# *THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT*

*If you are interested in regional or country activity, do we have the issue for you! Our feature article deals with the security cooperation efforts in Kazakhstan. Discussions center not only on the history and people, but include issues such as Caspian Sea oil exploration. Other articles in this edition span the globe to include North Korea, the Western Hemisphere, South Asia, and Africa.*

*Doctrinal issues included integrated policy and export control key interests as we continue to fight the war on terrorism. Combating the spread of small arms and the destruction of excess weapons are addressed in articles supplied by the Department of State sources. Also, in case you missed it, there is a summation of Defense Security Cooperation Agency's annual worldwide conference held this past October.*

*If you are more functionally inclined, you can read about the Air Force's lessons learned in logistics from the war in Afghanistan. Logistics also takes center stage in an article provided by Naval Air Systems Command in a Process Improvement Team update. For those with budgeting interests or duties, Performance Based Costing – keying in on the model for DSCA and the FMS slant – is articulated by Dr. Bobby Davis of Florida A&M University.*

*Most of our articles in each edition are provided by U.S. sources. An added treat in this Journal is the perspective of a Bahamian Defense Force officer, Lieutenant Commander Tellis Bethel which outlines his (researched) thoughts on combating Caribbean narcotics trafficking.*

*Let me conclude these comments with DISAM information related to our courses and the role we see as DISAM's evolving mission, especially since and as a result of September 11, 2001. The requests to DISAM for Mobile Education Teams and overseas on-sites have grown significantly – to the point that we cannot meet all the requests within the fiscal year that each is made. In fiscal year 1998, we sent teams to 6 countries; in fiscal year 2002, we visited 16 countries. We are on track for approximately that same amount this year and additional requests keep coming.*

*Because of this evolution, DISAM is rethinking, using historical data and attendance rates to fine tune class offerings and the timing of them to enable us to get beyond the four walls of the institution. I will put more in an article in our next Journal, but the key is to note upon the release of our fiscal year 2004 schedule, dates of courses you and your subordinates need to take and then make reservations quickly. Our goal is not to lock people out of our classes, but to fill them up effectively and efficiently. We have not cut that many classes out of the calendar as our draft is sizing it up now (only a grand total of 3 or 4 from various courses). The end result is a calendar that uses DISAM resources to better meet the needs of the entire community. These will be discussed during our upcoming curriculum review held the week of February 18 and you will hear more after your unified command and military department representatives hear the details and have the opportunity to provide their input. Again, more to follow.*

*Note our ongoing photo contest – thanks to those who have already submitted photos, and encouragement to those who want DISAM to display and use photos of you accomplishing your mission. Keep those photos coming, and I hope to see you at an upcoming conference!*

***RONALD H. REYNOLDS***
***Commandant***

# DISAM PHOTO CONTEST

**The Defense Institute of Security Assistance Management is sponsoring a photo contest to capture security assistance/cooperation programs in action. We are searching for photos which best illustrate security assistance/cooperation in any and all aspects. While it may be difficult to depict some areas (i.e. logistics, acquisition, etc.), you may choose to submit in any of the categories listed below. The top entrants in each of the categories will be announced and the pictures, along with a profile of the submitting agency/person, will be published in the Spring edition (2003) of the *DISAM Journal*. Photos may be submitted by organizations or individuals to DISAM/DR (Photo contest), Building 52, 2475 K Street, Wright-Patterson AFB, OH 45433-7641 not later than March 15, 2003. Electronic photos should be submitted on CD in JPEG or TIFF format at a minimum size of 1600 x 1200 pixels to the same address. Due to possible file server space impacts, we cannot accept photos via e-mail. Photos cannot be returned. The winners in each category will not only have their photo displayed in the *Journal*, but will also receive a DISAM logo memento. The photos submitted will also be used to decorate the walls at the new DISAM facility as a reminder to all of the broad range of U.S. International programs.**

**Photo Contest Categories Capturing Security Assistance in Action:**

**FMS (i.e. Logistics, Acquisition, etc.)**
**FMS Training/IMET**
**International Cooperative Programs**
**Humanitarian Assistance/Civic Action**
**Peacekeeping Operations**
**Security Assistance Office Operations**
**Army**
**Navy**
**Air Force**
**Marine Corps**
**Coast Guard**
**Other Defense Agency Security Assistance (DLA, DCMA, NIMA, COE, etc.)**

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***of International Security Assistance Management***

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# *FEATURE ARTICLES*

## Kazakhstan

**By**

**Zhalgas A. Ospanov**
**Security Assistance Office, Almaty, Kazakhstan**

Kazakhstan is situated in Central Asia, deep in the Eurasian continent. Its territory covers 2,700,900 square kilometers (i.e. 1,049,150 square miles). In terms of the area it is the second largest among the Commonwealth of Independent States. In fact the territory of Kazakhstan exceeds that occupied by twelve countries of the European Union. Kazakhstan borders upon the following states:

| | |
|---|---|
| China | 1.460 km long border; |
| Kyrgyzstan | 980 km; |
| Turkmenistan | 380 km; |
| Uzbekistan | 2.300 km; |
| The Russian Federation | 6.467 km. |

Total length of borders amounts to 12.187 km.

### Historical Setting

Until the arrival of Russians in the eighteenth century, the history of Kazakhstan was determined by the movements, conflicts, and alliances of Turkic and Mongol tribes. The nomadic tribal society of what came to be the Kazak people experienced increasingly frequent incursions by the Russian Empire, ultimately being included in that empire and the Soviet Union that followed it.

The 1980s brought glimmers of political independence, as well as conflict, as the central government's hold progressively weakened. An altogether new political atmosphere was swelling up in the country. Young people came out to the square to express a universal protest against the methods resorted to by the administer-and-command system which as of old demonstrated little regard for the opinion of the population of the Republic. On August 19, 1991 there was an abortive coup attempt; by September of the same year, the Communist Party of Kazakhstan was disbanded. On December 16, 1991 a law of constitutional effectiveness was passed and became the law of the *Republic of Kazakhstan Independence*.

Tremendous natural resources of Kazakhstan, social and political stability in the Republic make this region one of the most attractive objects of capital investments among other republics of the late Soviet Union. The Republic of Kazakhstan has become a full-fledged equal member of the world community. In 1997 the circumstance conditioned by geopolitical and economic considerations of Kazakhstan's development; the decision was made to transfer the capital of the country from Almaty to Akmola. The population Astana is as large as 319,000 people. The official language of the Republic of Kazakhstan is Kazakh.

**People of Kazakhstan**

The etymology of the name Kazakh is likely derived from a Turkic word meaning "wanderer" or "independent man." The people inhabit an area between the Caspian Sea to the west to Lake Balkash in the east, north of the Syr Darya River and south of the Siberian lowlands.

The Kazakhs were absorbed into the Russian Empire during the 18th century and the Khanates (autonomous rulers) were dissolved during the 19th century. During the Soviet era, Stalin ended the Kazakhs nomadic ways and collectivized the farms or work in the factories. In a show of resistance, many Kazakhs slaughtered their herds, resulting in a famine that left over one million Kazakhs dead. The majority of Kazakhs are Turkic/Mongolian in appearance, with straight black hair, olive complexion, small nose, and typically broad face. Due to intermarriage between the various nationalities there is a wide range of physical appearance.

**The war memorial in Panfilov Park commemorates the soldiers from Almaty who died in the defense of Moscow during World War II.**

**The Zenkov Cathedral in Almaty is built entirely of wood without nails. The Cathedral is filled with icons and murals.**

In 2000 Kazakhstan had an estimated population of 148,419. Representatives of nearly 120 nationalities inhabit the Republic at the moment, more particularly:

| | |
|---|---|
| Kazakhs | 53.4% |
| Russians | 30.0% |
| Ukrainians | 3.7% |
| Germans | 2.4% |
| Tatars | 1.7% |

Some 1.4 million Kazaks lived outside Kazakstan, nearly all in the Russian and Uzbek republics. At that time, an estimated one million Kazaks lived in China, and a sizeable but uncounted Kazak population resided in Mongolia.

