension by following a status quo oriented policy of "3 nos"—no unification, no independence, and no use of force—and by working with China to expand cross-strait ties in such areas as trade, travel, and finance. Military challenges include the rapidly increasing military capabilities of the PRC and Taiwan's goal of making a transition to an all-volunteer force by 2014. Taiwan continues to balance future capabilities with immediate defense needs, such as hardening, readiness, and sustainability.

## **Mongolia**

Mongolia is an enthusiastic U.S. partner willing to support U.S. policy objectives in the region. While a nascent democracy, it is still burdened with Soviet vestiges, including an unresponsive bureaucracy and remnants of corruption. Mongolia is mindful of the delicate balance between its engagement with the U.S. and maintaining relationships with China and Russia.

We continue to help Mongolia transform its military into a professional, modern force capable of self-defense, border security, participation in international peacekeeping, and HADR response. Mongolia is a staunch supporter of our efforts in the struggle against violent extremism and has contributed armed forces in support of both Operation Iraqi Freedom and Operation Enduring Freedom in Afghanistan. To further enhance the professionalism and development of Mongolian Armed Forces (MAF), they are included in our hosted and cohosted multilateral activities and seminars such as the Pacific Army Management Seminar, Non-Lethal Weapons Seminar, the Pacific Rim Air Chiefs Conference, and the Chiefs of Defense (CHODs) Conference. USPACOM conducted several exchanges with MAF to increase defense capabilities, including bilateral exercises, security operations exchanges, and NCO development. Finally, the MAF participated in several multinational exercises to build the proficiencies necessary to operate in peacekeeping environments. These include Multinational Planning Augmentation Team events; Military Law Exercises; and Khaan Quest, a premier regional multilateral peacekeeping exercise held in Mongolia.

## **Russia**

The U.S. suspended military-to-military engagements with Russia following their incursion into Georgia and subsequent recognition of South Ossetia and Abkhazia as sovereign nations. USPACOM is prepared to re-engage when activities align with U.S. interests. Prior to Russia's invasion, military-to-military cooperation between PACOM and Russian armed forces was modest with room to grow. The USS Stethem Guided Missile Destroyer visited Vladivostok in May 2008, and two Russian

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officers observed the Rim of the Pacific exercise in Hawaii in July 2008. The U.S. and Russia share common interests in the USPACOM AOR including weapons of mass destruction (WMD) counter-proliferation, counterterrorism, and regional stability. These areas of strategic alignment are the focus of military-to-military cooperation in the future. Of note, U.S. Pacific Command (USPACOM) coordinates all Russian security cooperation activities with U.S. European Command (EUCOM) to ensure the efforts of both geographic combatant commands (GCC) are mutually supportive.

### **Partnership: South Asia**

#### **People's Republic of Bangladesh**

Bangladesh is a solid regional partner that continues to address a growing internal extremist threat while they make the transition from emergency rule to a democratically elected government. Over the past year, the Bangladesh armed forces played a constructive role in support of democracy as the caretaker government prepared for and held national elections in December 2008. Visits by senior USPACOM delegations and military exchanges with Bangladesh military leadership throughout the duration of emergency rule assisted in reinforcing the U.S. desire for free, fair, and credible elections. The recent mutiny in Bangladesh by the enlisted members of the Bangladesh Rifles (BDR), Bangladesh's border guards, against the army officers assigned to the BDR demonstrates our continuing need to support defense sector reform. This reform should not only involve units under the Ministry of Defense but should include all security forces, including those under the Ministry of Home Affairs, such as the BDR and the Rapid Action Battalion.

The key USPACOM focus in Bangladesh is the enhancement of their ability to conduct counterterrorism operations. We also continue to assist Bangladesh's recovery from the 2007 cyclone and flooding by providing humanitarian assistance for the construction of schools and cyclone shelters, disaster mitigation assessments, and civil affairs training. Likewise, through the Global Peace Operations Initiative (GPOI), designed to build competent and professional peacekeepers worldwide, USPACOM is enhancing Bangladesh's ability to conduct international peacekeeping. In April 2008, Bangladesh successfully hosted the region's GPOI Capstone Event, Exercise Shanti Doot 2, which included participation by twelve additional countries.

#### **India**

USPACOM activities are helping to build the solid foundation of the evolving U. S. and India strategic partnership. Due to the increasing maturity and complexity of this relationship, our cooperation in areas of common security interests will continue, regardless of the outcome of the Indian national elections scheduled for April-May 2009. Increased defense sales; advanced multilateral/joint exercises; and operational cooperation in areas of maritime security, counterterrorism, and HADR highlight our engagement over the past year. Of special note, the Indian Air Force and the Joint Prisoners of War-Missing in Action (POW/MIA) Accounting Command (JPAC) jointly conducted the first ever MIA recovery survey mission in India.

The increased piracy in the Gulf of Aden and terrorist attacks in Mumbai highlight areas of common security concerns for enhanced U.S. and India cooperation. We are working together with U.S. Central Command (USCENTCOM) to ensure a more formal and synchronized approach to address incidents of terrorism in South Asia and other issues that may cross GCC boundaries.

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## **Nepal**

The peaceful assumption of power by the Maoist government after the 2008 national elections started to clarify the political environment that influences our military-to-military relationship with the Nepalese Army. The Nepalese Minister of Defense has indicated that the Maoist-led government desires continued military-to-military engagement with the United States. Due to the potential for the current peace to unravel, USPACOM focus is on supporting the peaceful integration of members of the Maoist People's Liberation Army into the Nepalese security forces. Senior level dialogue and defense sector reform events are the primary means to assist this change. USPACOM will also continue to help Nepal in the development of its peacekeeping operations and training capabilities through the GPOI.

## **Democratic Socialist Republic of Sri Lanka**

Even with current restrictions on military-to-military engagement and security assistance to Sri Lanka, our military relationship remains strong with room to grow. In an effort to address alleged human rights abuses and the recruitment of child soldiers, the USPACOM theater campaign identified military justice reform, human rights training, and professionalizing of the armed forces as top priorities. These will continue to be our focus until the government of Sri Lanka meets the prescribed international standards.

Another priority is civil-military cooperation and nation building. As the government of Sri Lanka liberates areas previously controlled by the Liberation Tigers of Tamil Eelam (LTTE) in the Eastern and Northern Provinces, the Sri Lankan military is playing a key role in ensuring peace and stability. In support of the U.S. Agency for International Development (USAID) and the Department of State, USPACOM is providing assistance with small-scale repair and rehabilitation of schools and health centers in Eastern provinces and with civil-military operations/civil affairs training to the Sri Lankan military.

## **Partnership: Southeast Asia**

### **Burma**

The policies and practices of the Burmese government undermine regional security through human rights violations, particularly when directed against democracy advocates and ethnic minorities, and widespread jailing of dissidents and pro-democracy protesters. Among threats to regional stability are issues concerning narcotics trafficking, trafficking in persons, and disease. Over the past year, our military-to-military engagement with Burma was limited to facilitating delivery of aid to the Burmese people during Operation Caring Response, an HADR operation in response to Cyclone Nargis in May 2008. During Operation Caring Response, USPACOM supported the USAID in delivering over 3 million pounds of relief aid via 185 sorties.

### **Cambodia**

Our military relationship with the Royal Cambodian Armed Forces (RCAF) continues to progress. In 2008, USPACOM held the first working-level talks to plan future engagement events. Cambodia demonstrated a willingness to cooperate closely on counterterrorism, peacekeeping, disaster response, and medical and health related activities. Cambodia received peacekeeping training through the GPOI. In addition to being a strong participant in peacekeeping exercises and operations, Cambodia has offered to host the region's premier GPOI peacekeeping exercise in 2010.

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The U.S. Pacific Fleet has conducted five port visits over the past two years to Cambodia's port at Sihanoukville, reinforcing the USPACOM commitment to continued engagement with Cambodia.

## **Indonesia**

Since the normalization of our military relationship with Indonesia in 2005, we moved deliberately to upgrade our ties with the Indonesian Armed Forces (TNI). Sitting astride key sea lanes, Indonesia is the world's largest majority Muslim nation and third-largest democracy. The United States and Indonesia share a broad range of security interests, and our security relationship should reflect that. USPACOM conducted significant military-to-military engagement activity with the TNI in 2008. Two particularly noteworthy events include: the Chiefs of Defense (CHODs) Conference co-hosted by TNI and USPACOM and the sixth iteration of the multilateral Tendon Valiant Medical Readiness Exercise. In all activities and at all levels, the interaction between the U.S. and TNI armed forces was positive, professional, and demonstrated a desire to improve peacekeeping and disaster relief skills. Consistent with this view, Indonesia has deployed a third and fourth set of military and police troops to support peacekeeping operations (PKO) in Lebanon as well as a 140-person formed police unit to Darfur.

In 2009, we anticipate greater Indonesian leadership and more complex interaction within our theater campaign plan engagement activities. For example, Indonesia has agreed to co-host the GPOI Capstone Exercise and is taking a leading role in the first Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF) HADR activity, to include the ARF Voluntary Display of Requirements (VDR) in which 27 nations will participate.

## **Laos**

We steadily build security-related activities with Laos beyond our important legacy activities such as POW/MIA personnel recovery and humanitarian assistance cooperation. In December [2008], Laos officially received the first U.S. Defense Attaché in over thirty years and selected a Defense Attaché for duty at its embassy in Washington. Engagement activities with Laos focused on English language training for mid- and senior-level officers, medical cooperation, avian influenza preparedness, and increased Lao participation in regional conferences and activities.

## **Malaysia**

Our military-to-military ties with Malaysia remain strong despite the fluid political environment resulting from the March 2008 elections. Malaysia's long-range deployment of three ships to the coast of Somalia in response to the hijacking of two Malaysian flagged commercial tankers demonstrated a new, impressive capability that prompted discussion with key defense officials on how to develop deeper cooperation in maritime security and counter-piracy. Twenty-one ship visits were made to Malaysia last year, and we engaged with their new Joint Forces Command and submarine forces to increase interoperability. Malaysia is unique in maintaining three challenging border areas:

- The Strait of Malacca
- The border with Southern Thailand
- The Sulu Sea region with the Philippines and Indonesia

Although the government of Malaysia opted to end its contributions to the International Monitoring Team in the southern Philippines, it has renewed and increased its contribution of peacekeeping troops to Lebanon.

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## **Republic of Philippines**

The Republic of Philippines (RP) is a U.S. treaty ally under the 1951 Mutual Defense Treaty (MDT). The Armed Forces of the Philippines (AFP) continue to make significant strides in combating the terrorist threat in the southern Philippines. The government of the Philippines and its security forces are also increasingly effective in their prosecution of operations aimed at marginalizing the ongoing insurgency. Utilizing all elements of national power, the Philippines has worked diligently to reduce the armed threat while creating the conditions for sustained peace and prosperity. The U.S. contributes to this success through the Kapit Bisig strategic framework. Kapit Bisig provides U.S. forces with clear guidance to support humanitarian and civic assistance, security assistance and training, and operations while ensuring respect for the sovereignty and legal limitations outlined in the Philippines' Constitution and Visiting Forces Agreement. Moreover, USPACOM participates in the implementation of a successful integrated whole-of-government approach, working with the Departments of State, Justice and USAID in the southern Philippines, contributing to a more stable sub-regional security environment and decreasing ungoverned spaces.

During our annual bilateral defense talks in September [2008], we reiterated our support to the ongoing Philippine Defense Reform program. Increasing professionalism and overall military capabilities are key pillars for this program. In close partnership with the AFP, USPACOM continues to support efforts aimed at institutionalizing Enlisted and Officer Professional Development programs. USPACOM is also actively conferring with the AFP on developing a National Training Center to enhance opportunities to conduct high quality joint training among their Army, Navy, Air Force, and Marine Corps units.

Finally, Philippines' agreement to host the first ever ASEAN Regional Forum (ARF) training activity this May represents a significant step forward for the ARF and for improving multinational cooperation in the areas of HADR in the theater.

## **Singapore**

Singapore continues to be one of our strongest security partners in Asia and a key coalition partner. Beyond providing strategic access to ports and airfields for transiting U.S. forces, which includes approximately 100 ship visits and 30,000 service members each year, Singapore cooperates with the U.S. on maritime security, counterterrorism, and counter-proliferation initiatives. Singapore continues to provide niche capabilities, such as engineering and medical teams, to support reconstruction in Afghanistan. Their efforts to enhance maritime security and information sharing in the critical Singapore and Malacca Straits will be realized when their Command and Control Center at Changi Naval Base is completed later this year. In November 2008, the first of Singapore's 24 F-15s deployed to Idaho. Singapore's desire to purchase and maintain U.S. platforms enhances our overall level of cooperation.

## **Thailand**

Thailand remains a critical ally and engagement partner. Co-hosted with Thailand, exercise Cobra Gold remains the premier USPACOM multilateral exercise with participants and observers from 27 countries. I attended the closing ceremony for this year's Cobra Gold, and my observation reinforces the value of this event.

We also appreciate Thailand's important global security contributions in the struggle against violent extremism, counter-narcotics efforts, humanitarian assistance, and peacekeeping operations,

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to include a planned 800-troop contingent scheduled to assist the United Nations (U.N.) mission in Sudan in the summer of 2009. Regarding the recent changes in Thai political leadership, it is noteworthy that the military has moved beyond the 2006 coup and has affirmed its commitment to using democratic principles to resolve differences.

### **Timor-Leste**

There are several reasons USPACOM remains optimistic about the future of this fledgling democracy. This past year, Timor-Leste's first democratic government managed to maintain control of the country, despite assassination attempts on the President and Prime Minister, strong rallying by the opposition party, and more than 10 percent of the population living in Internally Displaced Person (IDP) Camps. The Timor-Leste civil-military defense establishment is in place; and its defense forces operate under the rule of law, despite lacking many basic capabilities. The leadership of Timor-Leste is working with several countries in an effort to begin critical institutional development. USPACOM interaction with Timor-Leste increased significantly. The most notable engagements included two events: an Asia-Pacific Center for Security Studies (APCSS) sponsored workshop to assist the military, government, and opposition party in developing a viable National Security Policy (NSP) and a two-week port visit by USNS Mercy focused on providing humanitarian assistance. Additionally, Marine Forces Pacific (MARFORPAC) initiated an annual platoon exercise with the Timorese military that consists of skills exchanges and humanitarian assistance activities. Pacific Fleet (PACFLT) initiated annual port visits and is conducting a maritime and land assessment survey with MARFORPAC to determine the best way to increase our engagement opportunities with Timor-Leste Defense Forces.

### **Vietnam**

Our military-to-military engagement with Vietnam continues to advance at a measured pace. Vietnam willingly receives humanitarian assistance and has shown a desire to be a regional partner as well. The USNS Mercy, the first U.S. military vessel to visit Nha Trang since 1975, provided humanitarian assistance in cooperation with the Vietnamese Medical Corps. Vietnam announced its intention to participate in training and other activities for peacekeeping operations. USPACOM is also sustaining an information exchange that allows Vietnam to better prepare for and respond to severe typhoons. This year, we continued our support of the Presidential Emergency Program for AIDS Relief, with Department of Defense contributions exceeding \$5 million.

## **Partnership: Oceania**

### **Australia**

Australia remains a steadfast ally that works tirelessly to enhance global and regional security and provide institutional assistance in the Pacific. During 2008, Australia continued to lead the International Stabilization Force in Timor-Leste and the Regional Assistance Mission to the Solomon Islands. The Australia Defence Force works closely with USPACOM on building regional security capacity and continues to make significant contributions to global security through robust support of Operations Enduring Freedom and Iraqi Freedom.

Australia places major emphasis on advancing interoperability with the United States through well-coordinated acquisition and training programs. Australia is a Joint Strike Fighter level three partner and has made great progress in implementing Strategic Level and Operational Level Review recommendations to enhance U.S. and Australia interoperability. The biennial

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exercise Talisman Saber 2009 will test our policies, tactics, hardware, and infrastructure. Talisman Saber 2009 will build upon the 2007 exercise, which was very successful and validated the U.S. and Australia Joint Combined Training Capability. We are working to enhance that bilateral capability to inject virtual and constructive forces into exercise and training environments and enhancing our cooperation on Intelligence, Surveillance, and Reconnaissance (ISR) and regional HADR response.

### **Compact Nations**

We appreciate our partnership with the three Compact Nations—the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. USPACOM was pleased to host visits from the elected leaders of each of these nations during 2008. In concert with the U.S. Coast Guard, USPACOM fully supports their initiatives to expand capacity and operations to protect their valuable economic exclusion zone resources and acknowledges the mutual benefit of our bilateral ship rider agreements concluded with each of the Compact Nations over the last year. U.S. Army Pacific Joint Task Force Homeland Defense headlines our special relationship with these nations to ensure our mutual defense, as set forth in the Compacts of Free Association. We also recognize the extraordinary support from the citizens of these nations and acknowledge those who serve with great distinction in the U.S. military and Coast Guard. The Marshall Islands host the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site, integral to the development of our missile defense programs and conduct of space operations.

### **New Zealand**

New Zealand shares many U.S. security concerns about terrorism, maritime security, transnational crime, and the proliferation of weapons of mass destruction and delivery systems. New Zealand remains supportive of our global efforts in the struggle against violent extremism and extended its lead of the Provincial Reconstruction Team in Bamyán Province, Afghanistan through at least September 2010. Although the 1987 New Zealand nuclear-free zone legislative declaration and U.S. defense policy guidelines restrict bilateral military-to-military relations, the New Zealand Defence Force participates in many multilateral events that advance our common security interests. Currently, our Marines are supporting the New Zealand Force integration of their recently acquired multi-role maritime patrol vessel Her Majesty's New Zealand Ship (HMNZS) Canterbury which we expect will enhance HADR efforts in the region.

New Zealand remains active in Pacific island security initiatives, from stabilization efforts in Timor-Leste and the Solomon Islands, to operations in Korea, Sudan, and throughout the Middle East. Additionally, the New Zealand Defence Force supports our National Science Foundation efforts in Antarctica and provides the primary staging area for joint, multinational Operation Deep Freeze support.

### **Tonga**

Tonga remains an extraordinarily committed U.S. partner in the struggle against violent extremism and is a regional leader in peacekeeping operations. The Royal Tongan Marines returned to Iraq in September 2007 for two six-month rotations, and the government of Tonga renewed their mandate for an additional year. With changes in the Iraq mission, the Tongan Marines returned home in December 2008. We look forward to the possibility of the Tongan Defence Service joining the international efforts in Afghanistan at some point. USPACOM security cooperation with Tonga supports their efforts to expand the peacekeeping capacity of the Tongan Defence Service through our

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annual Marine-led exercise Tafakula and through Tongan participation in the region's GPOI capstone exercise.

## **Readiness**

USPACOM is a GCC committed to being a trusted partner and preeminent warfighter. We are a force ready and a force present. Within Asia and throughout the Pacific, in coordination with the Office of the Secretary of Defense, our U.S. ambassadors, and other government agencies, we work with and through our regional partners to combat violent extremism and transform vulnerable environments. We have made progress but must remain actively engaged.

## **Operation Enduring Freedom—Philippines (OEF-P)**

With USG assistance, the government of the Philippines (GRP) reduced transnational terrorist organizations' capability, mobility, resources, and popular support to conduct attacks against U.S. and Philippine interests. Although these transnational terrorist threats are substantially diminished, they have not been eliminated; and the underlying conditions for a stable and secure southern Philippines have not been fully achieved. Success will require a persistent interagency approach.

## ***The National Defense Authorization Act (NDAA) Sections 1206 and 1207***

With authority provided by Congress in Section 1206 of an amendment to the fiscal year 2006 NDAA, USPACOM supported, managed, and oversaw more than \$62 million to increase security capacity in Malaysia, Indonesia, the Philippines, and Bangladesh. By reducing unmonitored waterways, these countries restricted the freedom of movement of terrorists in the region.

We continue to work with our partners at the DOS and USAID to formulate and integrate a Section 1207 proposal that enhances stability and reconstruction efforts across the theater. Section 1207 allows us to complement USAID and other USG efforts in good governance and law enforcement unit capacity building.

Executed in full cooperation with the DOS and our regional ambassadors, Sections 1206 and 1207 authorities are effective tools to build regional capacity and deny safe havens to terrorists in Southeast Asia. USPACOM thanks the Congress for supporting these authorities.

## **Joint Interagency Task Force West (JIATF West)**

JIATF West is a USPACOM standing task force authorized to use DOD resources to advance regional interagency and multilateral cooperation against illicit drug-related transnational criminal organizations threatening U.S. interests and regional stability. JIATF West partners with and supports U.S. law enforcement agencies, as well as host nation counterparts, to conduct this work. As the USPACOM Executive Agent for regional counter-drug efforts, JIATF West maintains strong programmatic continuity within the following lines of operation:

- Training security forces
- Building security force infrastructure
- Providing analytic and other intelligence support to U.S. law enforcement agencies and host nation counterparts

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JIATF West and our U.S. law enforcement partners recently supported the following national security elements:

- The Indonesian National Police and Counter Narcotics Bureau
- The Royal Thai Police; the Royal Malaysian Police and Malaysian Maritime Enforcement Agency
- The Philippine Drug Enforcement Agency, National Police, and National Bureau of Investigation

Specific examples of JIATF West successes include fostering closer Indonesian and Philippine cooperation through an October 2008 formal agreement to share information on transnational crime between respective national fusion centers. JIATF West established these centers in both countries with strong U.S. Drug Enforcement Agency (DEA) support and sponsorship. In September 2008, Philippine security forces with recent JIATF West interdiction training disrupted a major trafficking operation in the Southern Philippines Sulu Sea region, where local Abu Sayyaf Group (ASG) sub-commanders conduct illicit activities to obtain weapons and supplies.

### **Communications Systems**

The DOD communications infrastructure continues to be vulnerable to cyber exploitation and attack. USPACOM faces significant challenges to proactively counter cyber threats and maintain freedom of action in cyberspace. We work daily with Joint Task Force Global Network Operations to defend the Global Information Grid against cyber threats. We must proactively defend our critical Command and Control (C2) networks to ensure confidentiality and integrity of the information. The mitigation of computer network vulnerabilities is a top priority.

USPACOM relies heavily on Military Satellite Communications (MILSATCOM) which shows increasing degradation and vulnerability. Many of the projected replacement systems have suffered funding cuts and schedule delays. USPACOM is engaged with our national satellite community to ensure Satellite Communications (SATCOM) programs remain synchronized and availability gaps are addressed.

### **Intelligence, Surveillance, and Reconnaissance (ISR)**

USPACOM needs “pervasive and persistent surveillance,” defined as having the right assets able to observe and understand potential adversary’s plans and intended actions, especially in denied areas. The expansive size of the Asia-Pacific region, combined with finite available assets, means we must prioritize our ISR activities.

### **Advocacy of Programs Critical to USPACOM**

USPACOM remains a theater of opportunities and challenges requiring the United States to maintain a credible warfighting capability. The trend toward new regional powers and presence of unpredictable actors necessitates that USPACOM maintain preeminence in military capability and understand the emerging threats to deter or defeat any aggression. To this end we must continue to advance our capabilities to better gauge intentions, enhance our ability to operate in an advanced electronic warfare environment, and continue to develop a ballistic missile defense system capability that will protect our high value assets and our territories.

As a theater dominated by the maritime environment, we must maintain maritime superiority in a time of conflict. Undersea warfare capabilities of regional players in our theater are continuing to

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improve, and we must retain the competitive edge we now enjoy. The vast distances encountered in USPACOM have the potential to stress critical air and sealift capabilities; we continue to look for ways to improve our ability to operate throughout the USPACOM AOR.

By increasing the capabilities of our partners in the theater, we will ensure that the relationships exist and the capability is present to facilitate current and future coalition support and multi-nation operations.

### **Undersea Superiority**

The continued improvement of air, surface, [and] subsurface Command, Control, Communications, Computers, and Intelligence (C4I) systems; acoustic modeling and navigation charts; and cooperative training and operations with partners and allies enhances our ability to operate effectively in the maritime domain. However, with the People's Liberation Army Navy (PLAN) modernization and their expanding area of operations, antisubmarine warfare remains a challenge and is the number one priority for U.S. Pacific Fleet (PACFLT). Maintaining an operational advantage also requires rigorous training at sea before deployment in the AOR. Without the recent Supreme Court ruling overturning two restrictions placed on the use of active Sound Navigation and Ranging (SONAR) in the waters of Southern California, our maritime force would have faced significant training challenges in preparing for deployment in the Western Pacific.

### **Combating Weapons of Mass Destruction**

The centerpiece for our activity remains the Proliferation Security Initiative (PSI), which aims to build global capacity to disrupt the proliferation of weapons of mass destruction, delivery systems, and related materials among states and non-state actors of proliferation concern. Fourteen nations within the AOR have endorsed the PSI (Australia, Japan, Singapore, New Zealand, the Philippines, Brunei, Cambodia, Fiji, Mongolia, Marshall Islands, Sri Lanka, Papua New Guinea, Russia, and Samoa). We continue to work towards expanded participation during regional military-to-military engagements.

While a common commitment to counter-proliferation is important, we also made gains with the essential next step—exercising counter-proliferation capabilities. In September 2008, USPACOM participated in the PSI Exercise Maru hosted by New Zealand. DOD personnel participated in a Boarding Operations demonstration, followed by U.S. Coast Guard (USCG) personnel providing in-port demonstrations. In November 2008, USPACOM participated in a Singapore-hosted Table Top Exercise to assess Singapore's current capability and capacity for dealing with a WMD event. USPACOM, in coordination with the Office of the Under Secretary of Defense for Policy, conducted Chemical, Biological, Radiological, Nuclear (CBRN) Defense and Consequence Management bilateral working groups with Japan, the Republic of Korea, and Singapore with the intent of improving interoperability and mutual response capability and capacity. These activities will become increasingly multilateral.

### **Maritime Domain Awareness (MDA)**

USPACOM fully supports the Maritime Domain Awareness process. MDA ties the whole-of-government approach and regional partnerships together to maintain a coherent picture of our AOR. The end result of the MDA process is the ability to locate seaborne smugglers of weapons of mass destruction, terrorists, combatants, and other criminal activity.

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While there have been growing pains in the process, we have seen success in integrating partner countries. Our traditional allies continue to collaborate with us while we work to add more partners to the collective. Building Partner Capacity (BPC) program funds have created opportunities for us to improve the capability throughout the AOR.

### **Pandemic Influenza (PI)**

USPACOM supports our national strategy for a pandemic influenza response with a robust plan and is prepared to support lead agencies (Department of Homeland Security, Department of Health and Human Services, Department of Agriculture, and Department of State) at the national level. Exercise Lightning Rescue 08 tested the State of Hawaii's pandemic influenza response and the domestic linkages to the USPACOM pandemic influenza plan and response. Exercise Tempest Express 15 tested our coordination mechanisms, at both the strategic and the operational civil military levels, in the event of a foreign pandemic influenza outbreak. Over 20 countries, along with members of the United Nations and several Non-Governmental Organizations (NGOs), participated.

The Center for Excellence in Disaster Management and Humanitarian Assistance (COEDMHA) executes workshops for civil-military influenza cooperation in the AOR. The Center Of Excellence (COE) and Malaysian Armed Forces Health Services hosted a Senior Leader Pandemic Influenza Capstone Seminar last August with fifteen countries attending. USPACOM collaborates with Centers for Disease Control, World Health Organization, World Food Program, [and] Food and Agriculture Organization of the U.N. and conducts "Laboratory and Rapid Response" train-the-trainer workshops. We are working to improve our cooperation with USAID which will bring additional opportunities for regional engagements in 2009-2011.

### **Quality of Life**

The USPACOM partnership, readiness, and presence goals require well-equipped, well-trained professionals who are sustained by programs that enhance their quality of life. Exceptional support by Congress has provided consistent pay raises, enhanced compensation and benefits, expanded medical and dental services, derived lasting care and treatment for veterans and wounded warriors, and secured comprehensive support for our military dependents.

The education of our children remains paramount to sustaining military families; retaining our service members; and, ultimately, our future. Congressional appropriations and initiatives enriched our educational programs, built new schools, and aided the ongoing transformation of our forces. Efforts like the Interstate Compact on Educational Opportunity for Military Children, the Hawaii Joint Venture Education Forum, Tripler Army Medical Center's "Project Assist," and the Department of Defense Education Activity's "Partnership Pilot Program for Hawaii Public Schools" all reflect the sincere dedication of Congress to our military children and their teachers. Specifically, I appreciate the military construction funding which provided two state of the art facilities for our military children on Guam. Looking at the sweeping transformation and force posture changes throughout the Pacific theater, I request your continued support and dedication to military child education, the number one priority for our families.

### **Presence**

Our current level of force presence and posture is essential to maintain stability in the Asia-Pacific region. Our presence reassures our allies and partners and dissuades those who would threaten the

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security of the region. We will sustain our warfighting readiness and credible combat power through programs that support training, education, and quality of life for USPACOM personnel.

### **The Defense Policy Review Initiative (DPRI)**

DPRI, initiated by the Secretary of State and Secretary of Defense with their counterparts in December 2002, will significantly impact our forces in the Japan posture realignment. This agreement was codified by Secretary of State Clinton during her recent visit to Tokyo. Major elements of the Realignment Roadmap with Japan include:

- Relocating two U.S. air bases from urbanized to rural areas
- Transferring approximately 8,000 Marines from Okinawa to Guam
- Co-locating U.S. and Japanese command and control capabilities
- Deploying U.S. missile defense capabilities to Japan, in conjunction with Japan's own deployments
- Improving operational coordination between U.S. and Japanese forces

Both the governments of Japan and the U.S. remain committed to the provisions of the DPRI.