**Kazakhstan and its Economic Potential**

Kazakhstan's share in world output of commercial minerals and products of procession thereof (according to estimates of the Union Bank of Switzerland) in the days of the late Soviet Union amounted to the following:

| | | | |
|---|---|---|---|
| Beryllium | 24% | Lead | 7% |
| Zink | 7% | Bauxites | 1% |
| Tantalum | 33% | Uranium | 14% |
| Titanium | 26% | Manganese | 5% |
| Chromite | 27% | Silver | 6% |
| Copper | 3% | Iron ore | 2% |
| Barite | 7% | Tungsten | 12% |
| Molybdenum | 3% | Gold | 1% |

Today Kazakhstan is rich with commercial minerals. In terms of chromium, vanadium, bismuth and fluorine reserves Kazakhstan is the world leader. Kazakhstan is one of the top producers of the following:

| | | | | |
|---|---|---|---|---|
| Iron | Chromite | lead | zink | tungsten |
| Molybdenum | Phosphorite | copper | potassium | cadmium |

Kazakhstan is an important energy and power generation region. Development of more advanced and significant power generation capabilities within the next 5-10 years ensures Kazakhstan's independence in terms of energy and an advanced development.

Within Kazakhstan nearly 160 deposits of oil and gas were recently discovered. Their reserves known day are approximately equal to present day resources of the whole of the Western Europe. These oil and gas fields contain about 20,000,000,000 barrels of oil and 700,000,000 tons of gas condensate. The Tenghiz field ranks as one of the largest deposits of the world.

Coal reserves in Kazakhstan reach 160,000,000,000 ton. The Republic numbers 10 coal fields of bituminous and brown coal, over 155 deposits in all.

**Tourism**

The Republic of Kazakhstan attaches great importance to the development of certain spheres of present-day infrastructure including tourism. Kazakhstan is a land of ancient civilization. From remote times its inhabitants, the ancestors of the present-day Kazakhs, were creating a unique and original culture. Some outstanding monuments of their cultural heritage have survived in the form of burial mounds, settlements, fortifications, mausoleums and even whole towns. Hodja Ahmed Yasavi Mausoleum in Turkestan (up to the 16$^{th}$ century Yasi city) in Southern Kazakhstan is unique among them.

Kazakhstan tourism firms cooperate with almost eighty countries of the world. Some 25 tourism firms in Almaty and 5 companies in regional centers arrange charter flights to India, Turkey, the United Arab Emirates, Pakistan, South Korea, Greece and Poland. As a matter of fact Kazakhstan provides for all known aspects of tourism cognitive, entertaining, ethnic, ecological, rehabilitative, children-oriented, sportive, hunting, equestrian and adventure. The region affords unique climatic opportunities for recreation, rehabilitation, hunting, alpinism, mountain-skiing and skating. Tremendous scientific and cultural interest are present by the monuments of ancient Mangyshlak and Ustyurt, and other memorable sites evoking Kazakh epos.

Kazakhstani Switzerland is the second name given to Burabai, Kokshetau region which is in the Northern Kazakhstan. Amidst the yellow scorched unending steppe one encounters a green wall of forest. It harbors wonders: hillocks overgrown with trees, stonyridges, fantastical heaps of rocks like fairy giants and ghosts as silent as bewitched lakes. This mysterious land is Burabai. Potential tourists are offered over 700 travel routes about the territory of Kazakhstan. Tourism yields profits grow annually. The share of national income generated from tourism (as compared to 1991) has grown from 0.06 percent to 0.23 percent. Kazakhstan offers 372 hotels of various classes with a simultaneous accommodation of 36,876 people.

**A blind dombra player plays traditional melodies in the marketplace.**

**The Museum of Kazak Musical Instruments. A giant dombra represents the traditional instruments inside.**

## About the Author

Zhalgas A. Ospanov is the International Military Education and Training Manager and Budget Analyst in the U.S. Security Assistance Office, Almaty, Kazahkstan. He has held this position since the office opened in 1999. He received his Bachelor of Languages degree in 1996 from the University of World Languages in Almaty, majoring in the Korean and English languages. He is a graduate of the Defense Institute of Security Assistance Management, taking the Foreign Purchaser (SAM-F) and Overseas (SAM-O) courses. He is fluent in Korean, English, Russian, and Kazahk, and reads Turkish.

# Security Assistance in Kazakhstan: Building a Partnership for the Future

**By**

**Lieutenant Colonel William Lahue, USA**
**United States Security Assistance Office, Republic of Kazakhstan**

## Introduction

My first introduction to security assistance in Kazakhstan was December 2000. I had been promoted out of my position as the Central Asia analyst in JCS/J2 and had taken up temporary work in Office of the Secretary of Defense (OSD) on Kazakhstan issues. After two years of observing and writing about the military and security situation in Central Asia, I was plunged headlong into the much more challenging world of security assistance. With years of preparation as a Foreign Area Officer, and a lot of on the ground experience in the region, I anticipated that being the first permanent security assistance officer (SAO) in Kazakhstan would be a challenge. As I took up my desk in OSD, the Ministry of Defense (MoD) had just requested to use all available foreign military financing (FMF) for construction of a military base, something unprecedented in the former Soviet Union. Today as I am writing this, the construction project has been delayed by nine months, the first High Mobility Multipurpose Wheeled Vehicle (HMMWV) for the Ministry of Defense was somehow shipped to Moscow, the first border forces candidates for the International Maritime Officers Course can not speak English, and the first English instructor from the Aviation Academy to be scheduled for Defense Language Institute (DLI) is hesitant to leave his homeland. Little did I know how difficult the challenge would be.

**United States Lieutenant Colonel (right) congratulates a Kazakhstan Lieutenant Colonel, Chief, International Cooperation Center on the arrival of Kazakhstan's first U.S. Army High Mobility Multipurpose Wheeled Vehicle in January 2002. The High Mobility Multipurpose Wheeled Vehicle in Kazakshtan courtesy of AM General.**

## What Kazakhstan Means to the United States

Before the United States intervention in Afghanistan, outside the oil industry or the small circle of academic and government specialists on the region, few in the United States knew where Central Asia was or had ever heard the name Kazakhstan. Even today, with Kazakhstan as a quiet sideshow to the events in Afghanistan, it is a relatively small group who understand Kazakhstan's potential to shift the balance of power in world oil markets and lessen the strategic importance of the Middle East. With the addition of the recently confirmed reserves of the Kashagan field in the North Caspian, within twenty years Kazakhstan could potentially become the largest oil-producing nation outside the Middle East.

**The Tengiz field is one of the largest oil fields in the world and is the site of one of the single largest U.S. commercial investments in the Former Soviet Union.**

The development of oil and gas deposits in the Caspian region, particularly oil rich Western Kazakhstan, and the infrastructure to transport it to market, has been the focus for U.S. policy in Central Asia for over a decade. U.S. oil companies have invested billions of dollars to develop oil fields in Western Kazakhstan and are likely to invest billions more. The challenge is to get this oil efficiently to market. To solve this problem, the U.S. has officially supported the construction of a major oil pipeline from Baku, Azerbaijan to Cehan, Turkey to carry Caspian crude through the Caucasus region, providing Caspian countries with an alternative to the pipelines in Russia and Iran. As Caspian oil production grows and begins to impact the world market, the stability of the Caspian and Caucasus regions will figure increasingly in U.S. and European security strategy. Also, Kazakhstan's growing defense needs and new wealth will increase its potential to become an important defense partner and market for U.S. and European defense equipment. Kazakhstan has little defense related infrastructure in the Caspian region, but is planning major new investments, including the development of a small naval force.

Another major focus for U.S. policy in Kazakhstan is nonproliferation of weapons of mass destruction. Kazakhstan possesses a significant number of industrial and defense related facilities that possess or produce materials necessary for the production of weapons of mass destruction. The U.S. has provided millions of dollars under programs such as Cooperative Threat Reduction and Export Control and Border Security to aid Kazakhstan in enhancing its controls over these

materials and improved export controls on the borders. Kazakhstan's close proximity to the Middle East and the turbulent Caucasus region make strict control over these materials imperative. Kazakhstan's long borders and fledgling border control infrastructure make it a prime candidate for continued U.S. security support.

**The Soviet Legacy**

When Kazakhstan declared independence in December 1991 it did not possess an army and so was forced to form an organization from disparate parts of what remained from the Soviet military. Military infrastructure and equipment designed to meet Soviet defense concerns was totally inappropriate for newly independent Kazakhstan. Kazakhstan inherited large amounts of military hardware, ammunition, and a significant weapons industry but few coherent staff organizations to manage it since much had been run from Moscow or the headquarters of the Turkestan Military District in Uzbekistan. There was also little in the way of a military training or education system.

**Kazakhstan possesses a large arena of unneeded and obsolete weapons from the Soviet Union.**

Significant components of the Soviet nuclear weapons industry and naval weapons industry were located in Kazakhstan but most of this fell into disrepair with the economic collapse that followed independence. Much of the military's technical expertise and experienced staff were ethnic Russians who left Kazakhstan after independence. This left Kazakhstan with numerous military and industrial facilities that either possess or produce materials or components for weapons, but a lack of sufficient personnel to operate and maintain it all.

Kazakhstan's location and vast open spaces made it ideal for development, testing, and stationing of strategic aviation and rocket forces, something too complex, expensive, and unnecessary for the new nation. Just after independence, Kazakhstan made a deal allowing Russia to retain the strategic bombers, missile systems, and nuclear weapons in exchange for tactical aviation and other support. Russia also retained the right to use the Baikonur space launch facilities and other military facilities, such as test ranges, in exchange for annual payments. Much of the payment is provided in military education, equipment, and services. Over 1000 Kazakhstani officers study in Russia annually. Over the years, Russia has provided tactical fighters, anti-aircraft systems, and in January of this year, new combat helicopters. This naturally means that Kazakhstan and Russia maintain a close defense relationship, making U.S. Security Assistance Office activities controversial in some parts of the Kazakh and Russian officialdom.

With independence, Kazakhstan suddenly had a huge country with long borders, including a maritime border on the Caspian Sea, but a population of less than seventeen million from which to form a new security infrastructure. While Kazakhstan was part of the former Soviet Union, the

only external border was with China, so all defense related infrastructure was oriented east. The most significant ground forces in Central Asia were located to the south, in Uzbekistan, bordering Afghanistan. Kazakhstan did not inherit a ground capability sufficient for its new defense needs. Kazakhstan did possess a significant number of border forces oriented on the Chinese border; however, these were subordinated to the KGB, and now its successor the Committee for National Security (KNB), which is primarily an intelligence organization.

Kazakhstan inherited little from the Soviet Union in the way of infrastructure or organizations to support maritime operations on the Caspian Sea. Primary ports, shipbuilding and ship maintenance facilities were located in Russia and Azerbaijan. The most economically significant maritime activities in Western Kazakhstan were on the Ural River, also a significant source of extremely valuable caviar. The city of Atyrau, located about 45 km from the Caspian, had a busy river port, now much less used. Atyrau is now experiencing explosive economic growth due to the oil industry. Significant defense industrial facilities, including naval weapons production, were located further north along the river. Since all commercial activities were government run, the economic and social collapse after the fall of the Soviet Union left boat-owning organizations, as well as government maritime management organizations, without funding for operations or maintenance. Most of these organizations either partly or completely collapsed; the employees left and usable assets were stripped. Dozens of partially sunken boats and the remnants of long unused docks clutter the riverbanks.

Soviet Naval forces on the Caspian were located mainly in Russia and Azerbaijan. Kazakhstan inherited some maritime law enforcement organizations associated primarily with fisheries and traditional police activities that suffered much the same fate as the others. The current organizations responsible for maritime security and law enforcement include the border forces, Ministry of Defense, Ministry of Interior, police, customs, and Ministry of Environment. All of those are in varying degrees equally handicapped. They face a shortage of experienced and trained personnel, a lack of equipment, little to no operational infrastructure, and a huge economically booming maritime region to manage.

Another significant challenge is the lack of a legal structure for managing maritime activities. Since the Soviet Union had no private commerce, and there was no international trade on the Caspian as there is now, Kazakhstan has had to struggle with the task of forming a maritime law system. With very few people with any maritime legal expertise, writing and enforcing maritime law to manage Kazakhstan's Caspian territory is no simple matter. This is significant when considering the complex procedures that must be maintained to prevent narcotics smuggling, poaching, and possible attempts to smuggle materials necessary to produce weapons of mass destruction. The challenge is compounded by the fact that the countries bordering the Caspian, (Russia, Kazakhstan, Turkmenistan, Azerbaijan, and Iran) have not agreed on legal delimitation of the surface or subsurface borders.

Perhaps the most difficult aspect of the Soviet legacy for the SAO is the shortage of staff organizations and experienced staff officers with which to work. Many Kazakh officers who were working in other parts of the Soviet Union after its collapse eventually returned to Kazakhstan to serve in the military, but this was not sufficient to staff a new army. Officers often have to be assigned outside their area of expertise and young lieutenants sometimes work in staff positions that typically require officers with much more experience. In addition, during the Soviet Union there was no need to determine how to work with foreign military forces. For many Soviet trained officers, particularly in a country with strong military ties to Russia, there is still a degree of hesitation about working with Western officers, probably justified by the fact that counterintelligence services are actively watching. Over the past 18 months, the Soviet ice has been melting, but old habits such as secrecy and distrust of outsiders demands time and work to earn trust and cooperation.

Immediately after independence, the financial crisis, including 2000 percent inflation, and the monumental task of organizing a new government, prevented Kazakhstan from putting significant resources into defense. In the late 1990's as more funding became available, deployment of forces to the Southern region bordering Kyrgystan and Uzbekistan became a top priority. To the South, the Taliban were slowly consolidating control over Afghanistan and seemed intent to continue spreading their radical view of Islam to Central Asia. In 1999, the Taliban-supported Islamic Movement of Uzbekistan began terrorist and guerrilla operations in Uzbekistan and Kyrgyzstan, and in 2000 began operating in the Kazakh-Uzbek border region.

Development of ground and naval forces infrastructure in the Caspian Region began in earnest only in 2002. Concern about the Western Border Region has grown along with the growth of the oil industry in the region, but concern turned to alarm in July 1991 when Iran, which was aggressively disputing the Caspian delimitation plans of the former Soviet states, sent a gun boat into Azeri waters to chase off a British oil exploration vessel. The attacks on September 11, 2001, increased Kazakhstan's sense of the vulnerability of its strategically important oil production facilities and the nuclear power plant in Aktau on the Caspian Sea.