### **United States Marine Corps Relocation to Guam**

The rebasing of 8,000 Marines and their dependents from Okinawa to Guam enhances the flexibility of the forward-based Marine presence in the USPACOM AOR and eases the burden on the people of Japan. The Joint Guam Program Office, led by the Department of the Navy, continues to manage all aspects of this relocation effort. We plan to begin upgrades to the military infrastructure, housing, and training facilities on Guam in 2010.

### **United States Forces Korea (USFK) Transformation**

We continue to support transformation on the Korean Peninsula with the full cooperation of the Republic of Korea (ROK) government. U.S. forces will consolidate into two enduring hubs south of the Han River, resulting in a less intrusive U.S. military footprint. To increase readiness and boost the quality of life for Korea-based forces, the Department of Defense (DOD) approved "tour normalization" resulting in longer family accompanied tour lengths. This aspect of transformation is good for our service members and reinforces our commitment to our alliance with South Korea.

The Secretary of Defense and the ROK Minister of National Defense confirmed, during the 40th U.S. and ROK Security Consultative Meeting in October 2008, that we are on schedule to transfer responsibility for wartime operational control (OPCON) from the U.S. to the ROK in 2012. As part of this transition, the U.S.-led Combined Forces Command (CFC) will be deactivated; and U.S. Forces Korea (USFK) will become a U.S. joint warfighting Command, provisionally-titled Korea Command (KORCOM). The new Command is charged to support the ROK military in defense of their nation. The robust combined training and exercise program is the primary mechanism to validate the new Command relationship which will see the U.S. military in a supporting role to the ROK military. One of two major theater-level exercises in Korea, Exercise Ulchi Freedom Guardian in August 2008, was the first test of the future Command structure with two separate but complementary ROK and U.S. warfighting headquarters. The exercise was a success and demonstrated the capabilities of the ROK military to lead the U.S.-ROK combined forces.

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Although we have seen significant progress, a great deal of work remains for the transformation of the U.S. and ROK alliance. USPACOM is actively engaged with USFK to ensure that the structure, function, and capabilities of the future KORCOM will make our enduring U.S. and ROK alliance stronger.

### **Preferred Munitions I Prepositioned Stocks**

Due to time-distance challenges in the Pacific theater, our forces require readily available and properly maintained preferred munitions and prepositioned stocks at the outset of any conflict. Over the past year, USPACOM service components made steady progress in improving inventory levels of preferred munitions.

### **Missile Defense**

To defend U.S. forces, interests, and allies from short, medium range, and intermediate range ballistic missiles, USPACOM seeks a forward-deployed, layered, and integrated air and missile defense system that is capable of intercepting threat missiles throughout the entire time of flight. USPACOM established an initial missile defense capability by:

- Forward deploying the Standard Missile 3 (SM-3) aboard U.S. Navy Aegis ships
- Integrating a forward-based X-band radar into the Ballistic Missile Defense System (BMDS) architecture
- Conducting BMD [Ballistic Missile Defense] exercises and training with key partners
- Refining the tactics, techniques, and procedures required for coordination with U.S. Northern Command (USNORTHCOM) and other GCCs.

Increased inventories of both Patriot PAC-3 and SM-3 interceptors, continued development of far-term sea-based terminal and boost phase interceptor capabilities, and enhanced non-kinetic offensive and defensive capabilities would effectively build on the initial missile defense capability already deployed in the USPACOM AOR. Additionally, basing air and missile defense capabilities in Guam would increase our BMD forward presence. The Army continues to work with the Joint Guam Project Office to set the conditions for air and missile defense on Guam.

As the government of Japan fields its own national Ballistic Missile Defense System (BMDS) consisting of Patriot PAC-3 Fire Units, Aegis SM-3 capable ships, and new search and track radars, USPACOM will continue to work closely with our Japanese allies to maximize our bilateral planning efforts to achieve the most effective bilateral employment of this combined capability. As we grow the overall BMD architecture, interoperability will play an even greater role. Accordingly, it is vital to mission success to have communication systems capable of integrating across the joint spectrum as well as with our partner nations.

### **Acquisition and Cross-Servicing Agreements (ACSA)**

ACSAs are bilateral agreements for exchange of logistics support, supplies, and services. They are used to enhance interoperability and readiness and provide a cost effective, legal mechanism for mutual logistics support between U.S. and allied or partner military forces. USPACOM forces that participated in fiscal years 2007 and 2008 exercises such as Cobra Gold, Talisman Saber, and Balikatan were able to reduce their logistics footprint by using ACSAs. Furthermore, ACSAs have been particularly helpful in conducting operations in the struggle against violent extremism. For

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example, we have made extensive use of the current agreement with the Philippines to support Armed Forces of the Philippines' (AFP) operations against terrorist cells in that country.

USPACOM has twelve ACSAs in place. We are negotiating with Australia to renew the current ACSA. We continue work on concluding agreements with the following countries:

- India
- Vietnam
- Papua New Guinea
- Indonesia
- Brunei
- Timor-Leste

These agreements will yield positive results and are viewed as vital in maximizing our interoperability and increasing the readiness of coalition partners in the Pacific region.

### **Security Assistance**

Foreign Military Financing (FMF) and International Military Education and Training (IMET), executed in partnership with the DOS and our embassy country teams, are critically important features of the USPACOM Theater Campaign Plan and are powerful engagement tools for building security partnerships with developing countries. FMF continues to prove its value in equipping and training regional partners to more effectively contribute toward common security goals and is vital to supporting U.S. partners such as the Philippines, Indonesia, and Mongolia in combating violent extremism.

IMET is the program of record where defense and diplomacy join to advance U.S. interests by educating participants in essential principles of a professional military force, creating trust and influence, access and interoperability. IMET provides lasting value to the individual participants, the respective nations, and the United States. The program is a modest but highly effective investment that yields productive personal and professional relationships, fostering a more secure and stable region.

### **Enlisted Leader Development: Partner Nation Enlisted Development**

We place a premium on developing the enlisted leaders of partner nations in the Asia-Pacific. To that end, we are assisting selected militaries as they work to create a professionally-committed, competent, and empowered enlisted force. The operational success across the full spectrum of security interests of these nations is enhanced through professional enlisted forces that directly contribute to the struggle against violent extremism, global peacekeeping initiatives, and humanitarian assistance. For example, we are currently supporting the transformation efforts of Indonesia, Republic of the Philippines, Mongolia, and Taiwan.

### **Joint Exercise Program**

The USPACOM Joint Exercise Program (JEP) remains a productive and tangible part of our Theater Campaign Plan and joint training plan. The Joint Exercise Program continues to mature and advance the USPACOM partnership, readiness, and presence while improving interoperability with allies and partner nations. USPACOM is currently undertaking a thorough review of its program

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to realize greater efficiencies, mitigate strains on the force, and seek opportunities for expanded engagement with allies and partner nations.

To maximize the important engagement opportunities afforded by the Joint Exercise Program, it is a USPACOM priority to increase multinational participation in the exercises; and we are realizing success. In 2008, Exercise Cobra Gold expanded to include 24 participating nations with Japan, Indonesia, Thailand, and Singapore participating in all of the exercise events for the first time, and China observing. Additionally, the U.N. Force Headquarters was completely manned and operated by partner nations, representing a major advancement in partner nation capability. Interoperability is also stressed in exercises, including Balikatan and Talisman Saber. We continue to advance our ability to plan and operate successfully in an “integrated” environment.

This past year marked the first year of executing our training and exercise programs under the Combatant Commander Exercise Engagement Program (CE2). By almost every measure, CE2 has fulfilled its charter. It has provided USPACOM an effective and adaptable means of funding for our joint, multinational, and “whole-of-government” training programs, at all levels.

CE2 funding enables a wide range of priorities for USPACOM, including force readiness and interoperability, partner nation capacity building, multinational training, and military-to-military engagements. Continued Congressional support acknowledges the critical role training and engagement activities play in providing security and stability in the Pacific.

### **Global Peace Operations Initiative (GPOI)**

GPOI is an initiative in support of a G-8 [Canada, the United Kingdom, France, Russia, Japan, Germany, Italy, and the United States] action plan to build competent and professional peacekeepers worldwide. Within the Asia Pacific region, the USPACOM implementation of the GPOI program continues to leverage existing host-nation programs, institutions, policies, and exercises. This program is one of our key components for fostering military-to-military relationships and meeting theater campaign objectives among nations within the Asia-Pacific region. We encourage long-term sustainment of qualified peace support operations forces through a train-the-trainer approach, ensuring standardization and interoperability, and working within the framework of U.N. guidelines. To date, USPACOM has produced over 3,256 tactical peacekeepers, 1,097 qualified staff officers, and 499 trainers available for immediate worldwide deployment.

In 2009, USPACOM will fully implement the GPOI program in Bangladesh, Cambodia, Indonesia, Malaysia, Mongolia, Nepal, Sri Lanka, Thailand, and Tonga and will begin implementation in the Philippines and Vietnam. We expect to train 5,000 peacekeepers this year. Also, in June 2009 and in conjunction with Indonesia, USPACOM will host the largest multinational peacekeeping capstone exercise conducted in the Asia-Pacific region, with all eleven current regional GPOI partner nations participating.

### **Multinational Planning Augmentation Team (MPAT)**

The MPAT is a multinational program established in 2000 by the Chiefs of Defense of the countries in the USPACOM AOR. In a part of the world where there are no comprehensive regional security arrangements like NATO, MPAT was set up to develop procedures to facilitate the establishment of a multinational task force headquarters, focusing on military operations other than war—from humanitarian assistance through peace operations, including aspects of counterterrorism. This entails

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training a cadre of military planners in each of the participating MPAT nations who are available to support or augment a multinational response.

Thirty-one nations' militaries are part of the MPAT program, which is supported by the U.N. humanitarian agencies (for example, the World Food Program and the Office for the Coordination of Humanitarian Affairs), the Red Cross and Red Crescent, and numerous non-governmental organizations (NGOs). USPACOM provides the MPAT secretariat that supports and coordinates the activities of the program. By developing and practicing common operating procedures; developing possible responses to natural disasters and other humanitarian crises; and working with the various civil, relief, and international organizations, the MPAT cadre and the countries they represent are enhancing regional security cooperation and increasing our collective capacity to respond to crises in the Asia-Pacific region. As part of the program, the MPAT nations have developed and use Multinational Force Standing Operating Procedures (MNF SOP) to enable multinational operations in the theater.

Recent MPAT events have focused on building capacity for responding to humanitarian crises, reflecting one of the most likely contingencies in the Asia-Pacific region. The MPAT program continues to serve as an excellent tool for regional engagement and building capacity. It is our most productive multinational program.

### **Pacific Partnership**

USNS Mercy deployed to Southeast Asia and Oceania for 150 days from May to September 2008 to perform public diplomacy. The mission consisted of humanitarian assistance and theater campaign plan activities focused on improving regional stability, building partner capacity, and demonstrating U.S. commitment. Pacific Partnership enhances strategic partnerships through public diplomacy and goodwill established during its previous missions in 2005, 2006, and the USS Peleliu mission in 2007. The Pacific Partnership 2008 team of regional partners, NGOs, military engineers, doctors, dentists, veterinarians, and the Pacific Fleet Band provided support to the Philippines, Vietnam, Timor-Leste, Papua New Guinea, and Micronesia. Together they conducted 128 Medical Civic Action programs, seeing 90,963 patients. In addition, they treated 1,369 surgical patients, 14,866 dental patients, 6,665 veterinary patients, and completed 26 engineering civic-action projects for the betterment of the host nation populace. In 2009, the USS Dubuque, a smaller ship with reduced medical capability, will conduct Pacific Partnership with a shift from on-board medical care to an increased emphasis on primary care ashore and long-term capacity building efforts.

### **Pacific Angel**

Pacific Angel employed the exceptional capabilities of the Pacific Air Forces International Health Services to conduct humanitarian assistance and public diplomacy in Southeast Asia. This unique C-130 based humanitarian assistance operation helped increase public health capacity as well as cooperation and understanding among the armed forces and peoples of Cambodia, Thailand, and the United States. In just 17 days, from May to June 2008, 6,880 medical patients, 966 dental patients, and 978 veterinary patients were assisted by U.S., partner nation, and NGO medical personnel providing health care, building health care capacity, and increasing cooperation. In the future, USPACOM will continue similar missions using the unique capability of the C-17 to bring assistance to remote, generally isolated locations in the Asia-Pacific region to foster regional cooperation and build host nation capacity.

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## **Center for Excellence in Disaster Management and Humanitarian Assistance (COE-DMHA)**

COE-DMHA is a direct reporting unit to USPACOM and is the principal organization to promote stability, security, and resiliency in the Asia-Pacific region. COE-DMHA facilitates education and training in disaster management, humanitarian assistance, societal resiliency, and health security to develop domestic, foreign, and international capability and capacity. In fiscal year 2008, COE-DMHA participated in multinational capacity-building efforts throughout the AOR, including international disaster management, civil-military coordination, and humanitarian resiliency educational workshops, seminars, and conferences to promote effective management of complex contingency situations. COE-DMHA efforts to create, enhance, and broaden regional partnerships are an integral part of the USPACOM effort to foster a secure, stable region while improving responsible governance and promoting universal individual liberties.

## **Asia-Pacific Center for Security Studies (APCSS)**

APCSS supports USPACOM multinational security cooperation and capacity-building efforts through its programs of international executive education and tailored assistance on important security challenges that educate, empower, and connect key regional security-practitioner leaders. Fiscal year 2008 witnessed continued expansion of this critical international network, with 12 newly-formed alumni associations added throughout the region. APCSS workshops and other outreach events produced significant actionable outputs addressing key security issues facing Indonesia, Mongolia, Timor-Leste, and others collaboratively developed by participants with APCSS facilitation. Transformational progress achieved during fiscal year 2008 in the areas of educational technology and services that enrich the APCSS learning environment is already paying dividends in terms of enhancing participant-centered learning and connection to global audiences. These initiatives will continue to build a community of interest and action to advance progressive change in specific security cooperation areas.

## **Joint POW/MIA Accounting Command (JPAC)**

JPAC has an important and honorable mission: achieve the fullest possible accounting of Americans missing from our nation's conflicts.

JPAC successfully accomplished 69 missions globally last year. The JPAC Central Identification Laboratory identified 82 unaccounted Americans from the Vietnam War, Korean War, and World Wars I and II. In conducting its recovery and investigation mission during 2008, JPAC relied upon cooperation from Cambodia, Vietnam, Laos, Republic of Korea, India, Japan, Papua New Guinea, Palau, Canada, Solomon Islands, Suriname, Hungary, Germany, France, and Indonesia. We anticipate similar results in the coming year. JPAC conducted one mission to India in October 2008 with the second mission ongoing from February-April 2009. JPAC continues to engage with the People's Republic of China on details attendant to a mission there. Operations in North Korea remain suspended, but we are prepared to resume discussions on the resumption of operations when conditions permit and upon interagency approval.

In fiscal year 2009, the Navy programmed \$8.4M for design plans for a new JPAC facility located on Hickam Air Force Base, Hawaii with construction scheduled to begin in FY 2011 and continue with the final increment in fiscal year 2012. I appreciate support for this new facility that reinforces America's commitment to those that have honorably served and gave their lives in the ultimate sacrifice, and to those that continue to honorably serve the nation.

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## Summary

USPACOM is a force for peace and a steadfast partner throughout the Asia-Pacific. Our long-term priorities promote a region that is stable, secure, and at peace. We are engaged extensively throughout the AOR to advance our theater campaign goals through partnership, readiness, and presence. We are committed—along with our allies and partners—to turn the promise of a stable and secure region into reality and transform challenges into opportunities that strengthen regional relationships and cooperation. We are fortunate to have traditional allies and both existing and emerging partners who are willing to promote conditions for security and stability and collaborate for the well-being of the people in the Asia-Pacific.

We are very aware that without the unwavering support of the Congress and the American people, we cannot succeed. I am proud and honored to represent the men and women of the U.S. Pacific Command and, on their behalf, thank you for your support.

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# Defending the United States Warfighters' Technology Advantage

By

**James Hursch**

**Acting Director of the Defense Technology Security Administration**

[The following are excerpts of the presentation to the Society for International Affairs at its Volunteer and Speaker of the Year Business Luncheon at the Hyatt Regency Crystal City, 28 January 2009.]

## **Introduction**

As I was preparing my impromptu remarks, a quote once made by Winston Churchill came to mind:

There are two things more difficult than making an after-dinner speech: climbing a wall which is leaning towards you and kissing a girl who is leaning away from you.

As I stand here before you, it seems that the same thing surely could be said of an after-lunch speech.

First, let me thank the Society for International Affairs (SIA) and in particular its President Barbara Clark and her fellow Board members for inviting me to speak at the annual Volunteer and Speaker of the Year Luncheon. Second, let me thank you for SIA's part in developing a long-standing and mutually beneficial relationship with Defense Technology Security Administration (DTSA). Let me assure you of our intent at DTSA to continue to build upon and strengthen our relationship with SIA, its membership, and other members of the export community.

I would be remiss if I failed to mention what an honor and privilege it has been for me to assume the position of Acting Director of DTSA when Beth McCormick stepped up to her new position at the Defense Security Cooperation Agency (DSCA). Both I and Tony Aldwell, our new Deputy Director, believe we have inherited a well-run organization filled with professionals who are intelligent, responsible, well-educated, and highly competent.

In some ways, this is a particularly difficult time to talk policy; while we anticipate no dramatic change in our mission, we do not yet have clear signals from the new Administration on the issues which would affect DTSA's mission. Predictions would be speculation; and given that most officials have not even been named, it would be hard to even do that.

## **Defense Technology Security Administration Plans**

So what I would like to do is discuss what we at DTSA currently plan to do during this next year, by summarizing the important points of our brand new Strategic Plan 2009-2010, which you will find on our web site at: [www.defenselink.mil/policy/sections/policy\\_offices/dtsa](http://www.defenselink.mil/policy/sections/policy_offices/dtsa).

DTSA's mission is "to promote U.S. national security interests by protecting critical technology while building partnership capacity." This statement conveys both the oft perceived tension and the true "value added" of our organization. In earlier times, DTSA was often perceived as a "just say no" organization. Today, with the importance of coalition warfare so clear, we must build interoperability with our coalition partners and their capacity to operate efficiently and effectively with us while at the same time continuing to "ensure the edge" of our technological leadership and avoiding our

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warfighters having to face our cutting edge technologies employed on the battlefield by our enemies. This is an ethos which is a truly serious part of the way we do business, and I spend a large part of my time harmonizing the two faces of this mission. To fulfill that mission, we have set five strategic goals:

- Preserve the U.S. defense edge by preventing the proliferation and diversion of technology that could prove detrimental to U.S. national security.
- Engage U.S. allies and partners to increase interoperability and protect critical technology
- Facilitate the health of the U.S. industrial base
- Align and utilize resources to support DTSA's mission
- Empower people and make DTSA a great place to work

### **The Five Goals Merit a Closer Look**

#### **Strategic Goal One**

Our first strategic objective, "Preserve the U.S. defense edge by preventing the proliferation and diversion of technology that could prove detrimental to U.S. national security," can be thought of as the "bread" of DTSA while the analysis and recommendations concerning licensing is its "butter." Our objectives under this first goal are as follows:

- Identify critical military technologies to limit the transfer of dual-use and defense-related technology goods and services that would be detrimental to U.S. national security interests
- Identify proliferation and diversion destinations of concern, organizations with a history of diversion, and end users with associations of concern
- Shape export control policy and guidelines to preserve the U.S. critical military technology advantage
- Conduct thorough, consistent, and expeditious reviews of international technology transfers, making recommendations commensurate with technology security policy and guidelines

I do not want to tire you by recounting too many details, particularly since the entire plan soon will be on our web site; but I do want to emphasize that we have translated our objectives into actionable performance goals, with associated benchmarks or metrics that set the standards for each. For example, for our first strategic goal, the first performance goal is:

Conduct consistent and expeditious reviews of export licenses and other technology transfer requests and provide informed recommendations for development of DOD positions within established timeframes.

Among the benchmarks is this:

Ninty-five percent of license reviews and/or technical evaluations exceed the quality guidelines (complete, technically proficient, relevant, and thorough) commensurate with national security interests and security policies."

We have set high standards for ourselves because we understand the need to balance restrictions on technology transfer that derive from national security concerns with the need of our companies to stay competitive in the global marketplace so that we preserve the U.S. warfighters' edge. We

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intend to achieve that by keeping in mind the twin goals of avoiding “dysfunctionalization” of our U.S. defense industry’s export competitiveness, because that would conflict with our strategic goal to “Facilitate the health of the U.S. industrial base,” and of building partnership capacity in order to “Engage U.S. allies and partners to increase interoperability and protect critical technology.”

### **Strategic Goal Two**

Our second strategic goal is:

Engage U.S. allies and partners to increase interoperability and protect critical technology.

There are four objectives:

- Foster bilateral and multilateral relationships to develop a shared view of technology security policy with international partners
- Ensure that technology security policy is implemented consistently through flexible and agile security cooperation
- Support interoperability among our partners and allies, while ensuring that disclosure of classified military information is consistent with technology security policies
- Employ technology security policies to create additional force multipliers for coalition operations

For this strategic goal, we have also established three performance goals with appropriate benchmarks. In fact, your invitation to speak to you today fits neatly with our second performance goal,

Build and foster relationships with foreign government and foreign and domestic industry representatives to identify common national security concerns and shape foreign defense technology requirements.

And one of the benchmarks for this performance goal is:

Perform outreach activities in accordance with industry and country plan.

We are engaging bilaterally with our key foreign government counterparts in the United Kingdom, Australia, France, Israel, India, Brazil, and Japan.

### **Strategic Goal Three**

Our third strategic goal is “Facilitate the health of the U.S. industrial base,” and this strategic goal is subdivided into four objectives:

- Mitigate U.S. national security risks associated with foreign investment in the U.S.-based defense industry
- Facilitate U.S. industry competitiveness in the international marketplace without compromising national security imperatives
- Ensure that technology security is considered in international acquisition programs
- Assist U.S. industry in complying with applicable export control and technology security laws, regulations, and policies

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As I noted in my explanatory remarks on our first strategic goal, this third strategic goal is really the “butter” part of DTSA’s “bread and butter”; and to help us attain our four objectives, we have established four performance goals:

- Conduct consistent and expeditious reviews of export licenses and other technology transfer requests that provide informed recommendations for development of DOD positions within established timeframes
- Provide the assistance required to facilitate industry compliance in accordance with laws and regulations
- Provide decision-makers with timely processing, reviews, and recommendations regarding Committee on Foreign Investment in the United States (CFIUS) filings and issues
- Monitor existing CFIUS mitigation agreements for company compliance by signatories (DOD and other U.S. agencies)

You can see how important this strategic goal is by looking at the metrics or benchmarks associated with each performance goal. For example, for our first performance goal, “Conduct consistent and expeditious reviews of export licenses and other technology transfer requests that provide informed recommendations for development of DOD positions within established timeframes,” the metrics are:

- 95 percent of license reviews and/or technical evaluations exceed the quality guidelines (complete, technically proficient, relevant, and thorough) commensurate with U.S. national security interest and technology security policies.
- 95 percent of license reviews and/or technical evaluations are completed according to the guidelines and timelines published in appropriate directorate Standard Operating Procedures.
- 95 percent of industry Technology Transfer Control Plans (TTCPs) are developed in accordance with established DOD guidelines and policies within two or less iterations.

### **Strategic Goals Four and Five**

Our last two strategic goals really have to do with the way we organize and manage ourselves within DTSA. And I will not burden you with details but merely tell you what they are:

- Align and utilize resources to support DTSA’s mission
- Empower people and make DTSA a great place to work

This is a new focus for us. DTSA is staffed by people whom the great management “guru” Peter F. Drucker termed “knowledge workers.” In his book *Management Challenges for the 21st Century*, Drucker succinctly summarized the aim of our last two strategic goals: “to make productive the specific strengths and knowledge of each individual.”

### **DTSA Metrics or “How Are We Doing?”**

Let us take a look at how DTSA is doing. In 2008, DTSA had a 50 percent increase in munitions licensing cases, from 23,879 in 2007 to 35,976 in 2008. For these cases, our average processing time decreased by four days, from 16 in 2007 to 12 in 2008. With regard to dual-use licenses, in 2008 we experienced a 4.5 percent increase in the number of cases, from 17,390 in 2007 to 18,178 in 2008. Our processing time for these cases decreased by one day, from 14 days in 2007 to 13 days in 2008.

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## Other Progress

After seeing a 50 percent increase in munitions license reviews by DOD in 2008, DTSA has taken a significant step toward improving the Munitions Tiger Team license review process by using a “Do Not Staff” list. After working closely with the State Department’s Directorate of Defense Trade Controls (DDTC) and reviewing more than six months of pre-screen licensing data, we have identified over 100 munitions commodities, various *U.S. Munitions List* (USML) subcategories, and some very specific license types that have an extensive history of previous approvals or are very minor in nature and pose no national security risk.

In a letter to the DDTC, I have provided a list of defense articles and services, commodities, and license types that no longer require DOD review. State Department DDTC has been using our “Do Not Staff” list in its staffing process since the first of the year. This is an ongoing process with our colleagues at State Department; and as heretofore, DDTC retains the authority to staff cases that fall on our “Do Not Staff” list. If DDTC chooses to staff such cases, however, there will be a need for comments allowing DTSA reviewers to address any concerns. This will be an ongoing process, and we will continue to revise our “Do Not Staff” list by adding new commodities to it and better defining articles previously identified. Not only do we expect this to cut down on the number of licenses we have to review, but we are certain that by not staffing these licenses and commodities to DOD we become better able to concentrate on those items and systems that threaten our national security, as well as, allow DDTC to more quickly turn around your export license requests.

As you know, defense trade cooperation agreements between the United States and the United Kingdom (U.K.) and between the United States and Australia are currently pending before the Senate Foreign Relations Committee. I support the objectives of both the U.S.–U.K. and the U.S.–Australia Defense Trade Cooperation Treaties. And I believe they are in the national security interest of the United States, and I hope that the Senate will ratify them at its earliest convenience.

Some Senators appear to be concerned that these two treaties might rapidly proliferate into many similar treaties. That is clearly not the intent. If ratified, these two treaties will allow, under specific, defined, and agreed upon conditions, the transfer of defense articles without prior written authorization. The intent in these specific cases is only to reduce the trade barriers to the exchange of defense hardware, technical data, and services. I believe the treaties will strengthen U.S.–Australia/U.K. defense cooperation, increase interoperability, and lend greater support to current and future coalition operations. There will also be substantial benefit to the respective three industrial bases. The treaties promise to enhance our bilateral government and industry research, development, and production efforts by providing a flexible, agile export control environment that will expedite the delivery of new technologies to our warfighters. Moreover, the treaties will increase competition in the defense marketplace by creating an approved community of companies in all three nations, which will result in improved quality and reduced costs in the defense equipment we provide to the men and women of our armed forces.

As you may recall, at this time last year, former President Bush signed two Presidential Directives revising munitions and dual-use export control policies and practices. These initiatives were designed to better support the *National Security Strategy* while facilitating U.S. economic and technological leadership. To date the Departments of State and Commerce have completed several initiatives in accordance with these Presidential Directives. Under the guidance of the new Administration, DTSA will continue to support these efforts and work with both Departments to ensure that future initiatives fulfill all the aspirations of the two directives.

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Some of you may be aware of recent changes in the way we are conducting our space launch monitoring activities. These changes are primarily due to a revised legal interpretation of the authorizing law, and we are still in the process of formulating our corresponding licensing and monitoring practices. Here again we are experiencing the need to balance our duty to protect critical military technology with our equally important duty to maintain the defense industrial base by not unduly impeding the competitiveness of our companies.

And last but not least, in response to a requirement from the DOD General Counsel's Office, DTSA is working with the Military Departments and Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]) to revise current guidelines on the use of certain export license exemptions in the *International Traffic in Arms Regulations* (ITAR). The intent of this revised instruction and guidelines will be to make them applicable to all DOD components. Once the revision is complete, DTSA will coordinate the guidelines with the DOS.

### **Recommendations**

President Obama noted the tough tasks that lie ahead for our country, our allies, and our friends. Limitations of time make it impossible to go into the details of the security situation we will face in the near and foreseeable future, but it is likely to be a tough environment. Let me recommend to you a study titled *The Joint Operating Environment 2008*, published last November by the U.S. Joint Forces Command. (See <http://www.jfcom.mil/newslink/storyarchive/2008/JOE2008.pdf>.) The study discusses and analyzes the trends influencing the world's security in several areas:

- Demographics
- Globalization
- Economics
- Energy
- Food
- Water
- Climate Change and Natural Disasters
- Pandemics
- Cyber
- Space

As the release statement indicates, "It provides a perspective on future trends, shocks, contexts, and implications for . . . leaders and professionals in the national security field."

As for DTSA's "Operating Environment," we continue to encourage applicants to contact us directly if they have questions about license conditions and/or provisos which they believe originated with DTSA. Often we are the ones in the best position to explain the intent and purpose of these conditions/provisos. But that said, I must encourage you all to use the proviso reconsideration/clarification process via DDTC when the questions/considerations warrant it. We will continue to reach out to industry early and often on occasions when we are not clear about the scope of a license transaction. It is very helpful to us at DTSA if you always submit complete documentation in your license applications, especially when licenses involve the export of technical data. Within your license application or letter of explanation, clarify the scope of the transfer, state what data you are and are not sharing, provide a complete listing of foreign parties associated with the export, and be sure to

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identify the final end-users of controlled technology. This level of detail goes a long way toward satisfying our understanding, gets us to a greater level of comfort, and facilitates a more expeditious review process.