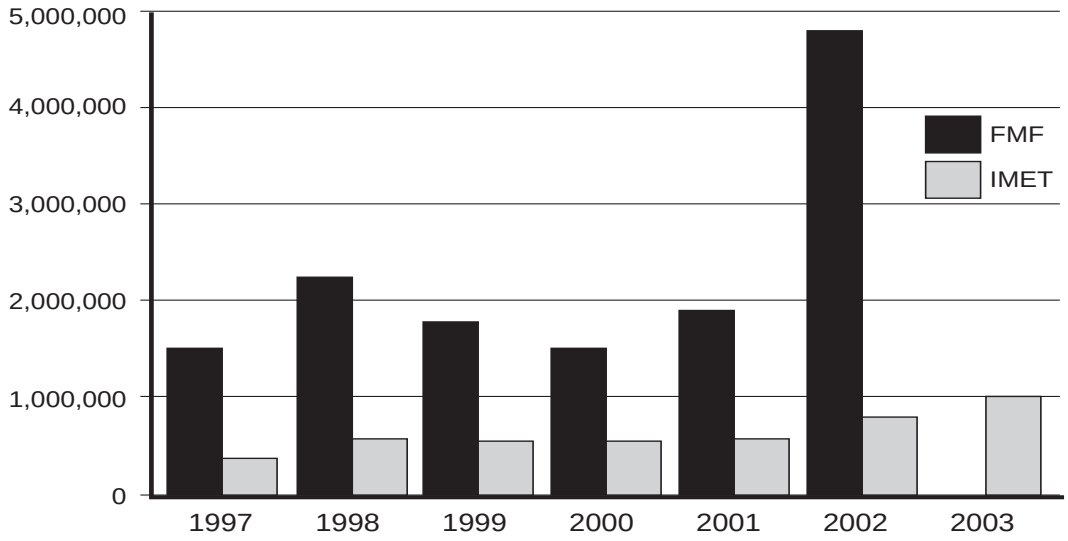
**SAO Operations and Challenges**

Kazakhstan inherited four organizations with military troops: the traditional Ministry of Defense organizations - the Army and Air Force; the military forces of the Committee for National Security (formerly KGB) which include border forces and special operations; Ministry of Interior (national police) military units; and agency for emergency situation troops. Of these organizations, the SAO has worked almost exclusively with MoD. In late 2002, we began an initiative to work with the Border Forces Maritime Department (fulfilling missions similar to the U.S. Coast Guard) on Caspian Sea security issues. There is much potential for working with the Agency for Emergency Situations to design humanitarian assistance programs related to earthquake preparedness and disaster response on the Caspian Sea but nothing has been planned to date.

Kazakhstan began receiving FMF and international military education and training (IMET) funding in 1997, the defense attaché's office, and a series of temporary duty officers ran SAO activities until I arrived as the first permanent SAO in May 2001. With attachés rotating annually, and no officer to run security assistance functions, it was difficult for both the embassy and the Ministry of Defense to formalize a security assistance program or to maintain continuity with MoD during the long process of developing an FMS case. The result was that by December 2000, of the $7,000,000 Kazakhstan had received in FMF, MoD had in-hand two open FMS cases from 1997 and 1999 and $29,000 in flight suits. That month, with a pressing need to deploy troops south and west, and frustration over its inability to get any equipment, MoD cancelled its outstanding letter of offer and requests (LORs), and requested to use all available funding to build a military base. In addition, in 2001 the Minister cancelled most bilateral exercises pending the outcome of the construction request.

Being a security assistance officer I understand the MoD's frustration with the FMS process. However, a more significant concern results from a lack understanding of the FMS process and MoD's lack of specific force development plans. It is up to the DISAM-trained security assistance officers to work the FMS system, to assist the MoD in understanding how the FMS monies are utilized. Soviet staff methodology also made it difficult for the embassy staff to work with MoD. MoD handled security assistance as it had relations with defense attachés, that is, basically as a protocol matter under the External Relations Department (UVS in Russian) tightly controlled by counterintelligence.

**The chart below represents dollar amounts of Foreign Military Finance and International Military Education and Training funds Kazakhstan has been receiving since 1997.**




The protocol officers assigned to monitor contacts with the U.S. embassy were in the apparatus, the minister's staff, which reported directly to the minister. As it turned out, the staff officers of the External Relations Department acted only as middlemen to pass the information through the Chief of Staff, which controls all operational units and also reports directly to the minister. The External Relations Department demanded all inquiries from the SAO in writing. It would then pass or rewrite it as a directive through the Chief of Staff to the organization involved with the case. The unit would provide a written response that the External Relations Department would then rewrite and send to the SAO. Throw in the fact that that this process involved at least two translations and was managed by MoD officers that had little exposure to U.S. equipment, and the result was confusing and time consuming.

MoD has broad force development objectives: build a modern, highly mobile professional army, including a professional non-commissioned officer (corps, a mobile/rapid response force, a new strategic air defense system, a peacekeeping unit and a navy. However, MoD does not have the trained staff required to take the planning down to the level of detail required to fully integrate FMF into their development plans. Although there are broad plans, and individual MoD organizations understand their needs, the difficult part for the SAO is that no organization existed that could work with the SAO to analyze and prioritize these needs at the highest level then plan out for several years based on projected funding. Most of the staff was struggling at the tactical level just trying to keep their units going and meet their operation and training needs. As a consequence, LORs over the years have been all over the map; from flight suits to movie cameras, nuclear biological and chemical suits and Ford truck.. Most were canceled or changed multiple times as the influence of various staff officers and ideas shifted.

The international military education and training program was also a challenge. Few in MoD understood the IMET program or its potential benefits. The IMET was also managed by the External Relations Department. Despite the fact that some very competent officers worked the process, the MoD bureaucracy worked against them. There are many things working against the program. First, there was the onerous task of writing diplomatic notes or formal letters between the Embassy and MoD for each and every change or modification to a course. The time required to do this often resulted in last minute crises with late documents or cancellations.

Then there was the personnel system itself. Officer education and assignments are not centrally managed. There is no database to find a qualified officer for a particular course. External Relations Department would send a letter to the personnel department requesting a candidate only after the school date was announced. The personnel department then sent letters to the military district commanders and other organizations to request candidates. An officer could not be sent to school unless he was already assigned to a position. Commanders were naturally reluctant to give up their best officers for training that could last up to a year while maintaining a vacant position. Also, candidates that would most benefit the military by attending school typically could not speak English. This meant potentially months of additional in-country language preparation prior to attending a CONUS school. Since Kazakhstan had an ECL waiver, this encouraged a high level of what in the U.S. would be considered unethical behavior. Without the need to meet a standard, and the fact that the personnel system worked against finding the best qualified candidates, often officers were selected simply because they had connections to someone in the inner circle who had control over the program. Over the years many, officers went to IMET courses more than once and these same officers also attended partnership for peace (PfP) and other North Atlantic Treaty Organization (NATO) partner training courses. The desire to travel overseas was understandable but it did not meet either U.S. or MoD objectives.

**Building a Partnership**

The view shared by General Franks and the MoD was that engagement activities were random and nothing concrete was being achieved. Engagement needed to become focused. The Kazakhstanis wanted to gain results from their mil-to-mil relationship with the U.S., but did not know how to achieve it. To get results we needed two things; a new organization in MoD to handle security assistance issues and a comprehensive security assistance plan tied into mil-to-mil engagement.

The only solution was to convince MoD to change its way of doing business and help MoD get a handle on IMET and FMF. The first big challenge was to convince MoD that the SAO and the U.S. military should be viewed as a partner furthering Kazakhstan's defense goals instead of a representative of the former enemy with lots of money. I approached this by establishing planning meetings directly with commanders and staff associated with the LOR for the construction project and a canceled LOR for operational clothing for the peacekeeping unit. It was difficult at first to convince the External Relations Department leadership that meetings were even necessary. It often took weeks or months to set up one meeting! By making progress on the construction and actually delivering some equipment to the peacekeeping battalion in December 2001, thank you for moving so fast U.S. Army Security Assistance Command (USASAC), I began to win some converts. The big break came, however, in January 2002 when the new minister and new Chief of International Programs came on board.

Reforming IMET and getting the fiscal year 2003 IMET plan done was the most pressing issue. In January, I presented MoD with a paper entitled "Using Foreign Sponsored Training to Develop a Professional Military Force in Kazakhstan" proposing the formation of a new MoD organization to coordinate foreign government sponsored training, and the creation of an officer professional management system to manage the trained officers. The paper focused on how foreign sponsored training such as IMET would further the Minister's goal of creating a modern, professional army if it were managed properly. Initial focus should be training for MoD high priority units such as the Kazakhstan Peacekeeping Battalion, and the Mobile Forces, that may work or train with NATO or United Nations forces in the future. The idea is that once a system could be worked out to support one unit, it could grow to encompass all of MoD.

When the proposal was positively received, I began campaigning to simultaneously create a staff office to manage Foreign Military Sales. Getting officers DISAM trained and spreading

general knowledge about FMF and FMS as widely as possible in MoD was critical. We proposed a DISAM MET with an executive session for senior MoD officials, and CONUS training for the staff. In April, MoD gave full support to the proposal and announced the formation of a new International Cooperation Center with full authorization to work in direct partnership with the SAO. Responsibility for contact with foreign attachés however, was not formally transferred and remained under protocol's control. After the DISAM seminar in August, and more discussion on what the new organization's mandate would be, MoD decided to consolidate all foreign training and equipment programs, including PfP, under one office and subordinated protocol functions to training and equipment management. This was a key decision that will allow more direct liaison with attachés who coordinate education and training programs. Formal restructuring and a full operational budget will be granted beginning after the new fiscal year in January 2003 and, with some luck, program management will get easier.

**Security Assistance Planning**

With increased cooperation, and consensus on the direction to take United States-Kazakhstan military relations, we had grounds to begin creating a formal five-year Security Assistance Plan that is intended to lead to a visible increase in MoD defensive capabilities, as well as closer military cooperation with the United States. The idea is to focus on specific objectives to get the maximum impact from FMF, IMET, enhanced international peacekeeping capabilities (EIPC), mil-mil engagement activities, and, to the greatest extent possible, integrate the resources of other U.S. government agencies with overlapping interests such as Export Control Border Security, Cooperative Threat Reduction, and INL. The second step, once MoD formally approves the five year security assistance plan (expected in January-February 2003) is to begin working with MoD to integrate support from other NATO countries with bilateral programs such as Turkey and Great Britain, as well as Partnership for Peace activities.

The security assistance concept follows:

- Integrate and focus all available assets (FMF, IMET, PfP, bilateral engagement) in a targeted force development effort that meets both U.S. and Kazakhstan strategic objectives. Support for systemic reform will be focused on those reforms required to meet the force development objectives.

Using a combination of the U.S. interests outlined in the *National Security Strategy, National Military Strategy*, and Kazakhstan's security situation we found overlapping interests:

- U.S.: Stable Caspian Sea region; reliable, interoperable military partner; secure borders to prevent proliferation of weapons of mass destruction.

- Kazakhstan: Professional military, international peacekeeping capability, mobile force capable of national deployment, deterrence and defense capability; in southern and western Caspian border regions.

From these interests we drafted the following long-term security assistance goals:

**Force Development**:
- Develop a North Atlantic Treaty Organization (NATO) interoperable peacekeeping force
- Develop Caspian Sea region ground, maritime, and air defense force
- Develop rapid reaction/SOF forces peacekeeping force
- Develop Caspian Sea region ground, maritime, and air defense force
- Develop rapid reaction/SOF forces

**Systemic Reform:**

- Officer/non-commissioned officer (NCO) personnel management
- Professional non-commissioned officer corps
- Vehicle and Equipment Maintenance System
- English language training system

The force development goals provide the direction to develop projects that can be supported by multiple programs. The systemic reform goals are necessary to achieve and sustain long-term success of the force development projects. New military capabilities and interoperability require not only new equipment and training, but also new management systems to sustain these capabilities for the long-term. This is a step beyond the total package approach, but here it is absolutely necessary. New equipment can be easily purchased with spares and a training package, but if the personnel system is not capable of sustaining the unit over the long term with trained personnel to operate and maintain the equipment, and personnel who understand the doctrine required to fulfill the unit's intended missions, no long-term improvement will be achieved.

**Security Assistance Office Goals**

**Objectives**

Integrate security assistance programs into a coherent plan for developing Kazaakhstani military and security capabilities that correspond to U.S. national security interests. Prime focus is to develop security capabilities in the Caspian region and deployable peacekeeping unit.

Use security assistance programs to form a basis for future defense cooperation and military sales. Introduce the government of Kazkhstan to U.S. military equipment and defense manufacturers.

**Major Ongoing Activities**

**Foreign Military Financing**

HMMWVs for Peacekeeping Battalion and counterterrorist teams
Reconstruction of military base - Atyrau (Caspian Sea)

**Foreign Military Sales Case Development/Facilitating U.S. Defense Industry Access**

Strategic air ddefense system - Lockheed Martin
Helicopter acquisition: Bell - Textron, MD Helicopters
MoD and border forces tactical communications: Multiple companies

**International Military Education Training**

Expanded international military education and training program to support maritime law reform
Reform in-country English language training in cooperation with British Council.

**Other**

Development and planning of Caspian security initiative

For example, the concept to "develop a NATO interoperable peacekeeping force" is to equip and train a battalion size peacekeeping unit. The end state is a NATO interoperable peacekeeping unit capable of deploying and sustaining itself in support of a United Nations led military operation. Foreign military finance (FMF) is funding major new equipment purchases for the peacekeeping unit, including HMMWVs. However, sustaining this unit for the long-term requires systemic reforms which will further the minister's force development goal for creating a professional army. For example, the peacekeeping unit will require a complete change in the way officers and NCOs are managed. The unit will require officers who understand peacekeeping

doctrine and a certain number that speak English. It also requires officers who can manage the operation and maintenance of the new U.S. equipment, such as HMMWVs and radios, which the unit will have. In the current personnel system there are no set rotation cycles for officers or NCOs. It is impossible to train replacements without a predetermined rotation schedule. Training and career management will need to be managed centrally based on the demands of the unit. MoD is already well on its way to creating a professional NCO, however, MoD must change the culture of the army to accept NCOs as leaders and junior managers. The peacekeeping battalion will be the first unit to receive a concentrated number of U.S. trained NCOs and officers to serve together. Last year the SAO initiated discussions to take send newly graduated lieutenants directly to Officer Basic Courses. The idea is to place these young officers with NCOs that have attended primary leadership development course (PLDC) or basic non-commissioned officer course in the United States.

**Developing a Partnership to Secure the Caspian Sea**

Given the explosive growth of oil infrastructure in Kazakhstan's Caspian Sea Region, the need to develop a comprehensive security system is becoming evident. There are those who are concerned that the sea is already becoming militarized and this in itself is a danger to regional stability. However, Iran and Russia already have significant maritime forces, including naval infantry. Caspian security cannot be based on the hope that the neighborhood will continue to be politically stable or the neighbors benevolent. Terrorists have proven that they can strike in distant locations against soft targets. Given that the largest concentration of U.S. commercial investment in the former Soviet Union is in oil production facilities in western Kazakhstan, Kazakhstan's ability to deter or respond to a terrorist attack should be an issue of U.S. concern. Also, the Caspian Sea presents a significant challenge to U.S. efforts to control the spread of weapons of mass destruction since it is a direct and lightly monitored transport route to Iran and the Caucasus.

The first attempt to form a comprehensive concept to improve Caspian security was in the fiscal years 2004-2009 security assistance budget submission in June 2001 which included a multi-year request to develop a Caspian Region rapid reaction capability and a maritime training center. Based on discussions with the Coast Guard International Training Department, we also began planning for a Coast Guard survey to review the overall maritime security situation to better understand what our priorities should be.