As always, we are available to meet with you at any time; and we especially encourage you to do so before submitting an application that may be precedent-setting for your company or industry. We will work with you to clear up the tough issues, and that will go a long way toward expediting your license application.

### **Conclusion**

I have the greatest confidence in our defense industry's ability to continue to provide the U.S. warfighters and those of our allies with the technologies needed to preserve and maintain their edge on the battlefield. Winston Churchill said, "Let our advance worrying become advance thinking and planning." I also agree with the inventor and founder of Dayton Engineering Laboratory Company (DELCO), Charles Kettering, when he said, "In America we can say what we think; and even if we can't think, we can say it anyhow." Again, thank you for inviting me to speak at this event.

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# **Iran: United States Concerns and Policy Responses**

**By  
Kenneth Katzman  
Specialist in Middle Eastern Affairs, Congressional Research Service**

[The following are excerpts from the March 13, 2009 update to the subject report by the Congressional Research Service, March 13, 2009. Some of the footnotes have been omitted because the paragraphs containing the footnote have been omitted.]

The Bush Administration characterized Iran as a “profound threat to U.S. national security interests;” a perception generated primarily by Iran’s nuclear program and its military assistance to armed groups in Iraq and Afghanistan, to the Palestinian group Hamas, and to Lebanese Hezbollah. The Bush Administration’s approach was to try to prevent a nuclear breakout by Iran by applying multilateral economic pressure on Iran while also offering it potential cooperation should it comply with the international demands to suspend its enrichment of uranium. The incorporation of diplomacy and engagement into the overall U.S. strategy led the Administration to approve the participation of a high-level State Department official at multilateral nuclear talks with Iran on July 19, 2008. To strengthen its approach, the Bush Administration maintained a substantial naval presence in the Persian Gulf, which U.S. Commanders insist would prevent any Iranian attempts to close the crucial Strait of Hormuz for any extended period.

President Obama has said his Administration shares the goals of the previous Administration on Iran, and Secretary of State Clinton has said she shares the perception that Iran is trying to undermine many U.S. goals in the Middle East, but Obama Administration officials say that there is need for new strategies and approaches. First and foremost, according to President Obama, [the goal] is to look for opportunities to expand direct engagement with Iran. His Administration also appears to be de-emphasizing potential U.S. military action, although without ruling that out completely, and efforts to promote democracy in Iran. Yet, there is debate among experts over whether such shifts would yield clearer results. The policy decisions come as Iran enters its run-up to June 12, 2009 presidential elections, which, now that former President Mohammad Khatemi and other reformists have entered the race, might produce more moderate leadership in Iran.

The multilateral efforts to pressure Iran include three United Nations (U.N.) Security Council resolutions (1737, 1747, and 1803) that ban weapons of mass destruction (WMD) related trade with Iran, freeze the assets of Iran’s nuclear and related entities and personalities, prevent Iran from transferring arms outside Iran, ban or require reporting on international travel by named Iranians, call for inspections of some Iranian sea and airborne cargo shipments, and call for restrictions on dealings with some Iranian banks. Further the U.N. Security Council sanctions have been under consideration. Separate U.S. efforts to persuade European governments to curb trade, investment, and credits to Iran and to convince foreign banks not to do business with Iran are beginning to weaken Iran’s economy, compounding the effect of a sharp drop in oil prices since mid-2008. Bills in the 110th Congress, including: H.R. 1400, H.R. 7112, H.Con.Res. 362, S. 970, S. 3227, S. 3445, and S.Res. 580, versions of which might be introduced in the 111th Congress, would tighten U.S. sanctions on Iran.

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## United States Policy Responses, Options, and Legislation

The February 11, 1979 fall of the Shah of Iran, a key U.S. ally, opened the long and deep rift in U.S.-Iranian relations. November 4, 1979, radical “students” seized the U.S. Embassy in Tehran and held its diplomats hostage until minutes after President Reagan’s inauguration on January 20, 1981. The U.S. broke relations with Iran on April 7, 1980 (just after the failed U.S. military attempt to rescue the hostages); and the two countries have had only limited official contact since.<sup>1</sup> The United States tilted toward Iraq in the 1980-1988 Iran-Iraq war, including U.S. diplomatic attempts to block conventional arms sales to Iran; providing battlefield intelligence to Iraq;<sup>2</sup> and, during 1987-1988, direct skirmishes with Iranian naval elements in the course of U.S. efforts to protect international oil shipments in the Gulf from Iranian mines and other attacks. In one battle on April 18, 1988 (“Operation Praying Mantis”), Iran lost about a quarter of its larger naval ships in a one-day engagement with the U.S. Navy, including one frigate sunk and another badly damaged. Iran strongly disputed the U.S. assertion that the July 3, 1988 U.S. shoot-down of Iran Air Flight 655 by the U.S.S. Vincennes over the Persian Gulf bound for Dubai, United Arab Emirates (UAE) was an accident.

In his January 1989 inaugural speech, President George H.W. Bush laid the groundwork for a rapprochement, saying that, in relations with Iran, “goodwill begets goodwill,” implying better relations if Iran helped obtain the release of U.S. hostages held by Hezbollah in Lebanon. Iran reportedly did assist in obtaining their releases, which was completed in December 1991; but no thaw followed, possibly because Iran continued to back groups opposed to the U.S.-sponsored Middle East peace process, a major U.S. priority.

### Policy during the Clinton and Bush Administrations

Upon taking office in 1993, the Clinton Administration moved to further isolate Iran as part of a strategy of “dual containment” of Iran and Iraq. In 1995 and 1996, the Clinton Administration and Congress added sanctions on Iran in response to growing concerns about Iran’s weapons of mass destruction, its support for terrorist groups, and its efforts to subvert the Arab-Israeli peace process. The election of Khatemi in May 1997 precipitated a U.S. shift toward engagement; the Clinton Administration offered Iran official dialogue with no substantive preconditions. In January 1998, Khatemi publicly agreed to “people-to-people” U.S.-Iran exchanges as part of his push for “dialogue of civilizations;” but he ruled out direct talks. In a June 1998 speech, then Secretary of State Albright stepped up the U.S. outreach effort by calling for mutual confidence building measures that could lead to a “road map” for normalization of relations. Encouraged by the reformist victory in Iran’s March 2000 parliamentary elections, Secretary Albright, in a March 17, 2000 speech, acknowledged past U.S. meddling in Iran, announcing some minor easing of the U.S. trade ban with Iran, and promised to try to resolve outstanding claims disputes. In September 2000 U.N. “Millennium Summit” meetings, Albright and President Clinton sent a positive signal to Iran by attending Khatemi’s speeches.

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1 An exception was the abortive 1985-1986 clandestine arms supply relationship with Iran in exchange for some American hostages held by Hezbollah in Lebanon (the so-called “Iran-Contra Affair”). Iran has an interest section in Washington, DC under the auspices of the Embassy of Pakistan; it is staffed by Iranian-Americans. The U.S. interest section in Tehran has no American personnel; it is under the Embassy of Switzerland.

2 Elaine Sciolino, *The Outlaw State: Saddam Hussein’s Quest for Power and the Gulf Crisis* (New York: John Wiley and Sons, 1991), p.168.

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## President Bush Administration Policy

The Bush Administration policy priority was to prevent Iran from obtaining a nuclear weapons capability, believing that a nuclear Iran would be even more assertive in attempting to undermine U.S. objectives in the Middle East than it already is. The Bush Administration undertook multifaceted efforts to limit Iran's strategic capabilities through international diplomacy and sanctions—both international sanctions as well as sanctions enforced by its allies—outside Security Council mandate. At the same time, the Administration engaged in bilateral diplomacy with Iran on specific priority issues, such as stabilizing Afghanistan and Iraq. The policy framework was supported by maintenance of large U.S. conventional military capabilities in the Persian Gulf and through U.S. alliances with Iran's neighbors.

At times, the Bush Administration considered or, to some extent, pursued harder line options. Some Administration officials, reportedly led by Vice President Cheney, believed that policy should focus on using the leverage of possible military confrontation with Iran or on U.S. efforts to change Iran's regime.<sup>3</sup> Legislation in the 110th Congress indicated support for increasing U.S. sanctions and for steps to compel other foreign companies to curtail their business dealings with Iran.<sup>4</sup>

## Overview of Obama Administration Policy

The Obama Administration officials say the Administration shares the goals of the previous Administration to prevent Iran from acquiring a nuclear weapons capability, as well as the long-standing assessment that Iran is meddling in the affairs of its neighbors and trying to frustrate some regional U.S. initiatives. However, President Obama has said the United States would be responsive to an Iranian “unclenched fist” and that the Administration is developing a “new approach” that includes more direct diplomacy with Iran than was the case during the Bush Administration. At a February 9, 2009 news conference, President Obama said:

My national security team is currently reviewing our existing Iran policy, looking at areas where we can have constructive dialogue, where we can directly engage with them. And my expectation is, in the coming months, we will be looking for openings that can be created where we can start sitting across the table, face to face, diplomatic overtures that will allow us to move our policy in a new direction.

In response, Iranian President Mahmoud Ahmadinejad said that Iran is ready for direct talks with the United States if they were conducted in a “fair atmosphere with mutual respect.” In contrast to the Bush Administration, the Obama Administration officials have not indicated support for military action should Iran continue to pursue its nuclear program—although that option has not been explicitly taken “off the table” by President Obama—or for regime-change options to accomplish those goals.

Some Obama Administration officials, including Dennis Ross, who was named in late February 2009 as an adviser to Secretary of State Clinton for “Southwest Asia,” a formulation understood to center on Iran, believe that direct diplomacy alone will not necessarily persuade Iran to alter course. Ambassador Ross has, in outside writings, called for U.S. partners to present Iran with clear alternatives to its policies—both clearer incentives and clearer punishments if Iran continues to refuse cooperation

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3 Helene Cooper and David Sanger, “Strategy on Iran Stirs New Debate at White House,” *New York Times* (June 16, 2007).

4 The *FY 2007 Defense Authorization Law* (PL 109-364) called for a report by the Administration on all aspects of U.S. policy and objectives on Iran (and required the DNI [Director of National Intelligence] to prepare a national intelligence estimate on Iran, which was released on December 3, 2007 as discussed above).

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on the nuclear issue, in particular. At the same time, as discussed above, Obama Administration official Susan Rice (Ambassador to the U.N.) has said the U.S. diplomacy with Iran will complement, not supplant, the multilateral diplomacy that was begun during the Bush Administration.

### **Containment and Possible Military Action**

The Bush Administration consistently maintained that military action to delay or halt Iran's nuclear program was an option that was "on the table;" but, as noted, the Obama Administration has not indicated a similar inclination to highlight this option. Although some members publicly oppose most forms of military action against Iran, others fear that diplomacy and sanctions might not succeed and [feel] that preventing Iran from acquiring a working nuclear device is paramount. A U.S. ground invasion to remove Iran's regime has not, at any time, appeared to be under serious consideration in part because of the heavy strains on U.S. forces from the Afghanistan and Iraq conflicts.

Proponents of U.S. air and missile strikes against suspected nuclear sites argue that military action could set back Iran's nuclear program because there are only a limited number of key targets and these targets are known to U.S. planners and could be struck, even those that are hardened or buried.<sup>5</sup> Estimates of the target set range from 400 nuclear and other weapons of mass destruction (WMD) related targets to potentially a few thousand targets whose destruction would cripple Iran's economic and military infrastructure. At least 75 targets are underground or hardened. Those who take an expansive view of the target set argue that the U.S. would need to reduce Iran's potential for retaliation by striking not only nuclear facilities but also Iran's conventional military, particularly its small ships and coastal missiles.

Still others argue that there are military options available that do not involve air or missile strikes. Some say that a naval embargo or related embargo is possible that could pressure Iran into reconsidering its stand on the nuclear issue. Such action was "demanded" in H.Con.Res. 362 [more on this bill follows]. Others say that the imposition of a "no-fly zone" over Iran might also serve that purpose. Either action could still be considered acts of war and could escalate into hostilities.

Most U.S. allies in Europe, not to mention Russia and China, oppose military action. These states tend to agree with experts who maintain that the U.S. is not necessarily aware of or militarily able to reach all relevant sites; other opponents believe any benefits would be minor or only temporary and that the costs of a strike are too high. Some believe that a U.S. strike would cause the Iranian public to rally around Iran's regime, setting back efforts to promote moderation within Iran. On the other hand, some European and other diplomats say that France and Britain might back or even join a military strike if Iran were to begin an all-out drive toward a nuclear weapon.

### **An Israeli Strike?**

Israeli officials view a nuclear armed Iran as an existential threat and have repeatedly refused to rule out the possibility that Israel might strike Iran's nuclear infrastructure. Speculation about this possibility increased on June 7, 2008 when Israeli Deputy Prime Minister Shaul Mofaz said that an attack on Iran is becoming "unavoidable" because it continues to refuse to curb its nuclear program. Speculation increased further in mid-June 2008 when Israeli officials confirmed reports that Israel had practiced a long range strike such as that which would be required to hit Iranian nuclear sites. Press reports in January 2009 say the Bush Administration actively discouraged a purported Israeli plan in

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<sup>5</sup> For an extended discussion of U.S. air strike options on Iran, see Paul Rogers, *Iran: Consequences of a War* (Oxford Research Group, February 2006).

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2008 to undertake such a mission. Still, some believe that recent Israeli statements highlighting Iran's nuclear progress suggest increasing Israeli nervousness that might prompt Israeli leaders to act, with or without U.S. approval.

Although Israeli strategists say this might be a viable option, several experts doubt that Israel has the capability to make such action sufficiently effective to justify the risks. U.S. military leaders are said by observers to believe that an Israeli strike would inevitably draw the U.S. into a conflict with Iran, yet without the degree of planning, preparation, or capability that would make a similar U.S. action a success.

### **Iranian Retaliatory Scenarios<sup>6</sup>**

Some officials and experts warn that a U.S. military strike on Iran could provoke unconventional retaliation; using the equipment discussed in the [full report's] section on "conventional military capabilities," that could be difficult to counter. At the very least, such conflict is likely to raise world oil prices significantly out of fear of an extended supply disruption. Others say such action would cause Iran to withdraw from the Non-Proliferation Treaty (NPT) and refuse any International Atomic Energy Agency (IAEA) inspections. Other possibilities include firing missiles at Israel—and Iran's July 2008 missile tests could have been intended to demonstrate this retaliatory capability—or directing Lebanese Hezbollah or Hamas to fire rockets at Israel. Iran could also step up arms shipments to anti-U.S. militias in Iraq and Afghanistan.

Iran has acquired a structure and doctrine for unconventional warfare that partly compensates for its conventional weakness. Then U.S. Central Command (CENTCOM) Commander General John Abizaid said in March 2006 that the Revolutionary Guard Navy, through its basing and force structure, is designed to give Iran a capability to "internationalize" a crisis in the Strait of Hormuz. On January 30, 2007, his replacement at CENTCOM, Admiral William Fallon said:

Based on my read of their military hardware acquisitions and development of tactics . . . [the Iranians] are posturing themselves with the capability to attempt to deny us the ability to operate in [the Strait of Hormuz].

(General David Petraeus became CENTCOM Commander in September 2008.) In July 2008, Iran again claimed it could close the Strait in a crisis; but the then Commander of U.S. naval forces in the Gulf, Admiral Kevin Cosgriff, backed by Joint Chiefs Chairman Mullen, said U.S. forces could quickly reopen the waterway.

Iran has nonetheless tried to demonstrate that it is a capable force in the Gulf. It has conducted at least five major military exercises since August 2006, including exercises simultaneous with U.S. exercises in the Gulf in March 2007. Iran has repeatedly stated it is capable of closing the Strait of Hormuz and would do so if attacked. In early 2007, Iranian ships were widening their patrols, coming ever closer to key Iraqi oil platforms in the Gulf. In February 2007, Iran seized 15 British sailors that Iran said were patrolling in Iran's waters, although Britain says they were in Iraqi waters performing coalition-related searches. They were held until April 5, 2007. On January 6, 2008, the U.S. Navy reported a confrontation in which five Islamic Revolutionary Guard Corps (IRGC) Navy small boats approached three U.S. Navy ships to the point where they manned battle stations. The IRGC boats veered off before any shots were fired, but the Bush Administration called it a "provocative act" and

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<sup>6</sup> See also Washington Institute for Near East Policy. *The Last Resort: Consequences of Preventive Military Action Against Iran*, by Patrick Clawson and Michael Eisenstadt (June 2008).

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filed a formal protest with Tehran. The IRGC could have been testing U.S. rules of engagement following the U.S. sanctions imposed on the IRGC and its subunits. Another incident occurred in April 2008 when a ship under U.S. contract fired a shot to warn off Iranian boats in the Gulf. In October 2008, Iran announced it is building several new naval bases along the southern coast, including at Jask, indicating enhanced capability to threaten the entry and exit to the Strait of Hormuz.

If there were a conflict in the Gulf, some fear that Iran might try to use large numbers of boats to attack U.S. ships or to lay mines in the Strait. In April 2006, Iran conducted naval maneuvers, including test firings of what Iran claims are underwater torpedoes that can avoid detection, presumably for use against U.S. ships in the Gulf, and a surface-to-sea radar-evading missile launched from helicopters or combat aircraft. U.S. military officials said the claims might be an exaggeration. The Gulf States fear that Iran will fire coastal-based cruise missiles at their oil loading or other installations across the Gulf, as happened during the Iran-Iraq war.

### **Containment and the Gulf Security Dialogue**

The Bush Administration tried to strengthen containment of Iran by enhancing the military capabilities of U.S. regional allies. An assertive military containment component of Bush Administration policy was signaled in the January 10, 2007 Iraq “troop surge” statement by President Bush. In that statement, he announced that the U.S. was sending a second U.S. aircraft carrier group into the Gulf,<sup>7</sup> extending deployment of Patriot anti-missile batteries in the Gulf, reportedly in Kuwait and Qatar, and increasing intelligence sharing with the Gulf states. Secretary of Defense Gates said at the time that he saw the U.S. buildup as a means of building leverage against Iran that could be useful in bolstering U.S. diplomacy. An April 2008 deployment of a second carrier group to the Gulf was, according to Secretary Gates, a “reminder” to Iran of U.S. capabilities in the Gulf.

The U.S. Gulf deployments build on a containment strategy inaugurated in mid-2006 by the State Department, primarily by the Bureau of Political-Military Affairs (“Pol-Mil”). The State Department effort represented an effort to revive some of the U.S.-Gulf state defense cooperation that had begun during the Clinton Administration but had since languished as the U.S. focused on the post-September 11, 2001 wars in Afghanistan and Iraq. In a December 8, 2007 speech in Bahrain, Secretary Gates said the “Gulf Security Dialogue” has six key pillars including:

- Defense cooperation (with the Gulf States)
- Developing a shared assessment and agenda on Iraq
- Regional stability, especially with respect to Iran
- Energy infrastructure security
- Counter-proliferation
- Counterterrorism

One goal of the initiative is on boosting Gulf state capabilities’ fueled speculation about major new weapons sales to the Gulf Cooperation Council (GCC) States. The emphasis of the sales is to improve Gulf state missile defense capabilities, for example by sales of the upgraded Patriot Advanced Capability-3 (PAC-3),<sup>8</sup> as well as to improve border and maritime security equipment through sales

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<sup>7</sup> Thom Shanker, “U.S. and Britain to Add Ships to Persian Gulf in Signal to Iran,” *New York Times* (December 21, 2006).

<sup>8</sup> “New Persian Gulf Security Effort Expected to Fuel Arms Sales in Fiscal Year 2007,” *Inside the Pentagon* (November 9, 2006).

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of combat littoral ships, radar systems, and communications gear. The initial sales, including PAC-3 related sales to UAE and Kuwait and Joint Direct Attack Munitions (JDAMs) to Saudi Arabia and UAE, were notified to Congress in December 2007 and January 2008. A sale to UAE of the very advanced Theater High Altitude Area Defense (THAAD) has also been notified.

The Obama Administration has not stated a position on whether it will continue the Gulf Security Dialogue program at all or in the same form. Some believe that the new Administration's emphasis on diplomacy will likely lead to a downgrading or perhaps discontinuation of the policy.

### **Presidential Authorities and Legislation**

A decision to take military action might raise the question of Presidential authorities. In the 109th Congress, H.Con.Res. 391, introduced on April 26, 2006, called on the President to not initiate military action against Iran without first obtaining authorization from Congress. A similar bill, H.Con.Res. 33, was introduced in the 110th Congress. Other bills requiring specific congressional authorization for use of force against Iran (or prohibiting U.S. funds for that purpose) include S.Res. 356, H.J.Res. 14, H.R. 3119, S.Con.Res. 13, S. 759, and H.R. 770. An amendment to H.R. 1585, the *National Defense Authorization Act for Fiscal Year 2008*, was defeated 136 to 288. A provision that sought to bar the Administration from taking military action against Iran without congressional authorization was taken out of an early draft of an fiscal year (FY) 2007 supplemental appropriation (H.R. 1591) to fund additional costs for Iraq and Afghanistan combat (which was vetoed on May 1, 2007). Other provisions, including requiring briefings to Congress about military contingency planning related to Iran's nuclear program, [are] in the House-passed FY 2009 defense authorization bill (H.R. 5658).

### **Regime Change**

A major feature of Bush Administration policy for part of 2006—promotion of “regime change”—later appeared to recede. The Obama Administration is emphasizing dialogue with Iran and has already begun to distance itself from the prior Administration's attraction to this option.

The Bush Administration said that the democracy promotion programs [discussed in the table “Iran Democracy Promotion Funding”] were intended to promote political evolution in Iran and change regime behavior, not to overthrow the regime. A few accounts, such as “Preparing the Battlefield” by Seymour Hersh in the *New Yorker* (July 7 and 14, 2008), say that President Bush authorized U.S. covert operations to destabilize the regime,<sup>9</sup> involving assistance to some of the ethnic-based armed groups discussed [previously]. CRS has no way to confirm assertions in the Hersh article that up to \$400 million was appropriated and/or used to aid the groups mentioned. In January 2009, Iran tried four Iranians on charges of trying to overthrow the government with the support of the U.S.

There has been some support in the U.S. for regime change since the 1979 Islamic revolution; the U.S. provided some funding to anti-regime groups, mainly pro-monarchists, during the 1980s.<sup>10</sup> The Bush Administration's belief in this option became apparent after the September 11, 2001 attacks when President Bush described Iran as part of an “axis of evil” in his January 2002 State of the Union

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<sup>9</sup> Brian Ross and Richard Esposito, “Bush Authorizes New Covert Action Against Iran,” [http://blogs.abcnews.com/theblotter/2007/05/bush\\_authorizes.html](http://blogs.abcnews.com/theblotter/2007/05/bush_authorizes.html).

<sup>10</sup> CRS conversations with U.S. officials responsible for Iran policy, 1980-1990. After a period of suspension of such assistance, in 1995, the Clinton Administration accepted a House-Senate conference agreement to include \$18-\$20 million in funding authority for covert operations against Iran in the *FY 1996 Intelligence Authorization Act* (H.R. 1655, PL 104-93), according to a *Washington Post* report of December 22, 1995. The Clinton Administration reportedly focused the covert aid on changing the regime's behavior, rather than its overthrow.

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message. President Bush's second inaugural address (January 20, 2005) and his State of the Union messages of February 2, 2005 and January 31, 2006 suggested a clear preference for a change of regime by stating, in the latter speech, that "our nation hopes one day to be the closest of friends with a free and democratic Iran." Indications of affinity for this option include increased public criticism of the regime's human rights record as well as the funding of Iranian pro-democracy activists. However, the Bush Administration shifted away from this option as a strategy, employing multilateral sanctions; and diplomacy took form in 2006, in part because U.S. partner countries believe regime change policies harm diplomacy.

Legislation in the 109th Congress exemplified the preference of some members for regime change in Iran by authorizing funding for democracy promotion, among other provisions. In the 109th Congress, H.R. 282 passed the House on April 26, 2006 by a vote of 397-21. A companion, S. 333, was introduced in the Senate. The Administration supported the democracy-promotion sections of these bills. Major provisions were included in H.R. 6198, which was introduced on September 27, 2006, passed by both chambers, and signed September 30, 2006 (PL 109-293). Entitled the *Iran Freedom Support Act*, it authorized funds (no specific dollar amount) for Iran democracy promotion and modified the *Iran Sanctions Act*.

Many question the prospects of U.S.-led Iran regime change through democracy promotion or other means, short of all-out-U.S. military invasion, because of the weakness of opposition groups. Providing overt or covert support to anti-regime organizations, in the view of many experts, would not make them materially more viable or attractive to Iranians. The regime purportedly also conducts extensive regime surveillance of democracy activists or other internal dissidents. Iran has been arresting civil society activists by alleging they are accepting the U.S. democracy promotion funds, while others have refused to participate in U.S.-funded programs, fearing arrest. The highest profile such arrest came in May 2007—Iranian-American scholar Haleh Esfandiari, of the Woodrow Wilson Center in Washington, D.C., was subsequently imprisoned for several months.<sup>11</sup>

The DOS has been the implementer of U.S. democracy promotion programs. In 2006, the Administration began increasing the presence of Persian-speaking U.S. diplomats in U.S. diplomatic missions around Iran, in part to help identify and facilitate Iranian [participation] in U.S. democracy-promotion programs. The Iran unit at the U.S. consulate in Dubai has been enlarged significantly into a "regional presence" office. And new "Iran-watcher" positions have been added to U.S. diplomatic facilities in:

- Baku, Azerbaijan
- Istanbul, Turkey
- Frankfurt, Germany
- London
- Ashkabad, Turkmenistan

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11. Three other Iranian Americans were arrested and accused by the Intelligence Ministry of actions contrary to national security in May 2007: U.S.-funded broadcast (Radio Farda) journalist Parnaz Azima (who was not in jail but was not allowed to leave Iran), Kian Tajbacksh of the Open Society Institute funded by George Soros, and businessman and peace activist Ali Shakeri. Several congressional resolutions called on Iran to release Esfandiari (S.Res. 214, agreed to by the Senate on May 24; H.Res. 430, passed by the House on June 5; and S.Res. 199). All were released by October 2007.

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All of which have large expatriate Iranian populations and/or proximity to Iran.<sup>12</sup> An enlarged (eight person) “Office of Iran Affairs” has been formed at the DOS, and it is reportedly engaging in contacts with U.S.-based exile groups such as those discussed earlier. The DOS has used funds provided in recent appropriations to support pro-democracy programs run by 26 organizations based in the U.S. in Europe; the Department refuses to name grantees for security reasons. Part of the program has been to promote people-to-people exchanges which might help alter the image of the U.S. in Iran; to date the DOS has sponsored exchanges with about 150 Iranian academics, professionals, athletes, artists, and medical professionals. The Department has also formed a Persian-language web site. Iran asserts that funding democracy promotion represents a violation of the 1981 “Algiers Accords” that settled the Iran hostage crisis and provide for non-interference in each others’ internal affairs.

## **Funding**

As shown in the table “Iran Democracy Promotion Funding,” \$67 million has been appropriated for Iran democracy promotion (\$19.6 million through DRL [Bureau of Democracy, Human Rights, and Labor] and \$48.6 million through the Bureau of Near Eastern Affairs/U.S. Agency for International Development (USAID). Of that, as of October 2008, \$42.7 million has been obligated and \$20.8 million disbursed. Additional funds, discussed in the table, have been appropriated for cultural exchanges, public diplomacy, and broadcasting to Iran. However, the Obama Administration did not request funding for democracy promotion in Iran in its FY 2010 budget request, an indication that the new Administration views this effort as inconsistent with its belief in dialogue with Iran. Funding for radio and television broadcasting programs to Iran are expected to continue however.

### **Iran Democracy Promotion Funding**

#### **Fiscal Year 2004**

Foreign operations appropriation (PL 108-199) earmarked \$1.5 million for “educational, humanitarian, and non-governmental organizations and individuals inside Iran to support the advancement of democracy and human rights in Iran.” The State Department Bureau of Democracy and Labor (DRL) gave \$1 million to the IHDC [Iran Human Rights Documentation Center] organization and \$500,000 to National Endowment for Democracy (NED).

#### **Fiscal Year 2005**

\$3 million funded from FY 2005 foreign aid appropriation (PL 108-447) for democracy promotion. Priority areas were: political party development, media development, labor rights, civil society promotion, and human rights.

#### **Fiscal Year 2006 Regular**

\$11.15 [million] for democracy promotion funded from regular FY 2006 foreign aid appropriation (PL 109-102). \$4.15 million administered by DRL and \$7 million for the Bureau of Near Eastern Affairs.

#### **Fiscal Year 2006 Supplemental**

Total of \$66.1 million funded (of \$75 million requested) from FY 2006 supplemental (PL 109-234): \$20 million for democracy promotion (\$5 million above request), \$5 million for public diplomacy directed at the Iranian population (amount requested), \$5 million for cultural exchanges (amount requested), and \$36.1 million for Voice of America-TV and “Radio Farda” broadcasting (\$13.9 million less than request). Of all FY 2006 funds, the State Department said on June 4, 2007 that \$16.05 million was obligated for democracy promotion programs, as was \$1.77 million for public diplomacy and \$2.22 million for

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12. Farah Stockman, “‘Long Struggle’ With Iran Seen Ahead,” *Boston Globe* (March 9, 2006).

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### Iran Democracy Promotion Funding (Continued)

cultural exchanges (bringing Iranian professionals and language teachers to the United States). Broadcasting funds provided through the Broadcasting Board of Governors began under Radio Free Europe/Radio Liberty (RFE/RL) in partnership with the Voice of America (VOA) in October 1998. 13 Farda ("Tomorrow" in Farsi) received \$14.7 million of FY2006 funds [and] now broadcasts 24 hours/day. VOA Persian services (radio and TV) combined cost about \$10 million per year. VOA-TV began on July 3, 2003 and now is broadcasting to Iran 12 hours a day.

#### **Fiscal Year 2007**

FY2007 continuing resolution provided \$6.55 million for Iran (and Syria) to be administered through DRL. \$3.04 million was used for Iran. No funds were requested.

#### **Fiscal Year 2008**

\$60 million (of \$75 million requested) is contained in Consolidated Appropriation (H.R. 2764, PL 110-161), of which \$21.6 million is ESF [Economic Support Fund] for pro-democracy programs, including non-violent efforts to oppose Iran's meddling in other countries. \$7.9 million is "Development Funds" for use by DRL. Appropriation also fully funds additional \$33.6 million requested for Iran broadcasting: \$20 million for VOA Persian service, \$8.1 million for Radio Farda, and \$5.5 million for exchanges with Iran.

#### **Fiscal Year 2009**

[\$65 million was requested] in ESF "to support the aspirations of the Iranian people for a democratic and open society by promoting civil society, civic participation, media freedom, and freedom of information." H.R. 1105 (PL 111-8) provides \$15 million for democracy promotion programs in Iran and several other countries.

### **Engagement**

The Obama Administration's belief in sustained, direct engagement with Iran is a pronounced difference [from] its predecessor. However, there continues to be debate within the Obama Administration over the degree of engagement, the level, and the timing of the diplomacy, particularly that which is to be conducted before Iran's June 2009 election. As noted, the clearest initiative to date has been the public invitation for Iran to attend the March 31, 2009 conference on Afghanistan to be held in the Netherlands. President Ahmadinejad has said Iran is ready for such dialogue if it is part of a fundamental change in the U.S. stance from what Iran sees as hostility. At the same time, Secretary of State Clinton reportedly has expressed to some Arab leaders substantial skepticism over whether the engagement would cause Iran to moderate its regional policies.

### **Enhanced United States Interests Section**

On specific steps toward greater engagement, the Bush Administration said in late 2008 that it considered staffing the U.S. interests section in Tehran with U.S. personnel, who would mostly process Iranian visas and help facilitate U.S.-Iran people-to-people contacts. The current interests section is under the auspices of the Swiss Embassy. The Bush Administration said in November 2008 that it would leave this decision to the Obama Administration, which appears inclined toward that step as well but which has said no decision has been made, to date. Some Iranian leaders, including Ahmadinejad, have said they might accept a U.S. interests section; but others have said this will not be approved by the Iranian side. A potential factor in the interests section decision could be a storming of a British diplomatic facility by 50 Iranian students on December 30, 2008 protesting what they said was Britain's bias toward Israel. In a related development, in February 2009, the British

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Council, a global cultural institution run by the British government, said it had been forced to suspend its activities in Iran because of purported intimidation of its staff in Tehran. Further clouding the prospects for enhanced exchanges; in February 2009 Iran denied visas to a female badminton team to compete in Iran.

### **Previous Engagement Efforts**

Prior to 2008, the Bush Administration directly engaged Iran on specific regional priority (Afghanistan and Iraq) and humanitarian issues. The U.S. had a dialogue with Iran on Iraq and Afghanistan from late 2001 until May 2003 when the U.S. broke off the talks following the May 12, 2003 terrorist bombing in Riyadh. At that time, the U.S. and Iran publicly acknowledged that they were conducting direct talks in Geneva on those two issues,<sup>14</sup> the first confirmed direct dialogue between the two countries since the 1979 revolution. The U.S. briefly resumed some contacts with Iran in December 2003 to coordinate U.S. aid to victims of the December 2003 earthquake in Bam, Iran, including a reported offer—rebuffed by Iran—to send a high-level delegation to Iran including Senator Elizabeth Dole and reportedly President Bush’s sister, Dorothy. Bilateral meetings on Iraq were discussed [in the full report].

Regarding a broader dialogue with Iran on nuclear and other issues, since 2006—and prior to the July 2008 decision to have Undersecretary Burns attend the July 19 nuclear issues meeting—the Bush Administration maintained it would join multilateral nuclear talks, or even potentially engage in direct bilateral talks, only if Iran first [suspended] uranium enrichment. Some believe the Administration position was based on a view that offering to participate in a nuclear dialogue with Iran would later increase international support for sanctions and other pressure mechanisms by demonstrating the willingness of the Administration to resolve the issue diplomatically. Others believed that this precondition lessened the likelihood of a positive response by Iran and should be unambiguously dropped.

As part of the U.S. declared openness to talk with Iran if it complies on nuclear issues, the Bush Administration indicated that it considers Iran a great nation and respects its history; such themes were prominent in speeches by President Bush such as at the Merchant Marine Academy on June 19, 2006 and his September 18, 2006 speech to the U.N. General Assembly. Then Secretary of State Rice said in January 2008 that the U.S. does not consider Iran a “permanent enemy.” An amendment by then Senator Biden (adopted June 2006) to the *FY 2007 Defense Authorization Bill* (PL 109-364) supported the Administration’s offer to join nuclear talks with Iran.

### **Grand Bargain Concept**

Some argue that the issues that divide the United States and Iran cannot be segregated and that the key to resolving the nuclear issue is striking a “grand bargain” on all outstanding issues. The Bush Administration did not offer Iran an unconditional, direct U.S. and Iran bilateral dialogue on all issues of U.S. concern: nuclear issues, Iranian support of militant movements, involvement in Iraq, and related issues. Some view this as a “missed opportunity,” saying that U.S. officials rebuffed a reported overture from Iran just before the May 12, 2003 Riyadh bombing to negotiate all outstanding U.S. and Iran issues as part of a so-called “grand bargain” that has been reported in various press articles. *The Washington Post* reported on February 14, 2007 (“2003 Memo Says Iranian Leaders Backed Talks”) that the Swiss Ambassador to Iran in 2003, Tim Guldemann, had informed U.S. officials

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14. Robin Wright, “U.S. In ‘Useful’ Talks with Iran,” *Los Angeles Times* (May 13, 2003).

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of a comprehensive Iranian proposal for talks with the United States. However, State Department officials and some European diplomats based in Tehran at that time question whether that proposal represented an authoritative communication from the Iranian government. Others argue that the offer was unrealistic because an agreement would have required Iran to abandon key tenets of its Islamic revolution, including support for Hezbollah.

### **Conclusion**

Mistrust between the United States and Iran's Islamic regime has run deep almost three decades; and many argue that it is unlikely to be quickly overcome, even if the Obama Administration initiates—and Iran accepts—comprehensive direct talks with Iran. Many experts say that all factions in Iran are united on major national security issues and that U.S. and Iran relations might not improve unless or until the Islamic regime is removed or moderates substantially, even if a nuclear deal is reached and implemented. Many experts believe that Iran has become emboldened by the installation of pro-Iranian regimes in Iraq and Afghanistan and the new strength of Hezbollah in Lebanon and Hamas in Gaza and that Iran now seeks to press its advantage to strengthen regional Shiite movements and possibly drive the United States out of the Gulf. Others reach an opposite conclusion, stating that Iran now feels more encircled than ever by pro-U.S. regimes and U.S. forces guided by a policy of pre-emption and Iran is redoubling its efforts to develop WMD and other capabilities to deter the United States. Some say that, despite Ahmadinejad's presidency, the United States and Iran have a common interest in stability in the Persian Gulf and South Asia regions in the aftermath of the defeat of the Taliban and the regime of Saddam Hussein and that major diplomatic overtures might now yield fruit.

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# Fiscal Year 2009 Security Cooperation Legislation

By

Kenneth W. Martin

Defense Institute of Security Assistance Management

[Please note that this summary is not legal advice. The reader should confer with one's assigned general counsel for any related legal analysis or advice.]

## Introduction

Each year, the *DISAM Journal* publishes a summary of the legislation that impacts U.S. security assistance and other related international programs. This report is intended to alert all security assistance and security cooperation community members to the collective changes or continued requirements in legislation that will influence program planning and implementation for the coming year. As has been done in the past, the report is in outline form, with key topics highlighted to facilitate locating specific statutory references.

Because of delays in the fiscal year (FY) 2009 legislative process, this article will only contain discussion of the laws that pertain to FY 2009 security cooperation programs. Security assistance legislation was not available until 11 March 2009 with the enactment of the *Omnibus Appropriations Act, 2009*, P.L.111-08. Because of the changes in the Administration and Congress and its senior leadership and the accompanying delay in the legislative process, a summary for FY 2009 security assistance allocations was not available until 7 May 2009 when general program funding requests for FY 2010 were published. This general summary with highlights by Department of State can be viewed at <http://www.state.gov/documents/organization/122513.pdf>. A more detailed country and program funding discussion for FY 2010 was finally made available on 28 May 2009 with the publication of the *Congressional Budget Justification (CBJ) for Foreign Operations, FY 2010*. This 1,000 pages plus FY 2010 CBJ which also includes the initial estimated funding allocation for FY 2009 and the pending supplemental funding request for FY 2009 can be viewed at: <http://www.state.gov/f/releases/iab/fy2010cbj/pdf/index.htm>. In the past, this document has been made available online to start the appropriations process in early February.

The FY 2009 appropriations season included two large appropriations acts and continuing resolutions (CRs) with the first one, the *Consolidated Security, Disaster, and Continuing Appropriations Act, 2009*, P.L. 110-329, 30 September 2008, providing FY 2009 appropriations for the Department of Defense and Homeland Security plus Defense Construction and Veterans Affairs. This law also provided the CR authority for the remaining nine FY 2009 appropriations lasting until midnight, 6 March 2009. A shorter five day CR was provided by P.L.111-6, 6 March 2009, until final enactment of the nine appropriations on 11 March 2009 within the *Omnibus Appropriations Act, 2009*, P.L.111-8, to include the *Division H, Department of State, Foreign Operations, and Related Programs Appropriations Act (S/FOAA), 2009*. The security cooperation essential defense authorization act was enactment on 14 October 2008 as the *Duncan Hunter National Defense Authorization Act (NDAA) for Fiscal Year 2009*, P.L.110-417.

The remainder of this article (29 pages) can be accessed at:  
<http://www.disam.dsca.mil/pubs/LA.asp>.

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## **About the Author**

Ken Martin has been at DISAM for over twenty years as an associate professor for the management of security assistance. In addition to teaching, his duties include being the legislation and policy functional manager and the editor for the annually republished DISAM “green textbook”, *The Management of Security Assistance*. He is a retired U.S. Navy surface warfare officer. His education includes an undergraduate degree in the field of economics from the Illinois Institute of Technology in Chicago and a master’s degree in administration from Central Michigan University.

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# PERSPECTIVES

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## **French Exports Rose to \$8.1 Billion in 2008**

**By**

**Pierre Tran**

**Contributing author to the *Defense News***

[The below article originally appeared in *Defense News Web*, 22 January 2009.]

France exported 6.3 billion euros (\$8.1 billion) of arms in 2008, up from 5.5 billion euros in the previous year, Defense Minister Hervé Morin said.

“In 2008, the target was 6 billion [euros] in exports,” he said January 19 [2009] in presenting his New Year’s greetings to the defense establishment at the Air and Space Museum at Le Bourget. “We did it and did even better, with 6.3 billion in 2008 against 5.5 in 2007, which is the best year since 2000.”

France aims to beat that in 2009 and reach the same level as Britain, he said. French military export hopes center on sales of the Rafale combat aircraft, which is under negotiation with Libya. The United Arab Emirates [has] said it wants Rafales to modernize their fleet; and the fighter is a contender in Brazil, India, and Switzerland.

Morin said he had told industry that he would not hesitate to go around the world promoting French products where they had made it to a final selection.

“Because a country’s purchasing decision depends on the quality of the product of course, the product’s price, but also it’s a political act. There has to be both: industrial and political. If one is missing, our position is weakened,” he said.

That [is] why the government has undertaken a reform of export procedures, with the result that export license applications now can be processed in less than 40 days, compared with 80 days previously, and only 7 percent of requests were delayed compared with 30, he said.

A procedure for global authorizations has been launched; and half of the applications from industry were made online compared with 3 percent two years ago, he said.

Britain jumped to second-largest arms exporter last year after the U.S. on the back of a sale of 72 Eurofighter Typhoons to Saudi Arabia.

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## United States Arms Sales Seen Topping \$40 Billion

By  
**Andrea Shalal-Esa**  
Contributing Author to *Reuters*

[The following article originally appeared in Reuters.com, June 17, 2009]

### Paris

The U.S. government-to-government arms sales are growing fast and will likely exceed the bullish estimate of \$40 billion for 2009, the Pentagon's top arms sales official said on Wednesday at the Paris Air Show. Vice Admiral Jeffrey Wieringa, head of the Pentagon's Defense Security Cooperation Agency, told Reuters it was unclear if arms sales would keep rising, but noted that was possible since several large weapons competitions were underway, and many countries had aging equipment to replace.

Arms sales were at a "pretty unprecedented level" after averaging \$8 billion to \$13 billion per year in the early 2000s, Wieringa said in an interview.

Sales in the first half reached \$27 billion, some 60 percent of the year's expected total, making it likely the actual 2009 total would top \$40 billion, he said.

Wieringa said the Obama administration was committed to building international partnerships, and arms sales were an important instrument of that policy.

"We sell stuff to build relationships," he said, noting that U.S. partners needed the right equipment and training to carry out their security missions.

Wieringa said he participated in 40 separate meetings at the world's largest air show, where U.S. companies display their latest hardware and vie with global competitors for billions of dollars of commercial and military orders.

The show generated less commercial orders than in years past, with the focus on large weapons competitions underway in India, Brazil, Japan and across the Middle East.

Wieringa said the increased focus on global arms sales came at an opportune time for U.S. companies, which face cutbacks in some weapons programs and a flatter overall defense budget.

"Foreign military sales can be a stabilizing factor that keeps jobs stable and production lines stable," he said.

One of the biggest deals on the table is an Israeli order for Lockheed Martin Corporation's F-35 Joint Strike Fighter.

Wieringa said Israeli officials told him at the air show that they expected to submit a letter of request for the weapons program within days, but he had not yet received it.

Brigadier General David Heinz, who heads the Pentagon's F-35 program, told reporters on Wednesday that development and testing of the new fighter jet was going well, and that 6,000 of the new fighter jets could be sold over time as world fleets of F-15, F-16, F-18 and other fighter jets need replacements.

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Heinz said the United States and its eight foreign partners on the programs were expected to order more than 3,100 fighters and initial foreign military sales to other countries such as Israel, Spain, Greece, Singapore, South Korea, Japan and Finland could add at least 1,000 more orders.

Heinz said he was confident the F-35 would do well in Japan's FX fighter competition, noting that the Pentagon had repeatedly said it was not offering the F-22, in which Japan has expressed interest in the past, for export.

Bruce Lemkin, Deputy Undersecretary of the U.S. Air Force, told Reuters there was also strong interest in transport planes built by Boeing Co, L-3 Communications Holdings Inc, and Lockheed Martin Corporation.

Lemkin said "quite a few" nations were on the verge of ordering Boeing's C-17 cargo plane, which could help keep the plane in production for one to two more years. A number of European countries could also buy C-17s as part of a strategic airlift alliance, adding to three sold to the group.

There was also strong continued interest in Lockheed's C-130J transport and twenty-five countries were "seriously interested" in the smaller C-27J Joint Cargo Aircraft being built by L-3 and Alenia, a unit of Italy's Finmeccanica Spa.

Lemkin underscored the Obama administration's commitment to expanding partnerships around the world.

We cannot go it alone in this world. We need friends and partners with the right capabilities to take care of their own security, to contribute to regional security, and through that relationship have the ability when it is appropriate . . . to join us in operations against common threats and enemies, Lenkin said.

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# Undercover Purchases on eBay and Craigslist Reveal a Market for Sensitive and Stolen United States Military Items

By  
**Gregory D. Kutz**  
Managing Director Forensic Audits and Special Investigations  
Government Accountability Office

[The following are excerpts from the Government Accountability Office-08-644T (GAO), a report before the Subcommittee on National Security and Foreign Affairs, Committee on Oversight and Government Reform, House of Representatives. To view the full report, including the scope and methodology, visit <http://www.gao.gov/new.items/d08644t.pdf>.]

## Highlights

Unauthorized individuals, companies, terrorist organizations, and other countries continue their attempts to obtain sensitive items related to the defense of the United States. The internet is one place that defense-related items can be purchased, raising the possibility that some sensitive items are available to those who can afford them. In addition to the risk that sensitive defense-related items could be used to directly harm U.S. service members or allies on the battlefield, these items could be disassembled and analyzed (i.e., reverse engineered) to develop countermeasures or equivalent technology.

Given the risks posed by the sale of sensitive defense-related items to the public and the internet's international reach and high volume of commerce, the Subcommittee asked GAO to conduct undercover testing to determine whether the general public can easily purchase these items on the internet, including on the web sites eBay and Craigslist.

To perform this work, GAO investigators used undercover identities to pose as members of the general public, meaning that they conducted their work with names, credit cards, and contact information that could not be traced to GAO. Investigators interviewed sellers where possible and referred cases to the appropriate law enforcement entities for further investigation.

## What the Government Accounting Office Found

The GAO found numerous defense-related items for sale to the highest bidder on eBay and Craigslist. A review of policies and procedures for these web sites determined that there are few safeguards to prevent the sale of sensitive and stolen defense-related items using the sites. During the period of investigation, GAO undercover investigators purchased a dozen sensitive items on eBay and Craigslist to demonstrate how easy it was to obtain them. Many of these items were stolen from the U.S. military. According to the Department of Defense (DOD), it considers the sensitive items GAO purchased to be on the *U.S. Munitions List* (USML), meaning that there are restrictions on their overseas sales. However, if investigators had been members of the general public, there is a risk that they could have illegally resold these items to an international broker or transferred them overseas.

Examples of Sensitive Items Purchased by Undercover Investigators			
Number	Item	Web Site	Notes
1	F-14 antenna	eBay	<ul style="list-style-type: none"> <li>F-14 components are in demand by Iran, the only country with operating F-14s</li> <li>Winning bidders on other auctions held by the seller were located in countries such as Bulgaria, China (Hong Kong), and Russia</li> </ul>
2	Nuclear biological chemical gear	Craigslist	<ul style="list-style-type: none"> <li>Could be reverse engineered to develop countermeasures or produce equivalent technology</li> <li>Stolen military property</li> </ul>
3	Enhanced small arms protective inserts	eBay	<ul style="list-style-type: none"> <li>Body armor plates manufactured in June 2007 and currently in use by troops in Afghanistan and Iraq</li> <li>Winning eBay bidders on other body armor items offered by this seller included individuals in China (Hong Kong), Taiwan, and Singapore</li> <li>Stolen from U.S. military or manufacturer</li> </ul>

### Examples of Sensitive Items Purchased by Undercover Investigators

GAO investigators also identified examples of U.S. Government property that was stolen and sold for a profit rather than being utilized by DOD. For example, GAO found two civilian store owners who acted as conduits for defense-related property that was likely stolen from the military. The store owners told GAO they purchased gear from service members, including Kevlar vests, flak jackets, and gas masks, and sold it through eBay to the general public. GAO also purchased stolen military Meals, Ready-to-Eat (MREs) and found a robust market for stolen military MREs on eBay and Craigslist.

Advertisements for the sensitive defense-related items GAO purchased were not removed by web site administrators, allowing investigators to buy the items. Both web sites maintain lists of items that are prohibited from sale, including stolen items; but only eBay contains warnings related to overseas sales and the improper sale of sensitive defense-related items.

A 2003 undercover investigation by Immigrations and Customs Enforcement (ICE) revealed that an individual in Florida attempted to purchase and illegally export roughly \$750,000 worth of U.S. F-14 fighter jet components to the Iranian military. According to the indictment, the individual planned to ship these components through other countries, including Italy, to conceal Iran as the ultimate destination. As we have reported before, Iran's acquisition of F-14 components could threaten national security. In another example, ICE agents arrested a Colombian national in 2005 for

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attempting to illegally export 80 AK-47 assault rifles, an M-60 machine gun, and an M-16 machine gun to the Autodefensas Unidas de Colombia, a U.S.-designated terrorist organization.

Although it is not illegal to buy and sell some defense-related items domestically, many sensitive items are manufactured strictly for military purposes and were never meant to be a part of everyday American life. The DOD assigns demilitarization codes (demil codes) to some items so that, when they are no longer needed by the military, the items can be recognized and rendered useless for their intended purpose prior to leaving government control. We are defining “sensitive defense-related items” as those items that, if acquired by DOD, would have to be demilitarized before disposal a process that could involve everything from removing a sensitive component to destroying the item entirely. Our prior reports found that control breakdowns at DOD allowed members of the general public to acquire sensitive defense-related items, including F-14 components, from the Government Liquidation web site; these items had not been demilitarized properly.<sup>1</sup> Although DOD has made improvements in the management of its excess property system, saving millions of dollars and reducing the likelihood that sensitive items are improperly sold, concerns remain that members of the general public can acquire sensitive defense-related items through additional weaknesses involving the government’s acquisition, use, storage, and sale of these items.

In addition to the Government Liquidation web site, many military surplus stores across the U.S. have web pages with online ordering capability. Furthermore, web sites such as eBay and Craigslist are popular because they allow sellers to advertise individual items and appear to provide some element of anonymity. For the most part, these web sites have an international reach, meaning that it is possible for sellers to identify buyers in foreign countries and quickly export purchased items. Sellers use eBay to auction goods or services, receive bids from prospective buyers, and finalize a sale. eBay also features “store fronts” in which property is listed and bought without going through a bidding process. In contrast, Craigslist functions as an automated version of the newspaper classified:

- Listing jobs
- Housing
- Goods
- Services
- Personals
- Activities
- Advice
- Just about anything users wish to sell, advertise, or promote

The service is community-based and moderated, operating in 450 cities worldwide, and is largely free of charge.

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1. The Government Liquidation web site, which is run by a DoD contractor, is the mechanism the Defense Logistics Agency (DLA) uses to sell items from its excess property system to the general public. See GAO, *Sales of Sensitive Military Property to the Public*, GAO-07 929R (Washington D.C.: July 6, 2007); GAO, *DoD Excess Property: Control Breakdowns Present Significant Security Risks and Continuing Waste and Inefficiency*, GAO-06-943 (Washington, D.C.: July 25, 2006); GAO, *DoD Excess Property Management Control Breakdowns Result in Substantial Waste and Inefficiency*, GAO-05-277 (Washington, D.C.: May 13, 2005); and GAO, *DoD Excess Property: Risk Assessment Needed on Public Sales of Equipment That Could Be Used to Make Biological Agents*, GAO-04-15N1 (Washington, D.C.: Nov. 19, 2003).

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While potential buyers for some sensitive items certainly include hobbyists, military enthusiasts, and emergency response or law enforcement units, the ICE cases clearly show the real risk that illegal weapons brokers, terrorists, and unauthorized agents of foreign governments also number among potential buyers. [As mentioned previously,] in addition to the risk that sensitive defense-related items could be used directly against U.S. interests, some items could be disassembled and analyzed to determine how they work. This technique, known as reverse engineering, could allow the creation of the following:

- Countermeasures to defeat or minimize the military significance of the item
- The development of an equivalent item that could be used against U.S. interests

To perform [our internet] investigation, we searched for certain target items on eBay and Craigslist. When these items were identified, investigators attempted to purchase them, either through bidding or a direct purchase (eBay) or by contacting the seller and arranging an in-person meeting or sale via U.S. mail (Craigslist). [As stated before,] investigators used undercover identities to pose as members of the general public when purchasing these items, meaning that they conducted their work with names, credit cards, and contact information that could not be traced back to GAO. In the case of eBay purchases, investigators worked with eBay's Fraud Investigations Team to obtain information regarding the identity and account history of the sellers. We also searched the DOD Employee Interactive Data System (DEIDS) database to determine whether sellers were active members of the U.S. military. Where applicable and feasible, investigators interviewed the sellers and performed additional follow-up investigative work or, in some instances, made immediate referrals of the cases to field agents of the appropriate law enforcement entities.

After purchasing a questionable item, our investigators matched the National Stock Number (NSN) on the item to those listed in DOD's Federal Logistics System (FedLog) to validate that it met our definition of a sensitive defense-related item.<sup>2</sup> We also spoke with officials from the Defense Criminal Investigative Service (DCIS), Demilitarization Coding Management Office (DCMO), the Air Force Office of Special Investigations (Air Force OSI), and the Army Criminal Investigation Division (Army CID) regarding the sale of U.S. military property. We referred pertinent information to DCIS, Army CID, and Air Force OSI for further investigation. We also spoke with officials from eBay and Craigslist about the policies and procedures governing commerce on their web sites and performed legal research.

We conducted our investigation from January 2007 through March 2008 in accordance with quality standards for investigations as set forth by the President's Council on Integrity and Efficiency. It is important to note that our investigation does not represent a comprehensive assessment of all sensitive defense-related items sold through these web sites during this period. Rather, our report provides only a "snapshot" of some items that investigators identified and purchased. Further, we did not attempt to perform a comprehensive audit or analysis to determine whether systemic property-management problems at DOD ultimately resulted in the sale of these items on the internet during this period. As a result, our investigation of sellers was limited, in most cases, to their claims regarding how they obtained the items. We also did not test the government's enforcement of export controls

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2. An NSN is a 13-digit number that identifies standard use inventory items. The first 4 digits of the NSN represent the Federal Supply Classification, such as 8430 for men's footwear, followed by a 2-digit North Atlantic Treaty Organization (NATO) code, and a 7-digit designation for a specific type of boot, such as cold weather boot. FedLog is the logistics information system published by the Defense Logistics Information Service (DLIS). FedLog lists the demil code associated with each item in the system.

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by attempting to transfer what we purchased overseas or validate whether eBay and Craigslist sellers we identified actually exported items to other countries.

### **Summary of Investigation**

We found numerous defense-related items for sale to the highest bidder on eBay and Craigslist from January 2007 through March 2008. A review of eBay and Craigslist policies and procedures determined that, although these web sites have taken steps to regulate their user communities and define items that are prohibited from sale, there are few safeguards to prevent sensitive and stolen defense-related items from being sold to either domestic or foreign users of these sites. During the period of our investigation, undercover investigators purchased a dozen sensitive items to demonstrate how easy it was to obtain them. The items were shipped to us “no questions asked.” Many of these items were stolen from the U.S. military. According to DOD, it considers the sensitive items we purchased to be on the *U.S. Munitions List*, meaning that there are restrictions on their overseas sales. However, if investigators had been members of the general public, there is a risk that they could have illegally resold these items to an international broker or transferred them overseas. Many of the sensitive items we purchased could have been used directly against our troops and allies or reverse-engineered to develop countermeasures or equivalent technology. For example, we purchased:

- Two F-14 components from separate buyers on eBay—F-14 components are in demand by Iran. Given that the United States has retired its fleet of F-14s, these components could only be used by the Iranian military. By making these components available to the general public, the eBay sellers provided an opportunity for these components to be purchased by an individual who could then transfer them to Iran. The continued ability of Iran to use its F-14s could put U.S. troops and allies at risk. We were unable to determine where the sellers obtained the F-14 components, and we found that ICE had an open investigation of one of the sellers.
- Night vision goggles containing an image intensifier tube made to military specifications (milspec) that is an important component in the U.S. military’s night-fighting system—although night vision goggles are commercially available to the public, the milspec tube in the pair of goggles we purchased on eBay is a sensitive component that allows U.S. service members on the battlefield to identify friendly fighters wearing infrared (IR) tabs. We also purchased IR tabs from a different internet seller. These IR tabs work with the goggles we purchased, giving us access to night-fighting technology that could be used against U.S. troops on the battlefield.
- An Army Combat Uniform (ACU) and uniform accessories that could be used by a terrorist to pose as a U.S. service member—after a January 2007 incident in which Iraqi insurgents, dressed in U.S. military uniforms, entered a compound in Karbala and killed five U.S. service members, DOD issued a bulletin declaring that all ACUs should be released only “to Army, Navy, Air Force, Marines, and their Guard or Reserve components.” We purchased the ACU on eBay in April 2007, after DOD’s bulletin had been issued. The ACU we purchased also came with IR tabs, which could have allowed an enemy fighter to pose as a “friendly” during night combat. The seller represented to us that he obtained the ACU at a flea market near Fort Bragg, North Carolina. This ACU appears to be stolen military property.

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- Body armor vests and Small Arms Protective Inserts (SAPI), including advanced Enhanced SAPI (E-SAPI) plates that are currently used by our troops in Iraq and Afghanistan—unauthorized individuals, companies, terrorist organizations, or other countries could use reverse engineering on this body armor to develop countermeasures, equivalent technology, or both. Body armor could also be used domestically by a violent felon to commit crime. The body armor vests, SAPIs, and E-SAPIs, which we purchased from eBay and Craigslist sellers, appear to have been stolen from [the] DOD.