As mentioned earlier, in 2001 MoD's top priority for FMF and, U.S. engagement in general, was the construction of new military bases. In October, a joint MoD, SAO and U.S. Corps of Engineers survey team chose an unused building complex in Atyrau, near the Caspian Sea, from among several potential projects from various regions of Kazakhstan as the most suitable from both engineering and policy perspectives. SAO and MoD agreed to organize the project jointly, using U.S. funding to refurbish the headquarters buildings and barracks and MoD funding to design the entire project and build annex buildings. At that time, U.S. policy support for using FMF to do construction was unclear, so it was important to connect the project proposal to U.S. security concerns. Building the first permanent military base in Kazakhstan's Caspian Region as a U.S.–Kazakhstani joint project was both highly symbolic and a good fit with the general policy objectives of both countries.

The Atyrau project, as it came to be called, forms the basis for current and future security assistance planning for the development of ground forces capabilities in the Caspian Region. Ideally, it will also become the first location for joint U.S. and Kazakhstani military training exercises in the Caspian Region. Pending formal acceptance of the new five-year plan, future FMF will be used to transform the unit at this base into a light/rapid reaction force equipped with HMMWVs, which are more appropriate for the terrain than armored vehicles, as well as NATO interoperable communications.

**The Port of Bautino, north of Aktau, will become busy once more supporting offshore oil development. However, the current conditions reflect the economic collapse of the Soviet maritime system on the Caspian.**

Planning support for the development of maritime security was more complex. In 2001, MoD again began focusing on the creation of a Navy, because in the mid-1990s MoD Navy Commander, Rear Admiral Komratov, now Commander of the Western Military District that encompasses the Caspian Region, established a small maritime force from old Soviet vessels, and some excess boats provided by Germany and by the U.S. under cooperative threat reduction. In 1999 however, all MoD boats and some staff were turned over to the border forces. At that time, traditional Navy missions were not as pressing as the need to control the maritime border, which by law was a border forces mission.

The first MoD initiative for security assistance funding was to request equipment to form an interagency maritime training center in Aktau on what had been the campus for a technical institute. The establishment of the Military Maritime Institute (MMI) is actually part of a larger government project under the Ministry of Transportation and Communications to create a merchant marine and ship maintenance system so that Kazakhstan can eventually man and maintain both its commercial and military ships. The fact that MoD and the border forces would both train at the institute created grounds for close cooperation between the security assistance office and the embassy's export control border security representative who worked primarily with border forces and customs.

In early 2002, MoD developed an ambitious long-term plan for the development of the Western Military District that includes the creation and deployment of new ground, naval, and air defense forces. The border forces also began putting resources into development of their maritime capabilities including purchasing new riverine craft manufactured in Uralsk on the Ural River, to patrol the marshy north Caspian Coast. Based on MoD and border forces plans, the Embassy began a multi-agency effort to coordinate support to improve Kazakhstan's Caspian maritime capabilities. This effort, unofficially known as the Caspian Security Initiative, is an attempt develop a plan based on the results of the Coast Guard surveys and focus funding sources

controlled by security assistance office, defense attaché office, export control and related border security assistance, international narcotics and law enforcement, and if possible, cooperative threat reduction to support the development of a maritime force. The first event associated with the Caspian Security Initiative was a visit in January by a Defense Institute International Legal Studies (DIILS) team to offer the government of Kazakhstan support in revising its maritime legal system to better support law enforcement and defense activities at sea.

**In 2002, the Kazakhstan border forces bought new boats to patrol the delta regions in the north Caspian Sea. The young crews are apprehensive about a future which may include armed conflict with caviar poachers.**

## The Future

This is an exciting time to be a security assistance officer in not only Kazakhstan, but anywhere in Central Asia. Security assistance activities have the potential to plant the seeds for significant changes in these countries in the coming years. For the officers of the former Soviet Union, IMET offers an eye opening education on what freedom, democracy, peace and stability have created in the United States. With some luck and steady leadership, Kazakhstan has the opportunity to become a wealthy and stable democracy. By lending a helping hand now, at the earliest stages of building this new nation, the United States has the opportunity to not only build a potentially significant regional defense partner, but to bring peace and prosperity to a nation that has suffered much through its history.

## About the Author

Lieutenant Colonel William (Bill) Lahue, is the chief of the U.S. Security Assistance to the Republic of Kazakhstan. He is a U.S. Army Foreign Area Officer, specializing in the former Soviet Union. In 1984 he was assigned as an infantry officer in the 8th Infantry Division, Baumholder, Germany, and has had command and staff assignments in Japan, the 2nd Infantry Division, Republic of Korea, and foreign area officer assignments as the U.S. Military Representative in Tajikistan, JCS/J2, and Office of Security Defense Russia Eurasia Branch. He has been a guest speaker on Central Asia military and security issues at the National Defense

University, Johns Hopkins University School of Advanced International Studies, and the U.S. Air Force Special Operations School. He holds a Bachelor of Arts degree in Soviet Area Studies from Southern Illinois University and a Masters Degree in Russian Area Studies from Indiana University, Bloomington, Indiana.

# Defense Institute of Security Assistance Management Mobile Education Team Travels to Kazakhstan

**By**

**Dr. Craig M. Brandt**
**and**
**Dr. Mark T. Ahles**
**Defense Institute of Security Assistance Management**

With the increased foreign policy emphasis on Central Asia following September 11, 2001, it was only a matter of time before the Defense Institute of Security Assistance Management (DISAM) was asked to play its small part in bolstering the security relations between the U.S. and the nations of that region. As part of the U.S. efforts in the region, DISAM was asked by U.S. Central Command to rapidly deploy a training team to Almaty, Kazakhstan to train the Kazakh military on U.S. security cooperation programs and procedures.

Lieutenant Colonel William Lahue, USA, Chief, Office of Defense Cooperation (ODC) Almaty, requested the mobile education team (MET) to train the largest possible number of Kazakh personnel as rapidly as possible on the policies and procedures involved in U.S. security cooperation efforts. Lieutenant Colonel Lahue, and his budget and training officer, Zhalgas Ospanov, met with DISAM at the CENTCOM training program management review (TPMR) late last spring to make specific arrangements for the course.

**A statue of Abay Kunabaev clebrates one of Kazakhstan's most noted writers.**

Based upon growing cooperative efforts with a variety of nations, Lieutenant Colonel Lahue explained, the Kazakh military had recently established an office to deal specifically with international issues. The Office of Defense Cooperation (ODC) wanted training for officers assigned to that office, military logistics and training officers from all services, and for senior defense procurement personnel. The goal of the training was an emphasis on proper management of U.S. security assistance funds so that Kazakhs could properly prepare to manage these resources within their overall defense budget. Lieutenant Colonel Lahue also requested that DISAM assist in installation and training of the International Training Management System (I-TMS) software. Use of I-TMS would allow the Kazakh forces to better work with the ODC in management of their growing International Military Education and Training (IMET) program.

Initial DISAM team members Dr. Mark Ahles and Mr. Bob Hanseman arrived in Almaty on July 31st. They worked with the ODC in installing and training the I-TMS software in the Ministry of Defense's new Center for International Programs.

During the week of August 5, 2002 with the addition of Mr. Frank Campanell and Dr. Craig Brandt, DISAM taught the SAM-P Planning and Resource Management Course to twenty-four members of the Kazakh defense forces. In addition, a one-day executive session was held for senior members of the Ministry of Defense, presided over by Major General Bolat Sembinov, Chief of the Apparatus of the Minister of Defense. These courses effectively educated the Kazakh students on the place of foreign military sales process in the context of Kazakh defense planning for material and personnel resources. The military and civilian students came from all the military services and represented the gamut of headquarters and operational units. Translation of the courses was accomplished by the faculty of the Military Linguistics Center of the Center for International Programs within the Ministry of Defense.

Lieutenant Colonel Lahue and Mr. Ospanov, made the arrangements for the course, which was held at the Hotel Premier Alatau where the out-of-town students were housed.