In addition to the above case studies, our investigators identified examples of USG property that was likely stolen and sold for personal profit rather than being utilized by DOD (i.e., conversion of government property). According to DOD officials, U.S. military personnel are not authorized to sell certain items that have been issued to them, such as body armor; doing so is considered theft of government property. Although not all of the stolen property items available on eBay and Craigslist were sensitive, each item was purchased with taxpayer money and represents a waste of resources because it was not used as intended. For example, we found two civilian store owners who acted as conduits for defense-related property that was likely stolen from the military. The store owners told us they purchased gear from service members—including Kevlar helmets, flak jackets, gas masks, and ACUs—and sold it through eBay to the general public. We also investigated sales of military Meals, Ready-to-Eat (MREs) and found a robust market for stolen military MREs on eBay and Craigslist. Both civilians and service members sold us numerous cases of new/unused military MREs despite the fact that they were marked “U.S. Government Property, Commercial Resale Is Unlawful.” Because the military MREs we bought had been originally purchased by the government for use by U.S. troops, we conclude that these MREs were stolen from DOD. For example, we found that an active duty Army Private First Class stationed in South Korea stole military MREs from a warehouse and sold them to us on eBay. After our referral, Army CID executed a search warrant of the seller’s residence and discovered a substantial amount of stolen U.S. military property, as well as nearly \$2,000 in cash. The seller was subsequently linked to a string of larcenies on the base and is currently serving over three years in prison.

Advertisements for the sensitive defense-related items we purchased were not removed by the administrators of these web sites, allowing us to complete the transactions. [As stated previously,] both web sites maintain published lists of items that are prohibited from sale, including stolen items; but only eBay contains warnings related to the improper sale of sensitive defense-related items. Furthermore, only eBay contains warnings related to export control issues and overseas sales, even though both web sites have an international reach. While eBay has an administrative staff and investigative teams that look into fraud and prohibited sales occurring on the site, Craigslist has a smaller staff and largely relies on its user community for identifying inappropriate advertisements or postings. For example, when we asked a Craigslist manager about whether his company had a Fraud Investigations Team (FIT), he said, “I am the FIT for Craigslist.” Generally, neither eBay nor Craigslist can incur criminal liability for being the conduit through which stolen or sensitive defense-related items are sold, even if the items are sold overseas.

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# **Afghanistan Security: A Government Accountability Office Report**

## **Corrective Actions Are Needed to Address Serious Accountability Concerns about Weapons Provided to Afghan National Security Forces**

**Statement By  
Charles M. Johnson, Jr.,  
Director, International Affairs and Trade  
United States Government Accountability Office**

[Below is an excerpt of the subject report. The full Government Accountability Office (GAO) Report can be viewed at: <http://www.gao.gov/new.items/d09380t.pdf>.]

### **What GAO Found**

Lessons learned from GAO's past work indicate that U.S. strategy for Iraq and Afghanistan should reflect a government wide approach and contain a number of key elements, including clear roles, responsibilities, and coordination mechanisms among government agencies, as well as specific goals, performance measures, and time frames that take into account available resources. Given the heavy commitment of U.S. forces to ongoing operations over the past several years, the availability of forces, equipment, and infrastructure will need to be closely examined in developing plans to re-posture military forces. Finally, in light of future demands on the federal budget, attention will be needed to ensure that U.S. plans are developed and executed in an efficient and cost-effective manner. Clearly, strong oversight by the Congress and senior decision makers will be needed to minimize past problems such as contract mismanagement and insufficient attention to overseeing contractors.

In refining its strategy and plans for the drawdown of forces in Iraq, senior leaders will need to consider several operational factors. For example, the Department of Defense (DOD) will need to develop plans to efficiently and effectively relocate thousands of personnel and billions of dollars worth of equipment out of Iraq, close hundreds of facilities, and determine the role of contractors. Furthermore, the capacity of facilities in Kuwait and other neighboring countries may limit the speed at which equipment and materiel can be moved out of Iraq.

With regard to Afghanistan, DOD will likely face an array of potential challenges related to people, equipment and infrastructure. For example, the availability and training of personnel will be critical considerations as the force is already significantly stressed from ongoing operations and current training capacity has been primarily focused on operations in Iraq. Additionally, the availability of equipment may be limited because the Army and Marine Corps have already deployed much of their equipment to Iraq and much of the prepositioned assets also have been withdrawn to support ongoing operations. Similarly, DOD will need to assess its requirements for intelligence, surveillance, and reconnaissance capabilities given its current allocation of these assets to support ongoing operations in Iraq. Further, the ability to transport personnel and equipment into Afghanistan will be challenged by the limited infrastructure and topography of Afghanistan. Moreover, the extent to which contractors will be used to support deployed U.S. forces must be considered as well as how oversight of these contractors will be ensured. Given all of these factors, sound planning based on a well-developed strategy is critical to ensure lessons learned over the years from Iraq are incorporated in Afghanistan and that competing resources are prioritized effectively between both operations.

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During fiscal years 2002 through 2008, the U.S. spent approximately \$16.5 billion to train and equip the Afghan army and police forces in order to transfer responsibility for the security of Afghanistan from the international community to the Afghan government. As part of this effort, Defense, through the U.S. Army and Navy, purchased over 242,000 small arms and light weapons, at a cost of about \$120 million. In addition, the Combined Security Transition Command-Afghanistan (CSTC-A) has reported that 21 other countries provided about 135,000 weapons for the Afghan National Security Forces (ANSF) between June 2002 and June 2008, which they have valued at about \$103 million. This brings the total number of weapons DOD reported obtaining for ANSF to over 375,000.

CSTC-A in Kabul, which is a joint service, coalition organization under the command and control of DOD's U.S. Central Command is primarily responsible for training and equipping ANSF. As part of that responsibility, CSTC-A receives and stores weapons provided by the U.S. and other international donors and distributes them to ANSF units. In addition, CSTC-A is responsible for monitoring the use of U.S.-procured weapons and other sensitive equipment.

### **Defense Could Not Fully Account for Weapons**

Lapses in weapons accountability occurred throughout the supply chain, including when weapons were obtained, transported to Afghanistan, and stored at two central depots in Kabul. DOD has accountability procedures for its own weapons, including:

- Serial number registration and reporting
- 100 percent physical inventories of weapons stored in depots at least annually

However, DOD failed to provide clear guidance to U.S. personnel regarding what accountability procedures applied when handling weapons obtained for the ANSF. We found that the U.S. Army and CSTC-A did not maintain complete records for an estimated 87,000 or about 36 percent of the 242,000 weapons DOD procured and shipped to Afghanistan for ANSF. Specifically:

- For about 46,000 weapons, the Army could not provide us serial numbers to uniquely identify each weapon provided, which made it impossible for us to determine their location or disposition.
- For about 41,000 weapons with serial numbers recorded, CSTC-A did not have any records of their location or disposition. Furthermore, CSTC-A did not maintain reliable records, including serial numbers, for any of the 135,000 weapons it reported obtaining from international donors from June 2002 through June 2008.

Although weapons were in DOD's control and custody until they were issued to ANSF units, accountability was compromised during transportation and storage. Organizations involved in the transport of U.S.-procured weapons into Kabul by air did not communicate adequately to ensure that accountability was maintained over weapons during transport. In addition, CSTC-A did not maintain complete and accurate inventory records for weapons at the central storage depots and allowed poor security to persist. Until July 2008, CSTC-A did not track all weapons at the depots by serial number and conduct routine physical inventories. Without such regular inventories, it is difficult for CSTC-A to maintain accountability for weapons at the depots and detect weapons losses. Moreover, CSTC-A could not identify and respond to incidents of actual or potential compromise, including suspected pilferage, due to poor security and unreliable data systems. Illustrating the importance of physical inventories, less than one month after completing its first full weapons inventory, CSTC-A officials identified the theft of 47 pistols intended for ANSF.

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During our review, DOD indicated that it would begin recording serial numbers for all weapons it obtains for ANSF, and CSTC-A established procedures to track weapons by serial number in Afghanistan. It also began conducting physical inventories of the weapons stored at the central depots. However, CSTC-A officials stated that their continued implementation of these new accountability procedures was not guaranteed, considering staffing constraints and other factors.

Despite CSTC-A training efforts, ANSF units cannot fully safeguard and account for weapons, placing weapons CSTC-A has provided to ANSF at serious risk of theft or loss. In February 2008, CSTC-A acknowledged that it was issuing equipment to Afghan National Police units before providing training on accountability practices and ensuring that effective controls were in place. Recognizing the need for weapons accountability in ANSF units, DOD and Department of State (DOS) deployed hundreds of U.S. trainers and mentors to, among other things, help the Afghan army and police establish equipment accountability practices. In June 2008, DOD reported to Congress that it was CSTC-A's policy not to issue equipment to ANSF without verifying that appropriate supply and accountability procedures are in place. While CSTC-A has established a system for assessing the logistics capacity of ANSF units, it has not consistently assessed or verified ANSF's ability to properly account for weapons and other equipment. Contractors serving as mentors have reported major ANSF accountability weaknesses. Although these reports did not address accountability capacities in a consistent manner that would allow a systematic or comprehensive assessment of all units, they highlighted the following common problems relating to weapons accountability.

- Lack of functioning property book operations. Many Afghan army and police units did not properly maintain property books, which are fundamental tools used to establish equipment accountability and are required by Afghan ministerial decrees.
- Illiteracy. Widespread illiteracy among Afghan army and police personnel substantially impaired equipment accountability. For example, a mentor noted that illiteracy in one Afghan National Army corps was directly interfering with the ability of supply section personnel to implement property accountability processes and procedures, despite repeated training efforts.
- Poor security. Some Afghan National Police units did not have facilities adequate to ensure the physical security of weapons and protect them against theft in a high-risk environment. In a northern province, for example, a contractor reported that the arms room of one police district office was behind a wooden door that had only a miniature padlock, and that this represented the same austere conditions as in the other districts.
- Unclear guidance. Afghan government logistics policies were not always clear to Afghan army and police property managers. Approved Ministry of Interior policies outlining material accountability procedures were not widely disseminated, and many police logistics officers did not recognize any of the logistical policies as rule. Additionally, a mentor to the Afghan National Army told us that despite new Ministry of Defense decrees on accountability, logistics officers often carried out property accountability functions using Soviet-style accounting methods and that the Ministry was still auditing army accounts against those defunct standards.

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- Corruption. Reports of alleged theft and unauthorized resale of weapons are common, including one case in which an Afghan police battalion commander in one province was allegedly selling weapons to enemy forces.
  - Desertion. Desertion in the Afghan National Police has also resulted in the loss of weapons. For example, contractors reported that Afghan Border Police officers at one province checkpoint deserted to ally themselves with enemy forces and took all their weapons and two vehicles with them.

In July 2007, DOD began issuing night vision devices to the Afghan National Army. These devices are considered dangerous to the public and U.S. forces in the wrong hands, and DOD guidance calls for intensive monitoring of their use, including tracking by serial number. However, we found that CSTC-A did not begin monitoring the use of these sensitive devices until October 2008—about fifteen months after issuing them. DOD and CSTC-A attributed the limited monitoring of these devices to a number of factors, including a shortage of security assistance staff and expertise at CSTC-A, exacerbated by frequent CSTC-A staff rotations. After we brought this to CSTC-A's attention, it conducted an inventory and reported in December 2008 that all but 10 of the 2,410 night vision devices issued had been accounted for.

We previously reported that DOD cited significant shortfalls in the number of trainers and mentors as the primary impediment to advancing the capabilities of ANSF. According to CSTC-A officials, as of December 2008, CSTC-A had only 64 percent of the nearly 6,700 personnel it required to perform its overall mission, including only about half of the over 4,000 personnel needed to mentor ANSF units.

In summary, we have serious concerns about the accountability for weapons that DOD obtained for ANSF through U.S. procurements and international donations. First, we estimate that DOD did not systematically track over half of the weapons intended for ANSF. This was primarily due to staffing shortages and DOD's failure to establish clear accountability procedures for these weapons while they were still in U.S. custody and control. Second, ANSF units could not fully safeguard and account for weapons DOD has issued to them, despite accountability training provided by both DOD and DOS. Poor security and corruption in Afghanistan, unclear guidance from Afghan ministries, and a shortage of trainers and mentors to help ensure that appropriate accountability procedures are implemented have reportedly contributed to this situation.

In the report we are releasing today we make several recommendations to help improve accountability for weapons and other sensitive equipment that the United States provided to ANSF. In particular, we recommend that the Secretary of Defense:

- Establish clear accountability procedures for weapons while they are in the control and custody of the U.S., including tracking all weapons by serial number and conducting routine physical inventories
- Direct CSTC-A to specifically assess and verify each ANSF unit's capacity to safeguard and account for weapons and other sensitive equipment before providing such equipment, unless a specific waiver or exception is granted
- Devote adequate resources to CSTC-A's effort to train, mentor, and assess ANSF in equipment accountability matters

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In commenting on a draft of our report, Defense concurred with our recommendations and has begun to take corrective action.

- In January 2009, Defense directed the Defense Security Cooperation Agency to lead an effort to establish a weapons registration and monitoring system in Afghanistan, consistent with controls mandated by Congress for weapons provided to Iraq. If Defense follows through on this plan and, in addition, clearly requires routine inventories of weapons in U.S. custody and control, our concern about the lack of clear accountability procedures will be largely addressed.
- According to Defense, trainers and mentors are assessing the ability of ANSF units to safeguard and account for weapons. For the Afghan National Army, mentors are providing oversight at all levels of command of those units receiving weapons. For the Afghan National Police, most weapons are issued to units that have received instruction on equipment accountability as part of newly implemented training programs. We note that at the time of our review, ANSF unit assessments did not systematically address each unit's capacity to safeguard and account for weapons in its possession. We also note that DOD has cited significant shortfalls in the number of personnel required to train and mentor ANSF units. Unless these matters are addressed, we are not confident the shortcomings we reported will be adequately addressed.
- DOD also indicated that it is looking into ways of addressing the staffing shortfalls that hamper CSTC-A's efforts to train, mentor, and assess ANSF in equipment accountability matters. However, Defense did not state how or when additional staffing would be provided.

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# Deal Near on Sale of Fourteen Rafales to Libya

By

Pierre Tran

Contributing Author for the *Defense News Daily*

[The following article originally appeared in the *Defense News Daily*, 19 March 2009.]

Commercial and technical negotiations on a sale of 14 French Rafale fighter jets to Libya have been largely completed; and politics will dictate the timing of any announcement of a deal, an industry executive said March 19, 2009.

“The negotiations are done, more or less,” the executive said. Asked when a deal would be announced, the executive said, “It’s politics; it’s always politics.”

Colonel Muammar Khaddafi, the Libyan head of state, signed an agreement granting six months’ exclusive negotiations for the Rafale when he visited Paris in December 2007. Human rights organizations criticized the visit by the Libyan leader and the prospective arms sales.

The Rafales expected to be sold to Tripoli would be similar to the F3 standard entering service in the French Air Force, capable of aerial combat and ground strikes. The weapons package is being negotiated separately. Matra BAE Dynamics Alenia (MBDA), the European missile firm that supplies weapons for the Rafale, declined comment.

France has yet to sell the Rafale to a foreign customer, although the aircraft is flying in a handful of competitions.

“Negotiations are still going on with Libya,” Jacques-Emmanuel Lajugie, the head of the international division of the Délégation Générale pour l’Armement (DGA), said March 17, 2009. The talks were lasting as long as expected, he said. The DGA is the French government’s military procurement office.

The MBDA CEO, Antoine Bouvier said separately March 17, 2009 that he expected a large export sale for missiles tied to the Rafale this year or next, as well as weapons for the Frigate European Multi-Mission (FREMM) frigate, a new warship being built for France and Italy.

There are concerns that the economic crisis will hit defense spending in Brazil and Greece, where the Rafale is competing for orders, the industry executive said.

Switzerland has completed a series of flight trials of the Rafale, Eurofighter Typhoon, and Sweden’s Gripen as part of a tender to replace F-5 fighter jets. It is expected to take six months to evaluate the data from the tests.

India also is looking to buy 126 new warplanes; but that competition is expected to take a long time, even by military procurement timetables, industry executives said.

Dassault is looking for customers to buy the Mirage 2000-9 aircraft that the United Arab Emirates (UAE) intends to replace with Rafales, Chief Executive Charles Edelstenne said March 19, 2009. A first delivery of the Rafale to the UAE would not be before 2012; and the UAE Air Force would probably need about three year’s time to train aircrews on the new aircraft. “We have time to prospect,” he said.

DGA Chief Executive Laurent Collet-Billon said March 17, 2009 that the French Air Force would not be taking the Mirage 2000-9s from the UAE.

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# **Lieutenant General Karl Eikenberry (USA Retired) Pledges to Work Toward Afghanistan's Long-Term Success**

**By  
Donna Miles**

**Contributing Author to *American Forces Press Service***

[This article is provided courtesy of the *American Forces Press Service*, Washington, March 26, 2009.]

Army Lieutenant General Karl Eikenberry, former top U.S. Commander in Afghanistan, told a Senate committee today he will assume the ambassadorship there with a clear recognition that success in both Afghanistan and Pakistan is vital to U.S. national security.

Eikenberry, President Obama's nominee as ambassador to Afghanistan, told the Senate Foreign Relations Committee his career has centered around Afghanistan since a terrorist-commandeered aircraft hit the Pentagon just below where he was working on September 11, 2001.

Afghanistan is where the cold-blooded September the 11th, 2001 attacks upon the United States were conceived and they were directed, he said.

But Eikenberry, who assumed command of U.S. Forces Afghanistan and the North Atlantic Treaty Organization (NATO) led International Security Assistance Force there in 2005, said terrorists seek to inflict more damage.

Even as we speak, al-Qaeda and their allies operate inside of Afghanistan and from across the border in Pakistan, he said. They seek to create fear and chaos inside of Afghanistan and Pakistan in order to regain the territorial control that allowed them to so horrifically overturn the peace and tranquility of our homeland seven years ago.

Eikenberry pledged to support the cross-governmental effort he said is needed to deter terrorism and enable Afghanistan to succeed.

My professional experience inside of Afghanistan has reinforced what I've learned throughout my career, that lasting security can only be delivered through coordinated diplomatic, economic, and military means, he said.

Eikenberry underscored the challenges being faced and the importance of confronting them now.

The situation in Afghanistan is increasingly difficult, and time is of the essence. There will be no substitute for more resources and sacrifice, he said.

The United States, he said, "can and must foster the conditions for sustained success inside of Afghanistan and Pakistan."

The General vowed to work closely with the North Atlantic Treaty Organization, U.S. military Commanders, U.S. government agencies, and international partners "to ensure that all elements of national power are brought to bear in mutually reinforcing ways."

He also noted the importance of more civilian expertise to support these national efforts, as well as additional contributions of the international community.

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Of the efforts these elements support, among the most critical is strengthening and expanding the Afghan national army and police, Eikenberry told the senators. This, he said, will ensure they have the capability to secure their own country.

But also key, he said, is helping Afghanistan progress on the economic, development, and political fronts.

Without real progress on these issues, success will be very difficult to achieve, he said.

Eikenberry emphasized the importance of eliminating the opiate trade he said not only bankrolls the insurgency, but also undermines efforts to develop governance.

More development and more aid must be channeled to those areas [where] the insurgency is rife. Even more importantly, assistance must be targeted to the Afghan people, he said.

Eikenberry directed words of encouragement to the Afghan people, saying that U.S. and coalition support will help them achieve their goals of a better quality of life in a free and stable country.

When you achieve your goals, international terrorists will find no refuge inside of Afghanistan. And this is precisely where your interest, America's interest, and indeed the interest of the entire world come together. Your success is our success, he said.

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## United States Buys Russian Helos for Iraq

By

Nabi Abdullaev

Contributing Author to *Defense News*

[The following article originally appeared on the *Defense News* web site, 1 April 2009.]

In a rare case of the U.S. Government buying military or dual-use equipment from Russia, the Pentagon awarded an \$80.6 million contract to Aeronautical Radio, Incorporated (ARINC), an Annapolis, Maryland company, to buy and deliver 22 Russian Mi-17CT helicopters North Atlantic Treaty Organization (NATO) codename “Hip-H” for the Iraqi government, according to a March 27 [2009] DOD contract announcement.

Russian Helicopters, the government-controlled holding uniting Russia’s helicopter-makers, said in a March 31 [2009] statement that its Ulan-Ude aviation plant had signed a contract with the United Arab Emirates-based Airfreight Aviation to service and repair 22 Mi-17s for Iraq.

The Pentagon contract provides \$2.4 million to buy each Mi-17CT, which a Russian Helicopters source said was the most anyone has ever paid for Mi-17s.

The rest of the nearly \$22 million will go to modify the aircraft to customer requirements.

The Pentagon’s contract sets an estimated completion date of August 31, 2010.

The Mi-17 is the most popular of all helicopters that Russia sells abroad, with more than 11,000 produced and exported to eighty countries.

The Mi-17 can carry 32 passengers or four tons of cargo. Its six hard-points can carry bombs, rockets, and gun pods weighing up to up to 1,500 kilograms total.

Russian and Western media have occasionally reported possible purchases of Mi-17s and other Russian military and dual-use equipment by the Americans for the Iraqi Army over the past several years. In September 2007, the Russian Foreign Ministry officially denied any arms deliveries to Iraq.

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## Department of Defense Supports Pakistan's Anti-Taliban Operations, Hopes for Sustained Effort

By  
Donna Miles  
Contributing Author to *DefenseLink*

[The following article originally appeared in *DefenseLink*, 28 April 2009.]

Defense leaders are “clearly pleased” to see the Pakistani military take action against increasingly emboldened Taliban forces and have offered additional support if Pakistan’s government will accept it to promote a sustained effort, Pentagon Press Secretary Geoff Morrell said today. Defense Secretary Robert M. Gates, Chairman of the Joint Chiefs of Staff Administration Mike Mullen, and others have expressed “a very real concern” about the eroding security situation in Pakistan in recent weeks, Morrell told reporters.

They and others in this building were clearly pleased to see the Pakistan military take the initiative over the past couple of days and push back against the militants who had been encroaching ever further toward Islamabad, he said.

Taliban forces have moved in recent weeks from the Swat Valley into the Buner and Dir districts. But in recent days, Pakistani ground troops and heavy artillery have moved into the region to assault guerilla hideouts, with Pakistani jets and helicopters attacking Taliban positions from overhead.

We think the military operations that are under way in Buner and Dir districts are exactly the appropriate response to the offensive operations by the Taliban and other militants over the past few weeks. And so we are hopeful and encouraging of the Pakistan military that they are able to sustain these operations against the militants and to stem this encroachment on the more populated areas of Pakistan, Morrell said.

The military operations followed a highly criticized peace deal between the Pakistani government and Taliban elements in Swat.

We have made no secret of the fact that we have never been a big fan of these agreements or deals that they have reached with militants in parts of the Federally Administered Tribal Areas of Pakistan that border Afghanistan, Morrell said.

The United States stands ready to provide more assistance to keep up the effort if the Pakistani government will accept it. We have made it clear for a long, long time that we are ready, willing, and able to do more than we are doing. The fundamental obstacle to this, historically, has been a comfort level on the part of the Pakistani government, he said.

Recent activities by the Taliban could change that. The Pakistani government, obviously, based on these military operations, recognizes the activities in Swat and Buner and Dir as a real threat to them. So, as long as there is that recognition and appropriate action in response, we are pleased and ready to help in additional ways, Morrell said.

Morrell recognized sacrifices the Pakistani military has already made, with 3,000 of its troops killed or injured in operations along the country’s western border.

They have been involved in this fight. But the key is to sustain these operations at this tempo and to keep the militants on their heels and ultimately defeat them, he said.

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# The Joint Operating Environment 2008: The Implications for the Joint Force

Edited by  
Lieutenant Kevin Strevel, USN  
Defense Institute of Security Assistance Management

[The following is an excerpt from *The Joint Operating Environment*, Part IV of the full document which can be found at: <http://www.hsdl.org/hslog/?q=node/4542>.]

## About this Study

*The Joint Operating Environment* (JOE) is intended to inform joint concept development and experimentation throughout the Department of Defense (DOD). It provides a perspective on future trends, shocks, contexts, and implications for future joint force Commanders and other leaders and professionals in the national security field. This document is speculative in nature and does not suppose to predict what will happen in the next twenty-five years. Rather, it is intended to serve as a starting point for discussions about the future security environment at the operational level of war. Inquiries about the *Joint Operating Environment* should be directed to U.S. Joint Forces Command (USJFCOM), Public Affairs.

Order or disorder depends on organization, courage or cowardice on circumstances, strength or weakness on dispositions . . . Thus, those skilled at making the enemy move do so by creating a situation to which he must conform; they entice him with something he is certain to take. And with lures of ostensible profit they await him in strength. Therefore, a skilled Commander seeks victory from the situation and does not demand it of his subordinates.<sup>1</sup>

Sun Tzu

In an uncertain world, which will inevitably contain enemies who aim to either attack the United States directly or to undermine the political and economic stability on which America, its allies, and the world's economy depend, the nation's military forces will play a crucial role. Yet, war is an inherently uncertain and costly endeavor. As the United States has discovered in Iraq and Afghanistan, there is no such thing as a rapid, decisive operation that does not generate unforeseen second and third order effects.

While the most important mission of the American military has been the ability to fight and win the nation's wars, the ability of U.S. forces to deter conflict has risen to equal footing. Preventing war will prove as important as winning a war. In fact, the two missions are directly linked in a symbiotic relationship. The ability to deter a potential adversary depends on the capabilities and effectiveness of U.S. forces to act across the full range of military operations. Deterrence also depends on the belief on the part of the adversary that the United States will use its military power in defense of its national interests.

Since the fall of the Iron Curtain, the United States has planned for a global repositioning effort, removing forces from forward basing and garrisoning much of its military force structure at home. Instead, the Joint Force has found itself in near-constant conflict abroad; and now forces based

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1. Sun Tzu, *The Art of War*, trans. and ed. by Samuel B. Griffith (Oxford, 1963), 93.

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at home find themselves in heavy rotation, projecting forward into the Middle East and elsewhere around the world. After protracted action in Afghanistan and Iraq, the force now faces a period of reconstitution and rebalancing which will require significant physical, intellectual, and moral effort that may take a decade to complete. During this time, our forces may be located significant distances from a future fight. Thus, the Joint Force will be challenged to maintain both a deterrent posture and the capacity and capability to be forward engaged around the world, showing the flag and displaying the ability to act in ways to both prevent and win wars.

### **War in the Twenty-First Century**

As the discussion of trends and contexts above has suggested, the roles and missions of the Joint Force will include the protection of the homeland; the maintenance of the global commons; the deterrence of potential enemies; and, when necessary, fighting and winning conflicts that may occur around the world. Such challenges are by themselves daunting enough but they will occur in a period characterized by radical technological, strategic, and economic change. All of which will add to the complexities of the international environment and the use of military force. America's position in the world, unprecedented in almost every respect, will continue to present immense challenges to its military forces.

Rapidly changing trends within the contexts described in the previous section will have profound implications for the character of war itself and the methods by which the Joint Force will wage it. Yet, the nature of war will remain closer to Agincourt than to Star Trek. At its heart, war will always involve a battle between two creative human forces. Our enemies are always learning and adapting. They will not approach conflicts with conceptions or understanding similar to ours. And they will surprise us. No amount of technology, conceptualization, or globalization will change those realities. Moreover, the employment of military force will continue to be conditioned by politics, not only those of the United States and its allies, but by those of its opponents. Above all, joint force Commanders, their staffs, and their subordinates must have a clear understanding of the strategic and political goals for which they conduct military operations. In almost every case, they will find themselves working closely with partners, a factor which will demand not only a thorough understanding of U.S. political goals, but coalition goals as well.

It is in this political-strategic environment that the greatest surprises for Americans may come. The United States has dominated the world economically since 1915 and militarily since 1943. Its dominance in both respects now faces challenges brought about by the rise of powerful states. Moreover, the rise of these great powers creates a strategic landscape and international system, which, despite continuing economic integration, will possess considerable instabilities. Lacking either a dominant power or an informal organizing framework, such a system will tend toward conflict. Where and how those instabilities will manifest themselves remains obscure and uncertain.

Between now and the 2030s, the military forces of the United States will almost certainly find themselves involved in combat. Such involvement could come in the form of a major regular conflict or in a series of wars against insurgencies. And, as this document has suggested, they will certainly find themselves engaged not only against terrorist organizations, but against those who sponsor them. One of the great problems that confronts American strategists and military planners is the conundrum of preparing for wars that remain uncertain as to their form, location, level of commitment, the contribution of potential allies, and the nature of the enemy. The only matter that is certain is that joint forces will find themselves committed to conflict against the enemies of the United States and its Allies and in defense of its vital interests.

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## Preparing for War

There are two ominous scenarios that confront joint forces between now and the 2030s. The first and most devastating would be a major war with a powerful state or hostile alliance of states. Given the proliferation of nuclear weapons, there is the considerable potential for such a conflict to involve the use of such weapons. While major regular war is currently in a state of hibernation, one should not forget that in 1929 the British government adopted as its basic principle of defense planning the assumption that no major war would occur for the next ten years. Until the mid-1930s, “the ten year rule” crippled British defense expenditures. The possibility of war remained inconceivable to British statesmen until March 1939.

The one approach that would deter a major conflict involving U.S. military forces, including a conflict involving nuclear weapons, is the maintenance of capabilities that would allow the United States to wage and win any possible conflict. As the Romans so aptly commented, “If you wish for peace, prepare for war.” Preventing war will in most instances prove more important than waging it. In the long-term, the primary purpose of the military forces of the United States must be deterrence, for war in any form and in any context is an immensely expensive undertaking both in lives and national treasure. When, however, deterrence fails, then, the military effectiveness of those forces will prove crucial. Here the efforts that have gone into preparing U.S. forces for conflict at their various training centers must continue to receive the same support and attention in the future that they have over the course of the past 30 years. As the Japanese warrior/commentator Miyamoto Musashi noted in the seventeenth century:

There is a rhythm in everything, but the rhythms of the art of war are especially difficult to master without practice . . . In battle, the way to win is to know the opponent’s rhythms while using unexpected rhythms yourself, producing formless rhythms from the rhythms of wisdom.<sup>2</sup>

The second ominous scenario that confronts the Joint Force is the failure to recognize and fully confront the irregular fight that we are in. The requirement to prepare to meet a wide range of threats is going to prove particularly difficult for American forces in the period between now and the 2030s. The difficulties involved in training to meet regular and nuclear threats must not push preparations to fight irregular war into the background, as occurred in the decades after the Vietnam War. Above all, Americans must not allow themselves to be deluded into believing their future opponents will prove as inept and incompetent as Saddam Hussein’s regime was in 1991 and again in 2003. Having seen the capabilities of U.S. forces in both regular and irregular war, future opponents will understand “the American way of war” in a particularly detailed and thorough way.

In Iraq and Afghanistan, our opponents have displayed considerable capacity to learn and adapt in both the political and tactical arenas. More sophisticated opponents of U.S. military forces will certainly attack American vulnerabilities. For instance, it is entirely possible that attacks on computers, space, and communications systems will severely degrade command and control of U.S. forces. Thus, those forces must possess the ability to operate effectively in degraded conditions. In planning for future conflicts, joint force Commanders and their planners must factor two important constraints into their calculations: logistics and access. The majority of America’s military forces will find themselves largely based in North America. Thus, the first set of problems involved in the commitment of U.S. forces will be logistical. In the 1980s many defense pundits criticized the

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2. Quoted in Thomas Cleary, *The Japanese Art of War: Understanding the Culture of Strategy* (Boston, 1992), 38.

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American military for its supposed over-emphasis on logistics and praised the German Wehrmacht for its minimal “tooth to tail” ratio in the Second World War. What they missed was that the United States had to project its military forces across two great oceans, then fight massive battles of attrition in Europe and in East Asia. Ultimately, the logistical prowess of U.S. and Allied forces, translated into effective combat forces, defeated the Wehrmacht on the Western Front, crushed the Luftwaffe in the skies over Germany, and broke Imperial Japan’s power.

The tyranny of distance will always influence the conduct of America’s wars; and joint forces will confront the problems associated with moving forces over great distances and then supplying them with fuel, munitions, repair parts, and sustenance. In this regard, a measure of excess is always necessary, compared to “just in time” delivery. Failure to keep joint forces who are engaged in combat supplied could lead to disaster, not just unstocked shelves. Understanding that requirement represents only the first step in planning, but it may well prove the most important.

The crucial enabler for America’s ability to project its military power for the past six decades has been its almost complete control over the global commons. From the American standpoint, the Battle of the Atlantic that saw the defeat of the German U-boat menace in May 1943 was the most important victory of the Second World War. Any projection of military power in the future will require a similar enabling effort and must recognize that the global commons have now expanded to include the domains of cyber and space. The Joint Force must have redundancy built in to each of these areas to ensure that access and logistics support are more than “single-point safe” and cannot be disrupted through a single enemy point of attack.

In America’s two recent wars against Iraq, the enemy made no effort to deny U.S. forces entry into the theater. Future opponents, however, may not prove so accommodating. Hence, the second constraint confronting planners is that the United States may not have uncontested access to bases in the immediate area from which it can project military power. Even in the best case, allies will be essential to providing the base structure required for arriving U.S. forces. But there may be other cases where uncontested access to bases is not available for the projection of military forces. This may be because the neighborhood is hostile or because smaller friendly states have been intimidated. Hence, the ability to seize bases by force from the sea and air could prove the critical opening move of a campaign.

Given the proliferation of sophisticated weapons in the world’s arms markets, potential enemies, even relatively small powers will be able to possess and deploy an array of longer-range and more precise weapons. Such capabilities in the hands of America’s enemies will obviously threaten the projection of forces into a theater as well as attack the logistical flow on which U.S. forces will depend. Thus, the projection of military power could become hostage to the ability to counter long-range systems even as U.S. forces begin to move into a theater of operations and against an opponent. The battle for access may prove not only the most important, but the most difficult.

One of the major factors in America’s success in deterring potential aggressors and projecting its military power over the past half century has been the presence of its naval forces off the coasts of far-off lands. Moreover, those forces have also proven of enormous value in relief missions when natural disasters have struck. They will continue to be a significant factor in the future. Yet, there is also the rising danger with the increase in precision and longer range missiles that presence forces could be the first target of an enemy’s action in their exposed positions.

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## **The Conduct of Military Operations in the Twenty-First Century**

The forms of future war will each present peculiar and intractable challenges to joint forces. The U.S. will always seek to fight and operate with partners, leading where appropriate, and prepared to act alone when required to support our vital national interests. However, there is every likelihood that there will be few lines of delineation between one form of conflict and another. Even in a regular war, potential opponents, engaged in a life and death struggle with the United States, may engage U.S. forces across the spectrum of conflict. Thus, the Joint Force must expect attacks on its sustainment, its intelligence, surveillance and reconnaissance (ISR) capabilities, and its command and control networks. The Joint Force can expect future opponents to launch both terrorist and unconventional attacks on the territory of the continental United States, while U.S. forces moving through the global commons could find themselves under persistent and effective attack. In this respect, the immediate past is not necessarily a guide to the future.

Deterrence of aggression and of certain forms of warfare will remain an important element of U.S. national security strategy, and the fundamentals of deterrence theory will apply in the future as they have for thousands of years of human history. Deterrence operations will be profoundly affected by three aspects of the future joint operating environment.

First, U.S. deterrence strategy and operations will need to be tailored to address multiple potential adversaries. A “one-size-fits-all” deterrence strategy will not suffice in the future joint operating environment. Deterrence campaigns that are tailored to specific threats ensure that the unique decision calculus of individual adversaries is influenced.

Second, the increased role of transnational non-state actors in the future joint operating environment will mean that U.S. deterrence operations will have to find innovative new approaches to “waging” deterrence against such adversaries. Non-state actors differ from state actors in several key ways from a deterrence perspective. It is often more difficult to determine precisely who makes the key decisions one seeks to influence through deterrence operations. Non-state actors also tend to have different value structures and vulnerabilities. They often possess few critical physical assets to hold at risk and are sometimes motivated by ideologies or theologies that make deterrence more difficult (though usually not impossible). Non-state actors are often dependent on the active and tacit support of state actors to support their operations. Finally, our future deterrence operations against non-state actors will likely suffer from a lack of well established means of communications that usually mark state-to-state relations.

Third, continued proliferation of weapons of mass destruction (WMD) will make the U.S. increasingly the subject of the deterrence operations of others. As such, the U.S. may find itself in situations where its freedom of action is constrained unless it can checkmate the enemy’s deterrent logic.

U.S. nuclear forces will continue to play a critical role in deterring, and possibly countering, threats to our vital interests in the future joint operating environment. Additionally, U.S. security interests will be advanced to the degree that its nuclear forces are seen as supporting global order and security. To this end, the U.S. must remain committed to its moral obligations and the rule of law among nations. It must provide an example of a responsible and ethical nuclear power in a world where nuclear technology is available to a wide array of actors. Only then will the existence of powerful U.S. nuclear forces, in support of the global order, provide friends and allies with the confidence that

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they need not pursue their own nuclear capabilities in the face of growing proliferation challenges around the world.

Unfortunately, we must also think the unthinkable—attacks on U.S. vital interests by implacable adversaries who refuse to be deterred could involve the use of nuclear weapons or other WMD. For both deterrence and defense purposes, our future forces must be sufficiently diverse and operationally flexible to provide a wide range of options to respond. Our joint forces must also have the recognized capability to survive and fight in a WMD, including nuclear, environment. This capability is essential to both deterrence and effective combat operations in the future joint operating environment.

If there is reason for the joint force Commander to consider the potential use of nuclear weapons by adversaries against U.S. forces, there is also the possibility that sometime in the future two other warring states might use nuclear weapons against each other. In the recent past, India and Pakistan have come close to armed conflict beyond the perennial skirmishing that occurs along their Kashmir frontier. Given India's immense conventional superiority, there is considerable reason to believe such a conflict could lead to nuclear exchanges. As would be true of any use of nuclear weapons, the result would be massive carnage, uncontrolled refugee flows, and social collapse—all in all, a horrific human catastrophe. Given 24/7 news coverage, the introduction of U.S. and other international forces to mitigate the suffering would seem to be almost inevitable.

Nuclear and major regular war may represent the most important conflicts the Joint Force could confront, but they remain the least likely. Irregular wars are more likely, and winning such conflicts will prove just as important to the protection of America's vital interests and the maintenance of global stability.

A significant component of the future operating environment will be the presence of major actors which are not states. A number of transnational networked organizations have already emerged as threats to order across the globe. These parasitic networks exist because communications networks around the world enable such groups to recruit, train, organize, and connect. A common desire to transcend the local, regional, and international order or challenge the traditional power of states characterizes their culture and politics. As such, established laws and conventions provide no barrier to their actions and activities. These organizations are also becoming increasingly sophisticated, well-connected, and well-armed. As they better integrate global media sophistication, lethal weaponry, potentially greater cultural awareness, and intelligence, they will pose a considerably greater threat than at present. Moreover, unburdened by bureaucratic processes, transnational groups are already showing themselves to be highly adaptive and agile.

Irregular adversaries will use the developed world's conventions and moral inhibitions against them. On one hand the Joint Force is obligated to respect and adhere to internationally accepted "laws of war" and legally binding treaties to which the United States is a signatory. On the other hand, America's enemies, particularly the non-state actors, will not find themselves so constrained. In fact, they will likely use law and conventions against the U.S. and its partners.

That said, in the end, irregular war remains subject to the same fundamental dynamics of all wars: political aims, friction, human frailties, and human passion. Nevertheless, the context within which they occur does contain substantial differences. As Mao suggested, the initial approach in irregular war must be a general unwillingness to engage the regular forces they confront. Rather, according to him, they should attack the enemy where he is weakest, and in most cases this involves striking his

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political and security structures. It is likely that the enemy will attack those individuals who represent the governing authority or who are important in the local economic structure: administrators, security officials, tribal leaders, school teachers, and business leaders among others, particularly those who are popular among the locals. If joint forces find themselves engaged in such situations, a deep understanding of the local culture and the political situation will be fundamental to success. What past irregular wars have suggested is that military organizations confronted by irregular enemies must understand the “other.” Here, the issue is to understand not just the nature of the conflict, but the “human sea,” to use Mao’s analogy, within which the enemy swims. The great difficulty U.S. forces will confront in facing irregular warfare is that such conflicts require a thorough understanding of the cultural, religious, political, and historical context within which they are being fought, as well as a substantial commitment of “boots on the ground” for sustained periods of time. There are no “rapid decisive operations” in irregular warfare that can achieve swift victory. Instead of decisive campaigns, U.S. forces can only achieve victory by patient, long-term commitments to a consistent, coherent strategic and political approach.

This coherent approach must also take into account the capabilities of other elements of government. Often, interagency cooperation is difficult because of the relative imbalance of resources between the Department of Defense and other agencies. For this reason, the Joint Force can expect tension to exist between tasks that must be completed to accomplish the mission and enabling the interagency community to engage effectively. Ultimately, war against irregular enemies can only in the end be won by local security forces. Moreover, the indices of success are counterintuitive: fewer engagements, not more; fewer arms captured, not more; fewer enemy dead, not more.

What is of critical importance in irregular war is the ability to provide security to the local population with the purpose of denying the enemy the ability to survive among the people, allowing local police and military forces to build up sufficient strength to control their area of responsibility. Moreover, the Joint Force should contribute to the development of political legitimacy so that local police and military forces are acting with the support of the local population and not against it. The security side of the mission requires a deep understanding of local culture, politics, history, and language. In all cases the use of firepower will be a necessary feature, but balanced with non-lethal activities. Equally important will be the provision of high quality advisors to indigenous forces. Ultimately, U.S. forces can neither win a counterinsurgency, nor ensure that indigenous forces are regarded as the legitimate governing authority; only the locals can put in place the elements guaranteed to achieve lasting victory.

The current demographic trends and population shifts around the globe underline the increasing importance of cities. The urban landscape is steadily growing in complexity, while its streets and slums are filled with a youthful population that has few connections to their elders. The urban environment is subject to water scarcity, increasing pollution, soaring food and living costs, and labor markets in which workers have little leverage or bargaining power. Such a mixture suggests a sure-fire recipe for trouble.

Thus, it is almost inevitable that joint forces will find themselves involved in combat or relief operations in cities. Such areas will provide adversaries with environments that will allow them to hide, mass, and disperse, while using the cover of innocent civilians to mask their operations. They will also be able to exploit the interconnections of urban terrain to launch attacks on infrastructure nodes with cascading political effects. Urban geography will provide enemies with a landscape of dense buildings, an intense information environment, and a complexity all of which makes defensive

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operations that much easier to conduct. The battles of Leningrad, Stalingrad, Seoul, and Hue with their extraordinarily heavy casualties all offer dark testimony to the wisdom of Sun Tzu's warning: "The worst policy is to attack cities. Attack cities only when there is no alternative."<sup>3</sup>

If there is no alternative than to fight in urban terrain, joint force Commanders must prepare their forces for the conduct of prolonged operations involving the full range of military missions. They should do so cognizant that any urban military operation will require a large number of troops and that actual urban combat could consume manpower at a startling rate. Moreover, operations in urban terrain will confront joint force Commanders with a number of conundrums. The very density of building and population will inhibit the use of kinetic means, given the potential for collateral damage as well as large numbers of civilian casualties. Such inhibitions could increase U.S. casualties. On the other hand, any collateral damage carries with it difficulties in winning the "battle of the narrative." How crucial the connection between collateral damage and disastrous political implications is suggested by the results of a remark an American officer made during the Tet offensive that American forces "had to destroy a village to save it." That comment reverberated throughout the United States and was one of the contributing factors to the erosion of political support for the war.

The ability of terrorists to learn from their predecessors and colleagues will not confront the hindrance of having to process adaptations and innovations through bureaucratic barriers. One must also note the growing convergence of terrorist organizations with criminal cartels like the drug trade to finance their activities. Such cooperative activities will only make terrorism and criminal cartels more dangerous and effective.

Operations against terrorists will keep Special Forces busy, with conventional forces increasingly active in supporting and complementary roles. If the Middle East continues on its troubled path, it is likely the war on terrorism will not continue on its current levels, but could actually worsen. Where an increase in terrorist activity intersects with energy supplies or weapons of mass destruction, joint force Commanders will confront the need for immediate action, which may require employment of significant conventional capabilities. Finally, we should underline that persistent media coverage, coupled with changing Western attitudes about the use of force, will influence and be influenced by U.S. military operations. What will be of great importance in the situations where force is being employed will be the narrative that plays on the world's stage. The joint force Commander must understand that he should place particular emphasis on creating and influencing that narrative. Moreover, he must be alert and ready to counter the efforts of the enemies of the United States to create and communicate their own narratives. The enemy's ability to operate within the local cultural and social fabric will complicate such efforts. This puts at a premium the ability of Americans to understand the perceptual lenses through which others view the world.

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3. Sun Tzu, *The Art of War*, trans. and ed. by Samuel B. Griffith (Oxford, 1963), 78.

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# The Building Partner Capacity Imperative

By

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[Editor's note: The following is part one of a series of articles, which will appear in future editions of the *DISAM Journal*. Each is a part of the original document, a master's thesis prepared by the author for the School of Advanced Air and Space Studies, (SAASS) at Maxwell Air Force Base, Montgomery, Alabama.]

We have learned that we cannot live alone at peace. We have learned that our own well being is dependent on the well being of other nations far away. We have learned to be citizens of the world, members of the human community.

President Franklin Delano Roosevelt

The United States faces a “diverse set of security challenges”<sup>1</sup> and a “wider range of adversaries” than any time in recent history.<sup>2</sup> The international environment is characterized by significant instability, insecurity, and uncertainty and America faces substantial strategic challenges as it attempts to maintain an effective international presence in such an environment while facing mounting resource constraints. Thus, American leaders must balance national desires, responsibilities, and ideals to meet America's strategic ends while harmonizing the ways and means at their disposal. This task is especially difficult in a complex international context.

Challenges in the international environment derive partly from significant insurgent activity and the corresponding weakening of nation states. The aim of an insurgency is “the overthrow of a constituted government through use of subversion and armed conflict.”<sup>3</sup> This threat is formidable with insurgencies threatening approximately half the globe while weakening nations and creating regional instability.<sup>4</sup> American leaders desiring to maintain a substantial international presence must recognize that U.S. interests are best served when countries are internally secure from this insurgent threat and regions are stable.<sup>5</sup>

As opposed to stable countries, nations weakened by insurgencies threaten to prompt spreading insecurity, especially in a global environment no longer constrained by the bipolar conflict of the Cold War. American leaders recognize that weakened nations are a threat.<sup>6</sup> In fact, strong states no longer pose the greatest threat to international security, weak states do.<sup>7</sup> Internal problems within weakened states do not often remain internal, and instead, spread outside of political borders, destabilizing a

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1. Donald Rumsfeld, *The National Defense Strategy of the United States of America* (Washington, DC: Department of Defense, March 2005), i.

2. General Richard B. Myers, *The National Military Strategy of the United States of America* (Washington, DC: Department of Defense, 2004), 4.

3. Joint Publication 1-02, *Department of Defense Dictionary of Military and Associated Terms*, 17 October 2007, 267.

4. Robyn Read, “Irregular Warfare and the United States Air Force: The Way Ahead,” *Air and Space Power Journal* (Winter 2007), 49.

5. Air Force Doctrine Document (AFDD) 2-3. *Irregular Warfare*, 1 August 2007, 53.

6. Rumsfeld, *The National Defense Strategy of the United States of America*, 1.

7. “On the Brink: Weak States and US National Security,” (Washington, DC: Center for Global Development, June 8, 2004), 12.

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weak state's neighbors and even entire regions. Furthermore, these problems breed violence, disease, instability, criminal activity, and further insurgency.<sup>8</sup> A United States concerned with spreading peace, security, and democracy should not allow lawless sanctuaries to threaten American strategic interests.

An additional threat created by insurgencies is that they foster conditions conducive to terrorism. US policy indicates that this threat has become the nation's highest priority,<sup>9</sup> as the growth of global terrorism degrades the stability and security of the United States and its allies.<sup>10</sup> A state weakened by insurgency offers terrorists places to hide, train, plan, and operate. America must pursue solutions to preempt and mitigate these threats in order to achieve U.S. national security objectives and uphold international commitments. America ignores these substantial threats "only at its own peril."<sup>11</sup>

Current international challenges differ from those for which the DOD has traditionally prepared.<sup>12</sup> Unconventional problems require unconventional solutions, which the US military is not properly organized, trained, or equipped to face. Insurgencies and terrorism do not primarily pit military forces against each other on the battlefield. Instead, victory can only be achieved on a different battlefield, one upon which legitimacy, influence, and popular support are the decisive elements.<sup>13</sup> American strategic guidance recognizes the importance of building partnership capacity as a way to overcome these current challenges and to meet American strategic objectives in a resource constrained context.

Strategic guidance details America's commitment to international engagement. U.S. national leaders recognize the need for partners as necessary elements of international security and stability.<sup>14</sup> In fact, building partnership capacity is considered an indispensable element of American policy,<sup>15</sup> especially in a world in which America faces growing demands and shrinking resources.<sup>16</sup> If building partner capacity is as important as strategic guidance dictates, then it must be properly understood and applied. Building partnership capacity, defined as "targeted efforts to improve the collective capabilities and performance of the DOD and its partners,"<sup>17</sup> can greatly improve the American strategic position while adhering to global commitments and limitations.<sup>18</sup> Security cooperation and foreign internal defense (FID) programs are important components of building partnership capacity and should be designed to supplement and complement each other.

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8. "On the Brink," 5, 7.

9. *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States*, (Washington, DC: US Government Printing Office), 361.

10. Lt Gen Michael W. Wooley, *Aviation Foreign Internal Defense Mission Area: Execution and Planning Roadmap* (Hurlbert Field, FL: Air Force Special Operations Command, February 2007), 2.

11. Alan J. Vick et al., *Air Power in the New Counterinsurgency Era: The Strategic Importance of USAF Advisory and Assistance Missions* (Santa Monica, CA: The RAND Corporation, 2006), 3.

12. Donald Rumsfeld, *Quadrennial Defense Review Report* (Washington, DC: Department of Defense, February 6, 2006), A-7. This appendix was written by General Richard B. Myers.

13. AFDD 2-3, *Irregular Warfare*, 48.

14. Rumsfeld, *The National Defense Strategy of the United States of America*, 8, 19, 22. Rumsfeld, *Quadrennial Defense Review Report*, 17, 20.

15. Rumsfeld, *Quadrennial Defense Review Report*, 83. This is especially true in the shaping phase of operations.

16. President George W. Bush, *The National Security Strategy of the United States of America* (Washington, DC: The White House, March 2006), 49.

17. AFDD 2-3, *Irregular Warfare*, 27.

18. Rumsfeld, *Quadrennial Defense Review Report*, 18.

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Security cooperation and FID are critical tools for meeting American national security objectives. Security cooperation encompasses “all Department of Defense interactions with foreign defense establishments to build defense relationships that promote specific U.S. security interests, develop allied and friendly military capabilities for self-defense and multinational operations, and provide U.S. forces with peacetime and contingency access to a host nation.”<sup>19</sup> According to the *National Defense Strategy*, security cooperation is “one of the principle vehicles for strengthening alliances and partnerships” in place of a global U.S. military presence.<sup>20</sup> FID, in contrast, is defined as “participation by civilian and military agencies of a government in any of the action programs taken by another government or other designated organization to free and protect its society from subversion, lawlessness, and insurgency.”<sup>21</sup> Thus, FID activities support “the host nation’s program of internal defense and development.”<sup>22</sup> These building partner capacity tools, which are based on international relationships, can help meet American national security objectives, improve international perception about the United States, render reactive military intervention less likely, and develop more effective intervention if needed. Ultimately, such programs further America’s ability to impact the entire “human community” while adhering to a variety of international and domestic constraints.

### **Relationships and Building Partner Capacity**

Relationships are the fundamental component of building partner capacity programs. Military policy already recognizes that “interpersonal relationships built through sustained interaction with the populace and partner operations with indigenous forces are critical” to success.<sup>23</sup> Meaningful international relationships create avenues of American influence on foreign partners, enhance unity of effort, foster trust, and develop effective communication and intelligence. These important characteristics of properly developed relationships form the foundation for effective international engagement.

When facing an insurgency, the primary objective is to “foster development of effective governance by a legitimate government.”<sup>24</sup> This legitimacy is often gained by increasing a government’s ability to maintain security and address the grievances of the population. Importantly, the host nation population defines “effective and legitimate governance.”<sup>25</sup> Therefore, host nationals need to be a substantial part of the solution; in fact, they need to be the most substantial part. Host nation self-sufficiency and legitimacy requires countries to respond primarily on their own, as “foreign forces cannot defeat an insurgency; the best they can hope for is to create the conditions that will enable local forces to win it for them.”<sup>26</sup> This is largely because a sizable foreign force can counterproductively decrease a host nation’s legitimacy in the eyes of the local population. Therefore, a smaller foreign military contingent is often more acceptable to host nation populations than a larger one.

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19. Joint Publication 1-02, *Department of Defense Dictionary of Military and Associated Terms*, 484. This term has replaced old terms such as “peacetime engagement” and “mil-to-mil programs.”

20. Rumsfeld, *The National Defense Strategy of the United States of America*, 19.

21. Joint Publication 1-02, *Department of Defense Dictionary of Military and Associated Terms*, 214.

22. Joint Publication 3-07.1, *Joint Tactics, Techniques, and Procedures for Foreign Internal Defense (FID)*, 30 April 2004, I-1, xi.

23. AFDD 2-3, *Irregular Warfare*, 11.

24. Army Field Manual 3-24 (Marine Corps Warfighting Publication 3-33.5), *Counterinsurgency*, 1-21.

25. Army Field Manual 3-24 (Marine Corps Warfighting Publication 3-33.5), *Counterinsurgency*, 1-21.

26. John A Nagl, *Learning to Eat Soup with a Knife: Counterinsurgency Lessons from Malaya and Vietnam* (Chicago: The University of Chicago Press, 2002), xiv.

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Host nation governments are far more capable at handling their internal problems than foreign forces. Partner nation personnel, for example, have better knowledge of language, geography, and culture. They understand tribal loyalties, recognize family relationships, and have an innate understanding of local patterns of behavior. In addition, host nation populations have the ability gain information and intelligence far easier than outsiders.<sup>27</sup> Ultimately, locals have a better knowledge of prevailing conditions and are more effective at fighting against insurgent and terrorist threats.<sup>28</sup> This superior local knowledge goes a long way to enabling and empowering professional local forces to provide security and legitimacy and erode support for insurgents. Counterinsurgency operations require “a full appreciation of the adversary’s strengths, weaknesses, and goals”<sup>29</sup> in accordance with Sun Tzu’s admonition that one must understand the enemy to succeed.<sup>30</sup> There is no one more capable of understanding a local enemy than the host nation forces, and military relationships can create avenues of influence to improve capabilities and align efforts with American interests.

Relationships build the potential for influence. Engagement with host nation leaders enables the United States to “positively influence the development of foreign military institutions and individuals” and spread American ideals.<sup>31</sup> Building partnership capacity can help improve the professionalism of host nation military forces through mentoring, training, and education. Host nation forces that are properly trained, equipped, and empowered by security cooperation and FID programs can develop the capability to effectively handle internal problems and further increase their legitimacy. Additionally, influential military relationships allow American leaders and their partners to mutually “shape the strategic landscape, protect shared interests, and promote stability.”<sup>32</sup>

Building partner capacity can also help create conditions that enable unity of effort among the United States and its global partners. Relationships, built through military cooperative activities, are the first important step in creating such unity. Security cooperation and FID are both primarily about partnering with other nations, and the resultant relationships form the foundation for unified action based on common and understood mutual interests. In fact, Edward Murrow, famed journalist and grandfather of American strategic communication, contended that face-to-face relationships are the most important aspect of building trust, cooperation, and unity. He suggested that it was in these “last three feet” that national programs became personally cemented through understanding and cooperation.<sup>33</sup> T. E. Lawrence also recognized that his relationships directly translated into positive foreign opinions of the British government and broader international ties.<sup>34</sup> Relationships can also lead to harmony of action and effort.<sup>35</sup> As an example, strong relationships assist in achieving a desired end state of U.S. counter-terrorism policy by working with other nations and employing complementary

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27. Nagl, *Learning to Eat Soup with a Knife*, xiv.

28. Rumsfeld, *Quadrennial Defense Review Report*, 23.

29. Vick et al., *Air Power in the New Counterinsurgency Era*, 32.

30. Sun-tzu, *The Art of War*, ed. and trans. Ralph D. Sawyer and Mei-chün Lee Sawyer (Boulder, CO: Westview Press, 1994), 179.

31. *Foreign Military Training: Joint Report to Congress, Fiscal Years 2006 and 2007*, (Washington, DC: US Department of State, 2007).

32. “Foreign Military Training: Joint Report to Congress, Fiscal Years 2006 and 2007.”

33. Mark Betka, “Edward R. Murrow: A Life,” in *Edward R. Murrow: Journalism at Its Best*, ed. George Clark, <http://usinfo.state.gov/products/pubs/murrow/murrow.pdf> (accessed 28 April 2008), 2. By the “last three feet” Murrow was referring to personal, face-to-face interaction. He believed that messages were only truly understood and well-received once they were transmitted through this level of interaction.

34. T. E. Lawrence, *Seven Pillars of Wisdom: A Triumph* (New York: Anchor Books, 1991), 25.

35. Rumsfeld, *Quadrennial Defense Review Report*, 78.

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capabilities to counter sponsorship, support, and sanctuary for terrorist organizations.<sup>36</sup> Finally, relationships are important because they help convey U.S. interests and promote an understanding of American values.<sup>37</sup> Such understanding demystifies American intentions, makes actions of the United States more transparent, and increases American trustworthiness.

American programs that engage with foreign military organizations can also foster an increased level of trust. Security cooperation and FID programs are aimed at “building trust and confidence between the United States and its multinational partners.”<sup>38</sup> Properly designed programs to build partner capacity accomplish this because they are based on cooperative activity. Militaries working together, even through small projects, can build important foundations for greater cooperation in the future. Exercises, combined training, and advice intertwine foreign militaries with the United States and demonstrate mutual reliability and commitment. This is especially true of those engagement activities that clearly benefit a host nation by improving its capabilities.

Relationships also create avenues of communication that can increase intelligence critical to a wide variety of American national security interests. Security partnerships are vital because they can provide unique access to information that would otherwise not be available.<sup>39</sup> American leaders recognize the importance of intelligence, stating that it “directly supports strategy, planning, and decision-making.”<sup>40</sup> Relationships, cemented through security cooperation and FID programs, can provide sources of intelligence that can “improve our capacity for early warning” and enhance the American strategic position.<sup>41</sup> Well-grounded, long-term relationships improve communication that can meet these strategic intelligence needs. Furthermore, security cooperation and FID enhance the ability to “pinpoint the host country’s needs and capabilities” to most effectively and efficiently apply American resources.<sup>42</sup>

### **Meeting National Security Objectives**

Building partnership capacity and utilizing the important relationships described above are critical elements of executing national security strategy.<sup>43</sup> In fact, security cooperation and FID are considered “indispensable elements of the [DOD’s] mission”<sup>44</sup> and are the “principle means of defense engagement with our international partners and allies.”<sup>45</sup> By developing foreign military institutions and forming strong international relationships, the American military can empower and equip host nation forces to counter destabilizing influences. Of course, these efforts must be carefully applied to only strengthen those regimes that align with American interests and values. However, a partner capacity program can be carefully crafted in those nations divergent from American values with an emphasis on reforming institutions and shaping values by utilizing influence gained through

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36. Myers, *The National Military Strategy of the United States of America*, 10-11.