**Kazakhstan students listened attentively as the intricacies of the FMS process were explained to them.**

**DISAM Instructor presents a memento of the DISAM's visit to a Kazakhstan Major General, Chief of the Apparatus of the Minister of Defense.**

**A Senior Sergeant of the Ministry of Defense, and a Junior Sergeant, an English instructor at the Military Linguistics Center, served as weekend tour guides for the DISAM team. In the background is the famed skating rink at Medeu.**

## About the Authors

Dr. Craig M. Brandt is the Deputy Commandant of the Defense Institute of Security Assistance Management. A retired Navy supply Corps officer, he has 39 years experience in logistics and security assistance. He is the editor of *Military Assistance and Foreign Policy*. He was awarded a Ph.D. in political science from the University of Cincinnati in 1985. Craig was formerly the Chair, Department of Logistics Management, Graduate School of Logistics and Acquisition Management, Air Force Institute of Technology.

Dr. Mark T. Ahles is the Director of the Directorate of International Studies for the Defense Institute of Security Assistance Management. He has previously worked at the National Security Agency, Air Force Logistics Command, and the Air Force Security Assistance Center. Dr. Ahles holds a Ph.D. in Computer and Information Science/Political Science from the Union Institute and University, Cincinnati, Ohio. He holds a reserve commission of Lieutenant Colonel in the Ohio Army National Guard where he serves as State Chemical Officer.

# Kazakhstan: Finishing the Transformation

**By**

**Alan P. Larson**
**Under Secretary for Economic, Business, and Agricultural Affairs**

[The following are excerpts of the speech Kazakhstan Institute of Management, Economics, and Strategic Research located in Almaty, Kazakhstan, on December 13, 2002.]

Kazakhstan Institute of Management, Economics, and Strategic Research (KIMEP) is producing the next generation of Kazakhstan's leaders for both government and the private sector. We are proud of our longstanding partnership with KIMEP and look forward to working with you in the future.

Since its independence in 1991, Kazakhstan has been in the midst of a remarkable transition from communism to free markets. When completed, this transformation could bring Kazakhstan into the global marketplace in a way not seen since Central Asia dominated international trade routes hundreds of years ago.

Today I want to discuss how Kazakhstan can complete its integration into the global system of trade, investment, and communication. This, I believe, is the only road to prosperity in the 21st century. Kazakhstan's current leaders are laying the foundation for its integration into the global economy. It will be the task of your generation to finish the work of building a democratic society that will unleash the full human potential of every citizen of this country. At independence in 1991, Kazakhstan had a promising resource base, from its sizable hydrocarbon reserves to its well-educated workforce. More importantly, though, it had the wisdom to move quickly away from the failed policies of the past.

Kazakhstan's leadership embarked on a new transformational course. In a little over ten years, Kazakhstan implemented a series of broad-based reforms that brought Kazakhstan from planned to a market economy. These reforms include the following:

- Kazakhstan undertook a process of de-monopolization, privatization, debt restructuring, price liberalization, customs reform, and tax restructuring.

- Kazakhstan established a securities and exchange commission, liberalized trade, enacted laws on investment, established a new government procurement process, and reformed the banking system.

The United States formally recognized this achievement when, in March of this year, it accorded Kazakhstan the status of a market economy, and these reforms yielded the following impressive results at home in Kazakhstan:

- Today Kazakhstan has a fully convertible currency, single-digit inflation, and a sound banking system.

- Foreign investment into Kazakhstan — $12.5 billion between 1993 and 2000 — has surged.

- Both trade and investment have diversified, with the United States now the largest investor in Kazakhstan and a growing partner in trade.

- Economic growth, though uneven throughout the last decade, has been strong in recent years.

- Kazakhstan recently received an investment grade rating from Moody's.

The government of Kazakhstan has privatized much of the economy, although much work needs to be done to restructure major sectors such as telecommunications. The banking sector has flourished, with $720 million in private deposits in March 2001. The financial system has been a leader in innovation, including the emergence of successful private pension funds, the establishment of a national fund to preserve oil wealth for future generations, and a budding mortgage-lending market. Unemployment, while still high in Western terms, is lower than elsewhere in the region. These impressive reforms took place against a background of internal political stability and the gradual advance of democratic reform and a civil society. We are heartened to see that economic reform is continuing.

Kazakhstan's plan to privatize farmland could become another laudable step forward, if care is taken to see that privatization is fair and transparent. The achievements of its first decade of independence have brought Kazakhstan to a critical crossroad. It can continue to move forward on the road toward reform and complete its integration into the global economy and the growing family of democratic nations. Or it can lose momentum, falter in reform, and miss an opportunity to be among the new "tigers" of global prosperity in the 21st century.

The U.S. government's preference is clear. The United States would like to see Kazakhstan accelerate and complete its integration into the global economy. We are ready for a strategic partnership with a democratic Kazakhstan. But, in the end, only the people of Kazakhstan themselves can determine which fork of the crossroads they will take. Obviously, Caspian energy resources are extremely important and give Kazakhstan an enormous advantage over other transition economies that lack natural resources. Indeed, probable reserves in the huge Kashagan field are larger than those of the entire United States. The government of Kazakhstan continues to take some important policy steps, such as having concluded a Caspian delimitation agreement with Russia this summer and moves are now underway to link Kazakhstan to the new Baku-Tbilisi-Ceyan oil pipeline.

Next year, Kazakhstan intends to offer for tender new offshore blocks in the Caspian that could yield more world-class oil discoveries. It would be a dangerous illusion, however, to believe that oil wealth can substitute for resolve to finish the course of democratic and market reform. Oil alone will not bring Kazakhstan into the new global economy. Nor will it create sufficient jobs for Kazakhstan's youth or spread the benefits of prosperity to large segments of the population that remain mired in rural poverty.

In 1995, U.S. economists Jeffrey Sachs and Andrew Warner conducted a study of 97 developing countries. They found that the more important natural resources were to a country's economy, the lower its growth rate was. Of all the resource-rich countries they studied, only two were able to grow as fast as two percent a year, while a host of resource-poor nations grew much faster. Why is this the case? The reasons are varied and complex. Part of the answer is that being blessed with natural resources can make a country less likely to take the hard policy decisions that generate investment in other sectors and unleash the individual initiative of every citizen. It can encourage behavior that is rent-seeking rather than wealth-creating. In many resource-rich countries, corruption has sapped economic growth and eroded democratic institutions. Yesterday in Astana, your leaders told me they wanted to build a post-industrial economy certainly with a vigorous energy sector but also increasingly based on high-tech, internet-based industries, and small and medium enterprises. Introducing diversity into Kazakhstan's economy and freeing its

human potential will require a huge national effort, and a renewed commitment to democratic and market reforms, and a key objective will be making this new economy open to outside investors.

The United States has decided to support this effort through the Houston Initiative, a comprehensive partnership with Kazakhstan to build a modern, market-based economy, with particular emphasis on small and medium enterprises. We look forward to working with the government of Kazakhstan, with local governments throughout the country, and especially with individual entrepreneurs to realize the full potential of the Houston Initiative. We also hope to see Kazakhstan accelerate its bid for accession to the World Trade Organization (WTO). Kazakhstan's working party was established in 1996, and the next meeting of the group is scheduled for December 13. There remain a range of tough issues from price controls and subsidies to transparency of the legal system, to the adoption of market-consistent policies on trade in goods and services. The United States supports Kazakhstan's accession to the WTO on market terms, and we will do our best to accelerate the process.

However, the speed of Kazakhstan's accession depends primarily on the resolve and determination of its government to make the hard decisions needed to see the process through to a successful conclusion. Even as Kazakhstan seeks to accelerate its WTO bid, the hard fact is that foreign investors are increasingly worried that the government of Kazakhstan is less committed today to openness and a welcoming investment climate than it was in the years following independence. We hope that the government and people of Kazakhstan will reject economic nationalism that is at odds with your government's stated intention to accelerate integration into the global economy.