37. Rumsfeld, *Quadrennial Defense Review Report*, 91.

38. Myers, *The National Military Strategy of the United States of America*, 12.

39. General Richard B. Myers, *National Military Strategic Plan for the War on Terrorism* (Washington, DC: Department of Defense, February 1, 2006), 1.

40. Rumsfeld, *The National Defense Strategy of the United States of America*, 15.

41. — — —, *The National Defense Strategy of the United States of America*, 15.

42. David J. Dean, *The Air Force Role in Low-Intensity Conflict* (Maxwell AFB, AL: Air University Press, 1986), xiv.

43. *Foreign Military Training: Joint Report to Congress, Fiscal Years 2006 and 2007*.

44. *Department of Defense QDR Execution Roadmap, Building Partnership Capacity*, May 2006, 5.

45. Lt Gen Jeffrey B. Kohler, “Defense Security Cooperation Agency Worldwide Conference,” presentation, 27 March 2006. Lt Gen Kohler was the Director of the Defense Security Cooperation Agency from 2004 to 2007.

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relationships and engagement. Thus, building partner capacity can be used in a variety of situations to pursue American objectives.

The most important national security priority for the United States is the global war on terrorism and building partnership capacity is a critical element in this international struggle. In fact, national leaders consider building partnership capacity essential because America cannot win the war on terror on its own and success can only be achieved “with the help of friends and allies.”<sup>46</sup> Thus, American resources, foreign capabilities, and the global terrorist threat demand a unified effort established through meaningful relationships. Security cooperation and FID help provide and promote the collaborative efforts that form the foundation for countering extreme terrorist ideology. National security documents describe such collaboration as a necessary element in the strategy against global terrorists because the complex international environment demands the complementary efforts of many nations.<sup>47</sup>

Building partnership capacity and forming strong relationships can also assist in efforts to counter the proliferation of weapons of mass destruction (WMD), which are considered the greatest threat to U.S. national security due to their potentially catastrophic effects.<sup>48</sup> Security cooperation and FID develop trusting relationships that provide broader, deeper, more flexible, and more effective conditions than the traditional tools of nonproliferation diplomacy alone.<sup>49</sup> In fact, established relationships open up potential avenues of communication to provide intelligence about WMD. Additionally, improved partner capacity strengthens host nations to combat WMD within their own borders and as part of regional and global coalitions against proliferation. The potential of partnership capacity to help to mitigate this threat further enhances the importance of such programs.

Building partnership capacity can help partner nations to “reach a sustainable path to peace, democracy, and prosperity” while instilling American values through relationships and military institutions.<sup>50</sup> This enhanced partner capacity can help improve host nation capabilities to deny terrorists sanctuary, disrupt terrorism, enhance regional security and stability, and defeat insurgencies.<sup>51</sup> Importantly, the sustainability of this path is relevant to host nations and the United States. International influence and capacity building make the most of limited American resources in an international environment where threats are complex, multifaceted, unexpected, and global in nature. Developing self-sufficiency allows nations to assist America by leveraging their capabilities instead of relying solely on American capabilities.

### **Improving International Perception**

Strong programs of international engagement could also enhance world opinion about America, offering tremendous opportunities to “portray U.S. support in a positive light.”<sup>52</sup> After all, such

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46. Myers, *National Military Strategic Plan for the War on Terrorism*, 1. Douglas J. Feith, “Transformation and Security Cooperation,” remarks in Washington, DC, 8 September 2004, <http://www.defenselink.mil/speeches/speech.aspx?speechid=145>.

47. — — —, *National Military Strategic Plan for the War on Terrorism*, 5.

48. Bush, *The National Security Strategy of the United States of America*, 19.

49. Stephen Rademaker, “Countering Weapons of Mass Destruction and Terrorism through Security Cooperation,” *DISAM Journal* (2006), 49-50. Stephen Rademaker was the Acting Assistant Secretary of State, International Security and Nonproliferation.

50. President George W. Bush, *National Strategy for Combating Terrorism* (Washington, DC: The White House, September 2006), 16.

51. Wooley, *Aviation Foreign Internal Defense Mission Area: Execution and Planning Roadmap*, 2.

52. Joint Publication 3-07.1, *Joint Tactics, Techniques, and Procedures for Foreign Internal Defense (FID)*, I-4.

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assistance is designed to improve stability and security within the host nation. Thus, security cooperation and FID programs are designed to help partner nations help themselves. Host nation citizens benefiting from such programs would have the opportunity to see the first-hand results of American generosity that could improve their perception of American policies and help them become advocates of America instead of opponents. American leaders could harness this international goodwill to further strategic objectives. However, [some believe] recent American policy has eroded, not enhanced, international goodwill.

America faces a distinct international perception problem. Support for the United States has sharply declined in recent years and at least half of the international community believes that America is “playing a mainly negative role in the world.”<sup>53</sup> This decline in international perception has largely been due to a distinct distrust about American foreign policy aims since the initiation of Operation Iraqi Freedom.<sup>54</sup> Much of the world has viewed American actions in the international arena as narrow, myopic, unilateral, imperialist, and hypocritical; the rush to war in Iraq has symbolized to many an American propensity to impose its will on others even under questionable pretenses.<sup>55</sup> While many admire American freedom and prosperity, a large portion of the international community sees America as a powerful force that fails to seek positive engagement in favor of military coercion. Such perception can create significant strategic problems for the United States.

A poor international perception of America can help foster terrorism and its associated global insurgency. Such anti-Americanism has already increased recruitment for terrorist organizations as an avenue to oppose the United States.<sup>56</sup> By alienating the international community through its unilateral, heavy-handed policies, American actions have inspired terrorist organizations and buttressed their support.<sup>57</sup> A negative world perception about America can foster terrorism by helping these violent organizations gain support, resources, and fervency; strengthening their violent nature; encouraging their radical ideology; and refining terrorist objectives in opposition to America. American programs and policies that may actually strengthen terrorist organizations are highly counterproductive to America’s top national security objective.<sup>58</sup> Decreasing anti-American sentiment and carefully building international cooperation and trust would better align with national security aims.

A waning international perception of the United States can also create additional difficulties for American foreign policy that relies heavily upon coalitions to further its policies and objectives. However, as anti-Americanism increases the United States finds itself less able to attract coalition partners and this “can affect the success or failure of initiatives.”<sup>59</sup> According to the Center for

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53. *The 9/11 Commission Report*, 375. Richard L. Armitage and Jr. Joseph S. Nye, “CSIS Commission on Smart Power: A Smarter, More Secure America,” (Washington, DC: The Center for Strategic and International Studies Press, 2007), 17. This finding is echoed in “Conflicting Views in a Divided World,” (Washington, DC: Pew Research Center, 2006), 3.

54. Marc Sageman, *Leaderless Jihad: Terror Networks in the Twenty-First Century* (Philadelphia, PA: University of Pennsylvania Press, 2008), 91, 133, 38.

55. Joseph S. Nye Jr, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004), 61, 64, 127, 44.

56. Nye Jr, *Soft Power*, 127.

57. Christopher C. Harmon, “What History Suggests About Terrorism and Its Future,” in *The Past as Prologue: The Importance of History to the Military Profession*, ed. Williamson Murray and Richard Hart Sinnreich (New York: Cambridge University Press, 2006), 219.

58. *Finding America’s Voice: A Strategy for Reinvigorating US Public Diplomacy*, (New York: Council of Foreign Relations, 2003), v.

59. Peter G. Peterson, “Privatising US Public Diplomacy,” *The Financial Times*, 21 January 2004. [http://www.cfr.org/publication/6697/privatising\\_us\\_public\\_diplomacy.html?breadcrumb=%2Fissue%2Fpublication\\_list%3Fid%3D5](http://www.cfr.org/publication/6697/privatising_us_public_diplomacy.html?breadcrumb=%2Fissue%2Fpublication_list%3Fid%3D5). Peter G. Peterson, “Public Diplomacy and the War on Terrorism,” *Foreign Affairs* (Sept/Oct 2002), 77. Peter Peterson was the Chairman of the Council on Foreign Relations.

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Strategic and International Studies, “there is little question that America’s diminished standing abroad has meant that the United States has had increased difficulty in accomplishing its goals.”<sup>60</sup> If this is true, then a lack of positive international engagement has made American foreign policy doubly counterproductive by reducing allies and increasing enemies. As an example, the Turkish government’s decision to deny the American military’s use of its territory as a staging ground for the 2003 invasion of Iraq was a partial reflection of Turkish public opinion about America at the time.<sup>61</sup> This single decision, rooted in international perception of the United States, had significant consequences on the conduct of the war and the post-war stabilization effort. This situation stands in direct contrast to the positive perception of the United States in Turkey in 1999, shortly after American intelligence led to the capture of a notorious Kurdish terrorist Abdullah Ocalan, and subsequent use of Turkish airspace that had been otherwise restricted. American leaders must understand this close association between positive international perception and global influence.

Building partnership capacity through a more robust program of security cooperation and FID is a way to help build relationships that enhance international perception about America. It would do so through stronger international cooperation and trust, more integrated unity of effort, and improved individual relationships that could translate into improved international attitudes. Embarking on a “process of practical engagement” is a good step toward swaying international opinion in favor of the United States and winning international hearts and minds.<sup>62</sup> Ultimately, these programs “multiply U.S. influence globally” by engaging with host nations in military partnerships and striving to overcome negative international perceptions about America.<sup>63</sup> Such characteristics of a program to build partnership capacity would strive to mitigate anti-Americanism and improve American trustworthiness in order to erode support for global terrorism, increase America’s ability to attract international partners, and improve American influence. Such an emphasis stands in sharp contrast to strong military action that often alienates instead of attracts international partners.

### **Decreasing the Likelihood of Military Conflict**

Building partnership capacity and enhancing international relationships is preventative in nature. The intent of programs to build partnership capacity is “to assist a [host nation], if possible, in anticipating, precluding, and as a last resort, countering an internal threat.”<sup>64</sup> Such precautionary strategies “offer many advantages over the remedial approach.”<sup>65</sup> As preventative efforts, building partnership capacity programs can be more efficient and effective than reactive efforts by achieving the same goals with fewer assets and less commitment.<sup>66</sup>

The American military faces personnel and budgetary constraints forcing it to find ways to achieve its broad strategic objectives in a cost effective manner. Security cooperation and FID can be efficient because of their preventative nature; “these relatively small investments often produce results that far exceed their cost.”<sup>67</sup> The first reason security cooperation and FID are cost effective is because these

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60. Armitage and Joseph S. Nye, *CSIS Commission on Smart Power*, 17-19.

61. While there are several factors that contribute to such an international decision, public opinion was undoubtedly a major factor.

62. Abedelwahab El-Affendi, “The Conquest of Muslim Hearts and Minds? Perspectives on US Reform and Public Diplomacy Strategies,” (Washington, DC: The Brookings Project on US Policy Towards the Islamic World, 2005), 10.

63. AFDD 2-3.1, *Foreign Internal Defense, Foreword*.

64. AFDD 2-3.1, *Foreign Internal Defense, Foreword*, III-1.

65. Vick et al., *Air Power in the New Counterinsurgency Era*, 72.

66. Paul Marks, “Peacetime Engagement: A Role for Military Advisors?,” *Joint Forces Quarterly* (Spring 2000), 104. Paul Marks was a military advisor to the Royal Cambodian Armed Forces.

67. Myers, *The National Military Strategy of the United States of America*, 12.

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programs train others to maintain their own security and stability. Training strives to create effective host nation forces that can tackle their own internal problems without the need for continued massive American support. These indigenous forces are far less costly to America than inserting US forces. Thus, well-trained host nations are able to “share the risks and responsibilities of today’s complex challenges.”<sup>68</sup>

The second reason security cooperation and FID are cost effective is because they handle problems before they spiral out of control. American leaders recognize that “it is much more cost-effective to prevent conflicts than to stop conflicts once they have started.”<sup>69</sup> In fact, a RAND corporation study assessed that “many precautionary interventions can be carried out for the price of a single remedial one.”<sup>70</sup> Admittedly, such a broad program of international engagement would require military personnel stationed around the world in a security cooperation role because it is impossible to determine the next location that prevention would be necessary, undoubtedly resulting in some inefficiency in the allocation of resources. However, the benefits of strengthened relationships and international perception of America would offset some of these costs. Additionally, a recent RAND study indicates that the cost savings in preventing problems instead of intervening when the problems have expanded is so substantial that such programs are worth it even if they prevent an American intervention in a single major conflict.<sup>71</sup>

Preventative and proactive strategies can yield more effective results as well when combined with appropriate political aims and integrated into a unified effort enhanced through meaningful relationships. “It is preferable for the United States to involve its military instruments as early as possible” and this is exactly what security cooperation and FID strive to accomplish.<sup>72</sup> Such programs meet strategic objectives by countering threats close to their source, both in time and distance. In addition, U.S. military forces are able to observe problems at their outset and quickly react as they witness the signs of impending insecurity and instability. In fact, countering threats early makes success against them much more likely.<sup>73</sup> Preventative programs can stop problems early when they are easiest to control and when insurgencies are the most vulnerable.<sup>74</sup> Intervening early prevents “problems from becoming crises and crises from becoming conflicts,”<sup>75</sup> and helps prevent unstable nations from degenerating into weak or failed states.<sup>76</sup> Thus, preventative action can influence events before they become more challenging.

Legitimacy in the eyes of the local population is the key concern in many host nations and building partnership capacity programs have the potential to enhance it through American influence. This makes such programs more suitable to the particular types of conflicts with which they are involved.

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68. Rumsfeld, *Quadrennial Defense Review Report*, 88.

69. Gregory Dyekman, *Security Cooperation: A Key to the Challenges of the 21st Century*, (Carlisle Barracks, PA: US Army War College, 2007), 1. This quote is from General James L. Jones, Commander of the US European Command.

70. Vick et al., *Air Power in the New Counterinsurgency Era*, 72. RAND compares a Joint Combined Exchange Training exercise (\$500,000), the Georgia Train and Equip Program (\$64 million), El Salvador (\$1 billion and 20 US soldiers dead), Operation Iraqi Freedom (\$292 billion and 2,531 US soldiers dead as of June 30, 2006), and Vietnam (\$500-600 billion and 58,000 US soldiers dead). The preventative military actions analyzed in this study were found to be substantially less costly.

71. — — —, *Air Power in the New Counterinsurgency Era*, 92.

72. — — —, *Air Power in the New Counterinsurgency Era*, 92.

73. Nagl, *Learning to Eat Soup with a Knife*, 37.

74. Regis Debray, *Revolution in the Revolution? Armed Struggle and Political Struggle in Latin America* (Harmondsworth, UK: Penguin Books Ltd., 1967), 61-62.

75. Rumsfeld, *Quadrennial Defense Review Report*, 17.

76. Marks, *Peacetime Engagement: A Role for Military Advisors?*, 104.

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“The essential aim of preventative involvement is to increase the basic functioning and capacity of partner nation’s military institutions.”<sup>77</sup> American military forces, through security cooperation and FID, can help strengthen legitimate governments and spread democratic ideals. Security cooperation and FID programs of assisting, advising, training, and equipping provide such capabilities as early in the conflict as possible when the threat is smaller and the government’s ability to counter it is more likely. These activities also prevent insurgents from effectively using “the presence of foreign forces as a reason to question the [host nation] government.”<sup>78</sup> Security cooperation and FID are “sufficiently subtle” to influence and assist the host nation government without eroding its legitimacy.<sup>79</sup> Such an indirect approach is often the most appropriate and effective means of supporting the host nation.

### **Improving American Response**

Building partnership capacity is primarily designed to be a preemptive action, but it has ramifications far beyond preemption. It “also plays a vital role as operations move to direct support” because American forces are more knowledgeable and better postured to begin with.<sup>80</sup> As problems develop, prepositioned American military personnel would see a situation’s progression first-hand and have a better understanding of the problem’s root causes. An effective reactive strategy would then be built on an established foundation instead of isolation.<sup>81</sup> Whatever the follow-on reactive strategy, an American long-term presence built through productive relationships and improved partnership capacity could help make the strategy better received and perhaps more successful. Whether preparing for large-scale military intervention or humanitarian support, a firm foundation based on previous relationships and prevailing contextual knowledge would better enable subsequent operations.

The intelligence gained prior to reactive military action is critical to properly employing American forces. If intelligence is critical to preemptive action, then it is equally important during reactive operations. American military personnel would no longer be forced to spend their initial time in country gathering information and establishing relationships.<sup>82</sup> Much of this would be done before they even arrived, and they could spend their time cultivating this information and these relationships to meet specific mission needs.<sup>83</sup> Prior information and intelligence would provide a great springboard for subsequent reactive operations, if necessary, and likely enhance their overall chance of success.

### **About the Author**

Lieutenant Colonel E. John Teichert is currently the Director of Operations for the 411th Flight Test Squadron at Edwards Air Force Base, California. He is an F-22 test pilot in the United States Air Force and has a Bachelors in Aeronautics and Astronautics from the Massachusetts Institute of Technology, a Masters in Aerospace Engineering from Stanford University, a Masters in Military Operational Art and Science from the Air Command and Staff College, and a Masters in Airpower Art and Science from the School of Advanced Air and Space Studies.

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77. Vick et al., *Air Power in the New Counterinsurgency Era*, 84.

78. Army Field Manual 3-24 (Marine Corps Warfighting Publication 3-33.5), *Counterinsurgency*, 6-2.

79. Bob Killebrew, *The Left-Hand Side of the Spectrum*, (Washington, DC: Center for a New American Security, June 2007), 7.

80. AFDD 2-3, *Irregular Warfare*, 6.

81. Vick et al., *Air Power in the New Counterinsurgency Era*, 90.

82. Initial FID missions begin with an evaluation role to assess and evaluate conditions.

83. With an integrated and developed long-term presence in the host nation, this portion of a FID deployment becomes less important as there is already a foundational understanding of needs, issues, and capabilities.



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# SECURITY ASSISTANCE COMMUNITY

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## **Worldwide Warehouse Redistribution Services Announces a Fee Reduction**

The Worldwide Warehouse Redistribution Services (WWRS) is a tri-service program designed to assist in the redistribution of excess foreign military sales (FMS) acquired spares and support equipment between FMS customers. The program office is located at the Air Force Security Assistance Center (AFSAC). Participation in the WWRS program requires an FMS services case for the selling country. Buyers order using any appropriate blanket order FMS case; a WWRS specific case is not required. The standard administrative rate and FMS procedures apply to WWRS sales. The buyer is responsible for the cost of the material and, prior to 1 May 09, was responsible for all Continental U.S. (CONUS) transportation costs. The seller pays WWRS program fees through their seller case. WWRS program fees are used to support WWRS program management and to pay for in-transit inspection between the seller and the buyer.

The previous fee structure was two-tiered with a fixed 9.5 percent fee for orders with an extended value greater than \$2,500, not to exceed a fee of \$50,000. Fees for orders with extended values less than \$2,500 were calculated based on a rate equaling  $((\$2500 - \text{redistribution order value}) / 2500)$ . A constant rate of \$237.50\* (1-discount rate) equaled the fee charged to the seller. Also, the WWRS seller fee was discounted for seller initiated lot transfers of twenty line items or more.

As of 1 May 2009, the existing fee structure charged to the seller has been reduced and simplified. The new, single tier fee equals 8.5 percent of the extended value up to a maximum fee of \$50,000. In addition, WWRS will no longer charge the buyer for routine CONUS ground transportation to the buyer's freight forwarder (\$100 limit). Further simplification was also made to the discount for lot transfers of more than twenty line items. Transfers valued under \$100,000 are discounted to 7.65 percent (10 percent reduction), while transfers valued over \$100,000 are discounted to 6.8 percent (20 percent reduction).

For additional information about WWRS, go to <https://afsac4.wpafb.af.mil/wwrs>. You will find a WWRS user guide, additional information for both sellers and buyers, as well as access to the warehouse inventory listing.

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# Air Force Officials Deliver First C-130 to Polish Military

By  
Captain Tony Wickman, USAF  
United States Air Forces in Europe Public Affairs

[The article below originally appeared in *Air Force Print News Today*.]

American and Polish airmen delivered the first of five refurbished C-130E Hercules military transport planes and spare parts March 24, 2009 to the Polish air force at Powidz Air Base [AB], Poland.

It is a great day for them to celebrate the arrival of the Hercules. It is vital to them being able to—own their own—organically pick up and go,” said Air Force Major General William A. Chambers, the U.S. Air Forces in Europe Director of Air and Space Operations. They are one of our allies who are very willing to go, he said. Whether it is Afghanistan or Iraq, they’ve been alongside the Americans in both fights. The ‘Herc’ is a great symbol of the American-Polish partnership, and we’re grateful to be alongside them.

Polish visitors and media view the first of five refurbished C-130E Hercules military transport planes and spare parts delivered March 24 to the Polish air force at Powidz Air Base, Poland. (U.S. Air Force photo/Capt. Tony Wickman)



It was a sentiment echoed by Polish Brigadier General Tadeusz Mikutel, the 33rd Air Base Commander.

This is a milestone for our air defense. The plane is able to carry 17 tons of equipment or 90 equipped soldiers. That is why the plane will leave (our) CASA [Construcciones Aeronáuticas, S.A.—Spanish Company] planes behind, General Mikutel said.

Also on hand for the celebration were Stanislaw Komorowski, Poland’s Vice Minister of Defense; Polish Lieutenant General Andrzej Blasik, Commander of the Polish air force; Pamela Quanrud, the Deputy Chief of Mission for the American Embassy in Warsaw; and several Polish military and local government authorities.

The new plane expands the Polish air force’s ability to transport troops and equipment, while providing support for evacuation and humanitarian operations. Its presence in the Polish fleet will also increase their interoperability with other air forces because the C-130 is used by several nations around the world, to include NATO [North Atlantic Treaty Organization] allies.

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The C-130 received an escort to Powidz AB by F-16s from the Polish air force when it neared its final destination and performed two flyovers of the gathered crowd to showcase the newest addition to the Polish inventory. Upon landing, both the American and Polish crews were recognized for the achievement.

I think we can accomplish a lot of missions to deliver cargo to our troops in Afghanistan and Iraq, said Polish Sgt. Andrzej Kozera, a C-130 flight engineer.

The Reserve aircrew from Hill Air Force Base [AFB], Utah and an active-duty loadmaster from Edwards AFB, California picked the plane up in Waco, Texas with their Polish counterparts after its refurbishment and flew it across the Atlantic, stopping at Ramstein Air Base. It made its final leg to Powidz Air Base, where it will become part of the 14th Lift Squadron.

The entire project, including total refurbishment of five aircraft, support equipment, supplies, training, and contracted logistics support, is valued at \$120 million. The donation is a result of an American pledge to provide Poland with such a capability and is fully funded through bilateral military assistance grant money.

The delivery of the five modernized and upgraded aircraft is scheduled to be complete in the summer of 2010.

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## **Building Partnerships: Slovenian, Croatian Air Forces Visit 31st Fighter Wing**

**By**  
**Technical Sergeant Michael O'Connor, USAF**  
**31st Fighter Wing Public Affairs**

During two recent visits to the 31st Fighter Wing [FW] in March, members of the Slovenian and Croatian air forces trained and became more familiarized with the wing mission and how it supports NATO [North Atlantic Treaty Organization].



A maintenance officer from the 31st Aircraft Maintenance Squadron/510th Aircraft Maintenance Unit, talks about scheduled maintenance practices in the Air Force with Croatian Air Force Officers during a visit here March 17, 2009. The visits is part of the United States Air Forces Europe "Building Partnership Capacity" initiative and provided insight to the Croatian Air Force on how the U.S. Air Force performs its flying and maintenance operations. [U.S. Air Force photographer/Staff Sgt. Patrick Dixon.]

Three members of the 16th Air Surveillance Battalion [ASB] command and reporting post spent two days with Airmen from the 603rd Air Control Squadron [ACS] on March 10-11, and nine members from different levels of the Croatian air force spent a day with the 31st Operations and Maintenance Groups.

The Slovenian visit was part of the [U.S. Air Forces Europe] 'Building Partnership Capacity' initiative to learn how we can train better together and bring more capability to North Atlantic Treaty Organization (NATO), said Captain Michael Lake, 603rd ACS Director of Operations.

The 603rd ACS and the 16th ASB initially met in 2008 while working side-by-side providing air policing and defense during former President George W. Bush's visit to the European Union Summit June 9-10 held in Slovenia.

It was during this [first encounter] that I met our Slovenian counterparts; and as we had some conversations over coffee, said Captain Lake, we discovered that we had common training needs. The friendship that developed out of that has now resulted in this first visit and will hopefully open some more doors so we can do more training together.

Major Andrej Jancevski, Deputy Commander of the 16th ASB, is one of the three Slovenian officers to visit the 31st FW and echoed the Captain's sentiments.

During our security of [President Bush's visit], we got to know each other quite well, said Major Jancevski. Some of our personnel maintained contact with the 603rd, [which is how] the idea to initiate this visit [came about]. It is always great to train with other nations, and this visit has been great. It felt good to be in a familiar environment, and hopefully this will allow for future training here or in Slovenia.

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Both sides agreed this first meeting was a success as their duties are relatively the same, controlling aircraft with similar equipment—just different areas of responsibility. The two-day visit allowed both sides to glean more insight as to how each other operates.

It is nice to work with the U.S. because these guys have a lot of experience with real live missions, said Major Jancevski, especially as the U.S. forces have the most combat experience. We are very glad to work with them.

Captain Lake said the visit was very fulfilling and that it was interesting to learn how much both units have in common as battle managers and command and control professionals. He said to get another nation's perspective on the job they do as well as the opportunity to build on the NATO partnership was great. "We see this as the very initial steps of something we hope will go on for many years and continue to grow," said Captain Lake.

A week after the Slovenians wrapped up their visit to Aviano Air Base, also known as the "Pagliano e Gori" Airport, their Croatian neighbors to the south and Italy's east arrived here March 17. The Croatian air force last visited the base in April 2005 for pilot familiarization rides and an air battle manager shadow program.

Our goal [during this meeting] was to share the 31st FW's mission and how we execute it with a soon-to-be NATO ally," said Colonel Walter Isenhour, 31st MXG Deputy Commander. During the visit we hoped to identify ways we can advance our nations' defense mission which is mutually beneficial, particularly given how close geographically we are in the Southeast European region.

Members of the maintenance group here said the visit allowed them to gain insight into how the Croatian's maintenance organization is structured and showed them how the group here is organized.

People involved in aircraft flight and maintenance operations share a common language, regardless of nationality. We immediately found common operational and sustainment challenges and issues we could discuss. We look forward to providing any assistance we can as they move to joining NATO. Colonel Isenhour said the visit went so well they're going to explore the possibility of future maintenance-to-maintenance exchanges to help both air forces learn more about each other's operations.

Collectively, we better understand the challenges each other faces operating in Southeast Europe, said Colonel Isenhour. I believe there is great potential for future interactions that will build better ties that advance our mission effectiveness.

While this might be Croatian air force's last visit to the base as a non-NATO country, this visit helped set-up other long-term goals with the 31st Operations and Maintenance Group here such as routine training due to their close proximity and the Croatian's desire to develop a joint terminal attack controller corps which would provide synergy between both countries' training requirements. The next U.S. and Croatian interaction will most likely occur during the Croatian air force's annual exercise called Adriatic Sword.

This recent visit by the Croatians contributes to the 'Building Partnership Capacity, said Major Matthew Rochon, USAFE [U.S. Air Forces in Europe] Headquarters Deputy Chief Europe and Eurasia Branch. It strengthens our relationship/cooperation and increases NATO interoperability. USAFE is happy that Croatia is on track to become full NATO partners and is thankful for Croatia's contributions to

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the International Security Assistance Force and Peace and Stability Operations, he said. We hope that the relationship will continue to grow closer in the future and are encouraged by Croatia's progress toward meeting its NATO objectives.

Both visits by the Slovenian and Croatian air forces are examples of how Airmen in USAFE continue to support both NATO and non-NATO partners. Whether it's a joint training mission or providing an overview of how USAFE conducts operations, the Command is continuously identifying, assessing, and developing key niche Air Force capabilities to develop with key friends and allies.

Since April 4, 1949, 26 countries from North America and Europe now form the alliance committed to fulfilling the goals of the North Atlantic Treaty. The U.S. became a part of NATO in 1949, Slovenia in 2004; and Croatia's candidacy is currently being considered in joining the trans-Atlantic alliance.

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# The United States European Command Rebuilds School for Croatian Children

By  
**Justin M. Ward**  
Public Affairs Chief  
U.S. Army Corps of Engineers, Europe District  
March 20, 2009

Through its little-known humanitarian assistance program, the U.S. European Command (EUCOM) unveiled a new playground, two basketball courts, and four renovated classrooms in a dedication ceremony here March 16.

The purpose of the \$130,000 EUCOM-funded renovation, managed by the U.S. Army Corps of Engineers Europe District, was to promote regional stability and foster goodwill between the United States and Croatia, said Chuck Brady, EUCOM's Humanitarian Assistance Program Manager.



Croatian and American dignitaries including the U.S. Ambassador to Croatia pose in front of a plaque outside a newly renovated playground here, dedicated March 16, 2009 to the memory of native son Master Sgt. Ivica Jerak, a U.S. soldier killed in Iraq in 2005. [Department of Defense photo.]

As part of a ceremony, a memorial plaque for U.S. Army Master Sgt. Ivica Jerak was laid near the new playground, which will become the focal point for the community. Jerak, a native of Debeljak who grew up playing basketball on the playground, was a highly decorated special forces soldier who was killed while serving in combat operations in Iraq in 2005.

To honor his fallen soldier, the Commander of the U.S. Special Operations Command Europe, Major General Frank Kisner, attended the solemn event.

These renovations will keep Master Sgt. Jerak's memory in our hearts and improve the lives of the children and the citizens of this great village, said Kisner in his speech at the event.

The ceremony was attended by Jerak's wife Hye, his mother Milka, and several dignitaries including the U.S. Ambassador to Croatia Robert Bradtke.

Hopefully this will somewhat lessen the pain for the community by providing a small reminder of the Master Sergeant for his service and dedication not only to America but also to Croatia, said John Thomas, the Corps of Engineers' construction representative for the project.

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In addition to a refurbished outdoor basketball court with a new backboard, new asphalt, and new lights to allow for community league night play, Army engineers also oversaw the restoration of cracked flooring in the school, new perimeter fencing around the playground, and new concrete curbs.

EUCOM's humanitarian assistance program funds more than \$20 million in projects throughout Europe annually, said Brady

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# **Defense Security Cooperation Agency: Foreign Military Sales Reach \$36.4 Billion in 2008**

**This Year's Totals Expected to Exceed Past Trends**

**By**

**C. E. Taylor**

**Defense Security Cooperation Agency**

[The following article originally appeared online in *DSCA Partners Magazine*, April 2009.]

The Defense Security Cooperation Agency (DSCA) sold more than \$36.4 billion in weapons systems and related services to friends, partners, and allies around the world making fiscal year 2008 a record-breaking year for U.S. Foreign Military Sales (FMS).

According to Vice Admiral Jeffrey Wieringa, DSCA Director, if the current trend is any indication, fiscal year 2009 sales could total as much as \$40 billion.

Wieringa is charged with leading, directing, and managing security cooperation programs to support national security objectives for the Department of Defense. Like all of the agency's programs, FMS helps nurture relationships, build allied and partner capacities for self-defense, and promote peacetime and contingency access for U.S. forces.

The FMS process is a deliberate system that involves numerous players throughout the U.S. Government, industry, and foreign partners.

Partner countries request defense articles or services by submitting a Letter of Request (LOR). The LOR is validated by numerous organizations— [geographic] combatant command, military services/defense agencies, the U.S. Embassies, and Political Military Bureaus at the State Department and DSCA.

The military services and defense agencies work with industry and partner nations to fully define and refine the requirements. They provide pricing and availability data.

Sometimes, policy or statute requires the involvement of the Under Secretary of Defense for Policy; the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L), or Comptroller; and the intelligence community.

Once all requirements are validated, depending on the value of the sale, a Congressional notification 36(b) is submitted to Congress if the proposed sale exceeds notification thresholds. Once a Letter of Offer and Acceptance (LOA) is prepared, a contract is signed, the articles are delivered, the services are performed, and the purchaser is billed.

When I took charge of the Agency, my charter was to streamline the support to both Iraq and Afghanistan and to improve DSCA's business processes, says Wieringa. Today, we have managed to get the Iraqis trained on the FMS process, provide FMS expertise to folks on the ground, and speed up the delivery process.

There was a lot of unfair controversy surrounding Iraq and FMS a few years ago, explains Lieutenant Colonel Joseph Lontos, Iraq Country Program Director.

In the early phases of the Iraq train and equip initiative, most of the equipment they were receiving was not through the FMS program. In fact, of all the equipment procured by the United States and the Government of Iraq (GoI) over the last five years, only 30 percent came through FMS. The rest is purchased through Direct Commercial Sales (DCS)."

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The Iraq FMS program is about \$7.3 billion according to Lontos. Last year DSCA delivered about \$2.8 billion in FMS.

The Iraq and Afghanistan programs have clearly demonstrated that FMS can be operationalized and that Security Cooperation can and does meet the flexible and responsive demands of contingency and stability and reconstruction requirements, says Lontos.

While requests should go from LOR to LOA in no more than 120 days, DSCA's Iraq team has managed to get it down to about 33 days. Lontos says this was not a one-person operation.

By increasing the size of the Multi-National Security Transition Command-Iraq (MNSTC-I) security assistance office and providing the right personnel with the necessary skill sets, we were able to help create an effective and efficient operation there that will allow us to transition from a Train and Equip to a Security Cooperation (SC) engagement model, he says.

There were a number of initiatives that were key to strengthening the SC capacity in Iraq, according to Lontos.

We redoubled our efforts to provide training to both U.S. and Iraqi personnel. We deployed five mobile training teams to Iraq, training a total of 119 Iraqis and 61 U.S. personnel on the intricacies of the system, he says.

FMS procurements are integrated into the DOD acquisition process to coordinate DOD and partner requirements.

FMS does not begin or end with Iraq and Afghanistan. About 206 countries are interested in purchasing defense articles and services from the U.S. Government. Some countries prefer to directly negotiate with U.S. industry through DCS, while others prefer the "Total Package Approach (TPA)" through FMS.

Anne Smoot, India Country Program Director, says, Many countries understand the differences between DCS and FMS but prefer FMS because it offers a total package approach.

Under FMS, there are advantages for U.S. companies; specifically, releasability determinations are handled by the government. In cases involving the transfer of sensitive technology, the U.S. Government may restrict the release of the item through FMS only so that we can maintain oversight. In these cases, the only option for receiving the item is through a government-to-government transaction.

Smoot says, We do not compete with industry. Countries come directly to the DSCA for the TPA because of the U.S. military support and expertise provided through an FMS purchase.

Our goal is to assist and strengthen our partners to support our foreign policy objectives by focusing on long-term strategic relationships, says Wieringa. We will continue to re-engineer and transform FMS as well as other security cooperation programs to be more responsive to DOD objectives and each country's requirements.

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# EDUCATION AND TRAINING

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## Foreign Military Sales Case Closure Process

[The following article originally appeared in the *Security Assistance Accounting News Update*, April 2009.]

The volume and value of foreign military sales (FMS) cases has continued to grow in the last few years. This growth will eventually lead to an increase in case closures. Although reconciliation and closure are the final steps in the case management process, they are often the most difficult and contentious due to the numerous requisitions that can be generated on a major case.

The FMS case closure process consists of two primary stages. The first stage is supply complete when the implementing agency (IA) has provided all of the material and services that were requested and has identified the cost to security assistance accounting (SAA) at the Defense Finance and Accounting Service-Indianapolis (DFAS-IN). The IA will then submit a case closure certificate to SAA. This initiates the second stage, case financially complete, where SAA completes case reconciliation to close the case. Many actions are required to complete each stage of the case closure process.

During the supply complete stage, the IA validates that all deliveries have been reported to the customer and all performance has been reported to DFAS-IN. Indianapolis includes this information on the DD 645 Quarterly Billing Statement. The IA also ensures they have received reimbursement from the FMS Trust Fund for all articles and services that were provided. If there are any outstanding Supply Discrepancy Reports (SDRs), the IA will submit these transactions to DFAS-IN. The IA will then verify their account balances for the case and submit the Case Closure Certificate to DFAS-IN.

When the case is submitted to SAA for closure, it is entered in the Case Closure Certificate Inventory (CCCI) within the Defense Integrated Financial System (DIFS). SAA then initiates a review of the case by looking for any abnormal financial conditions and verifying the administrative/ accessorial costs. The case is also reconciled to determine if the deliveries are in agreement with the obligations and disbursements. Based on these reviews, all cases input into the CCCI are assigned status codes that identify any inhibitors stopping the cases from closing. SAA works with the various IAs to resolve any status code inhibitors to close the cases. Certificates will be returned to the IA for cases that cannot be resolved.

As the cases are adjusted, the status codes will be updated within the CCCI to reflect the corrections. If a case is awaiting a final payment from the customer, it will be assigned a status code of "F". When the payment is received, the status code will be updated to an "I". This identifies the case has cleared all edits and is pending a final review by the SAA country manager. SAA has set a goal to have all "I" status cases closed within 30 days of the receipt of a hard copy certificate. If the case has any excess funding, SAA will return [it] to the customer. The final statement of account for the closed case will be sent to the customer on the DD645 Quarterly Billing Statement.

Due to the complicated nature of the reconciliation and closure process, it is beneficial to start thinking about the case closure when the Letter of Offer and Acceptance (LOA) is signed. To assist with the closure process, the Defense Security Cooperation Agency (DSCA) publishes the DOD

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5105.65-M, *Foreign Military Sales Case Reconciliation and Closure Manual* (RCM), on their web site [www.dsca.mil/rcm](http://www.dsca.mil/rcm). The manual is a very useful resource when negotiating the complicated process of case closure.

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# **Business Transformation Agency Exhibits at Lean Six Sigma for Defense Symposium**

**By**

**Debbie Adams**

**Information Technology, Chief of Staff Business Transformation Agency**

**December 23, 2008**

The Lean Six Sigma (LSS) for Defense symposium focused on the bottom line to benefit the DOD. The symposium provided attendees with an overview of LSS methodologies and the benefits attributed to using LSS, such as reducing wasteful spending, better resource allocation, decreasing time in completing vital deliverables, and increasing efficiency. Hosted by the Institute for Defense and Government Advancement, the symposium was held December 8–10.

Assistant Deputy Chief Management Officer Elizabeth McGrath gave a presentation entitled “Changing to Succeed in a New Environment,” which covered key elements of change: Strategy, Process, Information, Culture, and Technology. McGrath focused on the business aspects of the DOD and challenged the group by asking, “What are you trying to improve?”

The use and application of LSS methodologies to the U.S. military and the defense industry has increased exponentially in the last few years. In May, the Deputy Secretary of Defense (DepSecDef) Gordon England mandated the implementation of LSS practices across DOD.

The symposium addressed key enablers to advance efficiency and effectiveness in DOD business operations by using innovative business transformation approaches; integrating cost cutting acquisition strategies; applying streamlined and reorganization principles; and supporting the concept of committed, leadership-driven ownership.

## **Business Transformation Agency (BTA) LSS Training Initiative and Success Stories**

BTA has sent 95 students for training and has exceeded the DepSecDef’s goal of one percent Black Belts and five percent Green Belts. The challenge is to continue this momentum and complete strategically aligned, high-priority projects, said keynote speaker on deployment of LSS across DOD J.D Sicilia, Director, DOD Continuous Process Improvement and LSS Program Office.

Sicilia addressed the BTA’s LSS training initiative and underscored the importance of focusing on a vision to broaden and accelerate process improvement, drive a consistent approach, leverage replication while enabling autonomy across the enterprise, engage a wide array of processes, and apply appropriate LSS techniques.

LSS methodologies have been an important tool to bring about positive change, said Sicilia. LSS provides a way for us to increase our agility. By removing waste and inefficiencies, we are more responsive. By eliminating our defects, we are increasing our customer satisfaction.

Amid all the speculation about what changes the next Administration will make, it is clear performance will matter, said Sicilia. LSS provides one way to improve our performance to meet our ever-expanding defense demands with fewer resources. As the DOD accelerates application of LSS tools across the DOD enterprise, we expect to see exponential improvement. DOD achieves this through greater strategic alignment

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and project selection, consistency of approach and integration, which will provide transparency leading to replication.

In addition, we are codifying our human capital documents, which institutionalize our profession, said Sicilia. These measures go a long way in providing a greater sense of empowerment among our workforce.

Other speakers included representatives using LSS methodologies to implement readiness and enterprise improvement initiatives from the Army, Air Force, Navy, and Marine Corps.

BTA exhibited at the symposium; engaged attendees in discussion about defense business transformation; and distributed brochures about BTA, Wide Area Workflow, Defense Agencies Initiative, and BTA's Defense Business Systems Acquisition Executive (DBSAE) portfolio of systems.

This audience was intrigued by the positive implications of our agency name, given that much of the conference focused on process improvement, said Julie Blanks. Using business transformation as an opening, much dialogue about the specifics of our transformation processes and their application beyond DOD occurred. Participants wanted to know how they could apply BTA's enablers to their own organizations.

Engaging in discussion with a representative from the Canadian Defense transportation and logistics industry provided for an exchange of ideas and lessons learned, said Enterprise Planning and Investment's Terri Beatty. The participant shared his views on challenges [in] implementing LSS. As we spoke, we came to recognize some of the strengths and challenges in our organizations.

Attendees had the opportunity to review lessons learned and case studies successfully utilizing LSS methodologies to achieve transformation through project completion and to network with senior level professionals from all related military units and civilian providers.

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# Letters of Request Lean Six Sigma Project Completes Control Tollgate

By  
**Tom Keithly and Keith Rowe**  
**Defense Security Cooperation Agency**

[The following article originally appeared in the *Defense Security Cooperation Agency (DSCA) Newsletter*, Vol. 4 Number 12, April 10, 2009.]

Letters of Request (LORs), are an essential step in the process of foreign military sales (FMS). A major project has been underway since last summer to apply the principles of Lean Six Sigma (LSS) to examine two key aspects of LORs. First, what does it take for an LOR to be “actionable”; and second, how do we ensure that LORs, especially for more complex cases, get processed in a timely fashion?

This LSS team started with the second question. Their charter stated the problem clearly:

Failure to process LORs in a timely manner and a lack of useful information (as to what the country really needs) result in serious delays and a loss of confidence in the FMS system.

With that in mind, Keith Rowe, Deputy Director for Europe and Africa in the Operations Directorate, sponsored a team from DSCA Headquarters to examine data drawn from over 3,500 Letters of Offer and Acceptance (LOAs) and Amendments. They also gathered inputs from nearly 100 FMS practitioners using a detailed survey. From that data, the team recommended setting new standards of timeliness to receipt for the LOR and then [having] it tasked out for writing the LOA. They expect that, by setting standards and encouraging the use of collaborative tools by DSCA and the Implementing Agencies, we will get a quicker and clearer picture of those items that support both the international customer’s needs and U.S. Government policy.

The team consisted of Eric Ferguson, Black Belt; Tom Keithly, project Green Belt; and DSCA employees Jim McFadden, Mark Rumohr, Terry Ormsby, Joe Cumiskey, Debra Longmire, Kidd Manville, and Charley Tichenor. They were supported by subject matter experts from the military departments and by Frank Campanell of DISAM. The Control Tollgate marks the completion of the final of five LSS stages.

In late March [2009], Keithly briefed the implementing agencies and members of the Foreign Procurement Group, who liked what they saw, on the recommended improvements.

These steps are only the first phase of LOR improvements. A second phase will examine how better training and LOR templates could help the international customer draft a more actionable LOR.

This is no small matter, said Rowe. We have the potential here of shortening turnaround times dramatically, while getting a much better description of what our allies need to do the job.

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# Ask an Instructor Questions and Answers

By  
The Defense Institute of Security Assistance Management  
Directorate of Research

[The following is a feature added to the Journal “Education and Training” section which provides our readership insight into some of the more globally applicable questions and answers which we have received through our web site

[http://www.disam.dsca.mil/Research/Ask\\_Instructor/askinstructor.asp](http://www.disam.dsca.mil/Research/Ask_Instructor/askinstructor.asp). We hope you find it useful, and solicit your feedback on both this article and the utility of the “Ask an Instructor” program managed by DISAM. Questions and answers may be changed or edited to suit the Journal and its readership.]

## Question

How does a nation turn Foreign Military Sales (FMS) supplied hardware in to the Defense Reutilization Management Office (DRMO) when said equipment is no longer required? The *Security Assistance Management Manual* (SAMM) reference is below, but it is not specific, we require more detail. See SAMM C8.6.2. Disposal. A key aspect of end-use monitoring (EUM) is the development of a disposal plan by the host nation in coordination with the Security Cooperation Office (SCO). Disposal constitutes a change in end-use for which prior consent from the DOS is required for *United States Munitions List* (USML) items that are not being disposed of by a Defense Reutilization and Marketing Office (DRMO). After a non-USML item has been demilitarized (in accordance with U.S. standards) if necessary, it is no longer a defense article and may be disposed of without DoS approval unless the item was provided on a grant basis by the USG, in which case it would require DoS authorization prior to disposal. This also applies to scrap (Condition Code S) items. However, transfer of USML items to a private entity, even if demilitarized, requires prior approval from the DoS, even for disposal by scrapping. Because the potential for unauthorized disclosure of classified or sensitive information, safety concerns, and other factors vary among countries; the SCOs are to ensure that DOD disposal procedures are followed by the host nations.

## Answer

Unfortunately the SAMM is unclear about disposal, and the wording of this section is being reviewed for a change. The fact is: FMS customers may NOT turn property in to a local or regional DRMO. The DRMOs only accept US property. Title to the material has transferred to the FMS customer, so the property is no longer US property. DRMS will provide demilitarization services if the customer wishes to establish a services Letter of Offer and Acceptance (LOA) with DRMS for that purpose. The Security Cooperation Officer can oversee the destruction/demilitarization of US-origin material; however, the physical disposal of the material residue is at the discretion of the FMS customer. FMS customers who do not wish to demilitarize their material may alternatively try to transfer it to another party with DoS consent (if significant military equipment/major defense equipment (SME/MDE), or sell it through the Worldwide Warehouse Redistribution Service (if secondary or support item, non-SME).

There is an exception to all of the above, and that is for material that was acquired under the old Military Assistance Program (MAP). In that situation the USG retains the right to take back the material when the customer no longer needs it, however, the USG has to want it back. If that is the

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case, the turn-in process would be through the DRMO. If the USG has no desire to retain the old MAP material, then follow the procedures in the first paragraph of this response message.

### **Question**

Where does all the Contract Administration Services (CAS) money that is collected on FMS Procurement cases go? I see the description for them being under the FMS cases for QA, Auditing, and contract administration. However, when an acquisition shop creates a new contract to procure the items on the case they receive no funds to recoup for the effort. So where does the CAS go? (Beside Defense Contract Management Agency (DCMA) and Defense Contract Audit Agency (DCAA), which mostly only get involved after the contract is awarded) thanks!

### **Answer**

I think your core question concerns whether the contracting (PCO) organizations that award contracts are entitled to a share of the CAS collections. The answer is NO. Under the standard level of service principle, the FMS admin charge (3.8%) is intended to recoup the cost of contracting activities up to and including contract award. Typically, contracting actions are accomplished by the implementing agency that prepared the LOA. You can read more about the FMS admin charge in the *DOD Financial Management Regulation*, Vol 15 (Security Assistance), Chapter 7 (Pricing), Section 070601 avail at: <http://www.dod.mil/comptroller/fmr/15/>. Additionally, see the SAMM Section C5.4.9.1 and Table C5.T6 for activities covered by the admin charge.

The CAS is an authorized charge applied to FMS billing deliveries for procured items. CAS is collected by DFAS Indianapolis into the CAS surcharge account. These CAS funds are used exclusively to pay for contract administration and audit functions (primarily performed by DCMA and DCAA). You can read more about CAS in the *DOD Financial Mgmt Reg*, Vol 15 (Security Assistance), Chapter 7 (Pricing), Section 070405. Additionally, refer to the DSCA policy letter on CAS avail at: [http://www.dsca.mil/SAMM/policy\\_memos/2002/DSCA\\_02\\_14.pdf](http://www.dsca.mil/SAMM/policy_memos/2002/DSCA_02_14.pdf).

### **Question**

Where is it stated in a policy or written in a regulation that the USG cannot provide the Prime Contractor a copy of the implemented LOA? How does the Prime Contractor get a copy of the LOA?

### **Answer**

Official policy for FMS is contained in the SAMM avail at: <http://www.dsca.mil/samm/>. SAMM C4.1 states that FMS is conducted via formal contracts (LOAs) between the USG and an authorized foreign purchaser. SAMM C5.4.1 also makes this same point. As it relates to your question, the contractor is not a legal party to the gov-to-gov LOA contract and as such has no right to the contract (LOA). Note that they may request a copy under the *Freedom of Information Act* (FOIA). See SAMM C3.6 for more info and the role of the purchaser. SAMM C6.3.6.2 states the policy regarding providing the FMS customer with a copy of the procurement contract. Basically, it states that the FMS customer is not a party in the procurement contract and therefore does not have a legal right to the procurement contract. The SAMM does not outright state that the contractor cannot have a copy of the LOA but, the above references establish that the principle of being a party to the contract itself establishes rights of access to the contract. Under FMS, the contractor is working directly for the USG under the terms of a *Federal Acquisition Regulation/Defense Federal Acquisition Regulation Supplement* (FAR/DFARS) contract. See SAMM C6.3.1. The contractor should be concerned about what is on

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the procurement contract rather than what is on the LOA. It is the USG's role to manage the LOA from both a logistics and financial standpoint. These are internal USG processes and that is why the contractor does not play a direct role in the LOA or LOA financial management. Contractors need to focus on the procurement contract from a logistics and financial standpoint.

### **Question**

I have a question about transportation when an FMS case has a long warranty period. We have several customers that have asked to procure a ten year warranty in conjunction with their missile procurement. The ten year warranty starts at USG acceptance of the DD 250. The customer is responsible for transportation costs associated with returning the missiles for warranty repair, whether by Defense Transportation System (DTS) or customer. Do we need to keep the FMS case open for the duration of the ten year warranty to cover transportation? We hope not, since that would require keeping the program management line open for the entire warranty period. What is the proper way to handle this? Is the FMS case, with DSP-94, the license under which the warranty repair is imported and exported? Can it still be cited even if the case is closed?

### **Answer**

Bad news. You may NOT close the entire case until after all the warranties have expired. But you can close other lines on the case that don't involve the warranty. SAMM C6.3.8 says that the purchaser may request performance warranties, which are provided and paid for on the LOA as a defense service. If, as part of the warranty arrangement, the customer is sending missiles back to the US for repairs, then the DOD will still be obligated to oversee the active warranty line. If the customer is returning anything via DTS, then the customer is paying the transportation bill via the LOA, so you have to keep the transportation line open as well. And even if the customer doesn't use DTS and arranges for commercial transportation through his freight forwarder, then you're still responsible for keeping the repair line open and managing that. So no matter how you slice it, no you can't close the entire case. As far as the import/export question goes, it depends. If the item is unclassified, the DSP-94 and LOA will suffice, along with *International Traffic in Arms Regulation* (ITAR) exemption 123.4 to import and re-export the material after repair. However, if the material is classified, your customer must apply for a DSP-85 from the DoS, Directorate of Defense Trade Controls (DDTC). Finally, if the case is closed the DSP-94 will not be valid. The case must be open in order for the material to move in or out of the USA. You may have to amend the case and change the performance period to cover the duration of the warranty.

### **Question**

What is the government view on supporting a commercial sale with either an FMS blanket order case or by buying into a Cooperative Logistics Supply Support Agreement (CLSSA) Foreign Military Sales Order (FMSO) 2 account for in-service support? Will the USG say you have to buy the end-item FMS, too, or would they be willing to mix and match?

### **Answer**

DOD does follow-on support for Direct Commercial Sale (DCS)-purchased end items all the time. If the end item is standard to the DOD inventory then getting a CLSSA or a blanket order spares case established shouldn't be a problem. DOD generally doesn't care if the end item was sold commercially. What makes follow-on support tricky is if the end-item is a high-tech weapons system with a unique configuration for that specific international customer, to which the DOD is not privy. If the weapon

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system configuration is such that it is non-standard to DOD, then getting follow-on support may require DOD to first do a configuration study (on an FMS case) of the end item, which would require the manufacturer to release drawings, specs, and other data that the contractor is often unwilling to do for copyright or proprietary reasons. The only time DOD insists that the customer buy the end-item via FMS is if the customer is using the Foreign Military Financing Program (grant) to buy defense equipment. Then the law requires the USG to control the use of those funds by overseeing the contract. There is a list of FMS-only designated items which the DSCA weapons division maintains. These items are sensitive (Man-Portable Air Defense System (MANPAD) missiles and Communications Security (COMSEC) equipment, for example) and/or the configuration and/or distribution of them must be controlled. Hence, one may not purchase them commercially (it also depends on who the customer is). I recommend advising the weapons system program manager of the FMS customer's intent. That way, if there are configuration concerns, the program manager can address them before any contracts are signed. That's particularly important if government furnished equipment/government furnished material (GFE/GFM) has to be provided to the manufacturer by the DOD. That is a long answer to a short question, but it is better than saying "it depends."

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## ***Security Assistance Management Manual (SAMM) Tips***

[Editor's Note: The following *Security Assistance Management Manual (SAMM) Tips* are a compilation of the same tips appearing in the Defense Security Cooperation Newsletter. We gratefully acknowledge DSCA's contributions and if you want to read more please go to the following web site: <http://www.dsca.mil>.]

### **Department of Defense Support to Direct Commercial Sales**

U.S. industry may request defense articles and services from the Department of Defense (DOD) to support a direct commercial sale (DCS) to a foreign country or international organization accomplished pursuant to an approved export license and an applicable statutory authority, including Section 30 of the Arms Export Control Act (AECA) which authorizes the sale of defense articles or defense services to U.S. companies at not less than their estimated replacement cost (or actual cost for services) for incorporation into end items to be sold by such companies on a DCS basis. It is important that defense industry representatives identify early in the DCS planning process if support from the DOD will be required. Companies requiring DOD support should arrange meetings with DOD representatives to discuss the support required and the method for funding the associated costs, which requires a unique sales agreement. SAMM Chapter 11, section C11.8. discusses authorized DOD support under this section. For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

### **Medical Countermeasures**

Purchases of medical countermeasures such as drugs, vaccines, and other medical interventions against biological and chemical agents require the approval of the Office of the Under Secretary of Defense for Policy. It is essential that Letters of Request (LORs) for these items be submitted to DSCA (Strategy Directorate) as soon as the requirement is known to allow sufficient staffing time. See paragraph C5.1.4.3.4. for additional information on LOR submission. For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

### **Letter of Offer and Acceptance Document Holds**

The Defense Security Assistance Management System (DSAMS) allows holds to be placed on the letter of offer and acceptance (LOA) documents. These capabilities cannot be used as a substitute for rejecting documents or for moving documents through the process in a timely manner. Holds do not "stop the clock" - the time period during which the case is on hold is included in the LOA processing metric time calculations. See Chapter 5, paragraph C5.4.14.6. of the Security Assistance Management Manual (SAMM) for additional information on case holds. For questions regarding the SAMM, please contact DSCA, Policy Division, Strategy Directorate.

### **36(b) Notifications Requiring Qualitative Military Edge Statements**

Section 201 of Public Law 110-429 requires that any 36(b) notification shall include a determination that the sale or export of the defense articles or defense services to countries in the Middle East other than Israel will not adversely affect Israel's qualitative military edge (QME) over military threats to it. State drafts the determination, which remains a classified portion of the notification not included in the publicly released Federal Register notice or press release. For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

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## **Letter of Request (LOR) Advisory**

An LOR Advisory services as a notice to Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)), Chairman of the Joint Chiefs of Staff, and others that DSCA has received an LOR for items or services that are either first introduction of major defense equipment (MDE), MDE that is expected to result in a Congressional Notification, coproduction or licensing agreement for MDE, or items and/or services of a sensitive nature. For example, Night Vision Devices, Man Portable Air Defense System, foreign-sourced articles and/or services, and items associated with missile defense. The LOR Advisory is sent as soon as possible after receiving the LOR to ensure consistency with existing Theater Security Cooperation objectives and technology security policy. The recipients have ten (10) working days from the date of the LOR Advisory to provide comments to DSCA for consideration. The LOR Advisory does not take the place of any Exception to National Disclosure Policy (ENDP) processes or releasability requirements that are worked by the military departments (MILDEPs). See SAMM Chapter 5, Section C5.1.4.5. for more details. For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

## **Transportation Plans**

A Transportation Plan is required for each LOA containing classified material. The plan covers all movement continental United States or outside of the continental United States (CONUS and/or OCONUS) that occurs after custody passes, including final receipt at the classified material's ultimate destination in the purchaser's country. The implementing agency that prepares the LOA develops a Transportation Plan for the movement of classified material in coordination with the purchasing government and ensures that its own component security officials review and approve/disapprove the Transportation Plan. Once approved, a Transportation Plan becomes an integral part of all official copies of the LOA. This package is available for review by U.S. Customs and security officials when classified material is exported. Purchasers are responsible for insuring that their freight forwarders have copies when they are involved with the exports. For questions or further information on this topic, please contact DSCA Policy Division, Strategy Directorate. This information is also available in Chapter 7 of the SAMM. The SAMM is available at: [www.dsca.mil/SAMM](http://www.dsca.mil/SAMM).

## **Multi-Service Letters of Offer and Acceptances**

When a Letter of Request (LOR) received by an implementing agency includes a requirement for an item managed by another implementing agency, the implementing agency should consider preparing a Multi-Service LOA, particularly when the purchaser advises the United States Government that it requires multiple weapon systems on a single case for its own budgetary and/or other internally based reasons. However, if the manual financial and logistical processing required to prepare and execute a Multi-Service LOA exceeds the efficiencies that would be derived, the LOR requirements may be split into multiple LOA documents separated by implementing agency and major weapon system but managed in close coordination with one another. Regardless of the method used, implementing agencies must operate within a framework of cooperation that clearly defines the roles and responsibilities of each participant. See SAMM Chapter 5, paragraph C5.4.6.1., for additional details. For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