In our view, Kazakhstan simply cannot afford to pursue short-term gain at the expense of international investors and thereby jeopardize its hard-won reputation as a good place to invest. We hope to see more "win-win" thinking that produces prosperity for both international investors and the people of Kazakhstan. In this connection, it is important to avoid measures, some with the force of law, some merely administrative practice that risk creating the impression of a deteriorating investment climate. Onerous new regulations on procurement in the oil and gas industry, restrictions on the issuance of work permits for key expatriate personnel of foreign investors, and questionable environmental penalties are indicative of this trend. Even more important, many investors and the international financial press have begun to question whether a contract in Kazakhstan, once negotiated and signed, may be revisited.

We believe it is vital that Kazakhstan and foreign investors quickly find a mutually satisfactory solution to allow the proposed expansion of TengizChevrOil, consistent with contract stability. A solution that moves forward this vital $3 billion project, which will create thousands of jobs, would be an example of the "win-win" thinking that we have in mind. I would like to conclude with a brief thought on the importance of democratic reform for economic prosperity and integration. It is no accident that almost all of the world's most competitive economies are democracies. Only democratic societies can truly liberate every individual to make a unique personal contribution to national prosperity. Thus, the building of democracy is not only the key to long-term political stability, it is also a fundamental building block of competitiveness in the modern global economy. Political pluralism, the rule of law, and respect for human rights, are just as necessary for economic development as are sound fiscal policy or a friendly investment climate. A vigorous independent media is as vital as computer literacy in the information age. An open political system permits citizens to make decisions about the appropriate level of public investment in human capital, which in turn is a key to reducing income inequality and poverty. Citizens denied fundamental civil liberties, such as freedom of speech and the right to form political parties of their choice, can hardly be expected to make informed decisions about the economic development of their country.

There is a solid link between democracy and a pluralistic society and growth. Consider this: according to the annual *2001-2002 Survey of Political Rights and Civil Liberties*, "free" countries today account for $26.8 trillion of the world's annual gross domestic product (86 percent), as compared to "partly free" countries at $2.3 trillion (7 percent) and "not free" countries at $2.2 trillion (7 percent). This is no coincidence. Democratic societies are generally more stable than repressive ones, and the free exchange of ideas and information is good for business. Take the example of corruption, a problem worldwide. Kazakhstan also must attack this problem head on. Transparency International's corruption index which measured business perceptions of corruption in various countries ranked Kazakhstan No. 88 out of 102 countries measured. It is clear that business people will think twice about investing where corruption is pervasive.

Transparency International also recently polled senior business executives around the globe on the most important factor that contributed to reducing corruption. The most common answer? More than half the respondents cited a free press as a brake on corrupt officials. How should Kazakhstan complete its process of transformation? You and your fellow citizens will answer that vital question. But I would leave you with a thought from U.S. Secretary of State Colin Powell:

> The lessons of history are clear: market economies, not command-and-control economies with the heavy hand of government, are the best way to promote prosperity and reduce poverty.

Kazakhstan has come a long way toward the goals mentioned by Secretary Colin Powell and set by your own leaders. It remains to your generation to finish this great work. I wish you every success as you work to see Kazakhstan take its rightful place at the table of democratic nations and in the new global economy.

# *LEGISLATION AND POLICY*

## Cooperative Hemispheric Security Architecture for the 21st Century

**By**

**Ambassador Roger F. Noriega**
**United States Permanent Representative**
**to the Organization of American States**

[The following are excerpts of remarks presented to the conference at the Inter-American Development Bank, Washington, D.C., September 20, 2002.]

The dangers of the Cold War have faded. And, new and prominent threats in the hemisphere have emerged, requiring coordinated, cooperative, and multilateral responses. Recognizing that the international and regional system has changed substantially in the past decade, it is important to redefine the collective goals of our nations in the hemisphere.

The *Inter-American Treaty of Reciprocal Assistance* ("Rio Treaty") sets a standard whereby nations would respond in their common defense, with the ultimate goal of creating a more secure environment. Our experience since September 11th in mobilizing hemispheric support and responses to fight terrorism under the Organization of American States (OAS) Charter and "Rio Treaty" proves that the current hemispheric security structure can address the region's security needs quite well. It also demonstrated the flexibility of our security architecture to address the new and emerging threats we face.

Yet, a genuinely stable and secure environment cannot be created by solving our national defense problems alone. For example, we recognize that threats to our security can stem from conflicts within states as well as from conflicts between states. As new threats and security challenges have evolved and emerged, the states of the Americas have stepped up to meet them.

Since 1995, the OAS has built an impressive record of achievement. Over ninety resolutions on regional arms control, demining, nonproliferation of weapons of mass destruction, confidence and security building measures (CSBMs) and other aspects of defense and security policy have been adopted by consensus. In addition, three conventions concerning illicit trafficking in firearms, transparency, and terrorism have also been adopted. By actions and deeds, not mere words, this body of work defines our hemispheric security, as we know it today.

The OAS has served as the catalyst for hemispheric cooperation and a broader "inter-American system of hemispheric security," which now includes the Pan American Health Organization, the Inter-American Development Bank, the Inter-American Institute for Cooperation in Agriculture, the Inter-American Defense Board, and meetings such as the Defense Ministerial of the Americas and Conferences of the American Armed Forces. Because today's security concerns have broadened to encompass far more than just internal and external military conflicts, the region has taken specific steps to address these threats.

In the war against terrorism, the Inter-American Committee Against Terrorism (CICTE) was established in October 1999 to coordinate member states activities against terrorism, including special training and facilitating exchanges of information. The terrorist attacks of September 11, 2001, have awakened hemispheric concerns and, more importantly, drove hemispheric actions to address terrorism in a comprehensive manner. In January, CICTE identified urgent actions aimed at strengthening inter-American cooperation to prevent, combat, and eliminate terrorism in the Hemisphere. Moreover, the OAS adopted at the General Assembly in Barbados an *Inter-American Convention Against Terrorism* that expands our legal obligations to work together to both prevent and respond to terrorism. Inter-American Committee Against Terrorism's activities, in conjunction with the invocation of the Rio Treaty, constitute a strong institutional base for the hemispheric fight against terrorism.

In the fight against illegal narcotics, OAS member states have developed a drug abuse control program (CICAD) launched in 1987 which has developed model legislation and fostered cooperation across the broad range of narcotics issues. In 1996, the OAS negotiated the Anti-Drug Strategy for the Hemisphere, providing the policy context for the multilateral evaluation mechanism. In the effort to prepare for and respond to natural disasters, the OAS created the Inter-American Committee on Natural Disaster Reduction to mitigate or prevent the effects of natural calamities that befall the Americas. This mechanism will assist in identifying and preventing problems dealing with preparedness. It will also take hemispheric action to respond to natural disasters.

In the campaign to strengthen democracy and the rule of law, the OAS has worked to support democratic institutions and governments, developing election observation missions and assisting member states in political reconciliation. In 1997, the Washington Protocol took effect, amending the OAS Charter to permit, as a last resort, the suspension of a member state whose democratically constituted government is overthrown by force. Last September, the OAS further strengthened democracy by the historic adoption of the Inter-American Democratic Charter, which commits us to defend and promote democracy through preventive measures to head-off ruptures in the democratic or constitutional order.

Finally, economic development and prosperity are important underpinnings of democracy and security in the region. The OAS has a broad mandate to address the economic and social agenda of fundamental importance to our societies. A great challenge facing the world today is how to raise the living standards of the world's poor and integrate them into the global economic system. The Summit of the Americas has identified this challenge and our governments have concluded that the primary engines for economic advancement are trade, foreign investment, and a healthy private sector. We can all agree that our security depends on the pillars of democracy, prosperity and the ability to bolster peace and security. With this as an objective, let me suggest steps in that direction.

First, we must seek to define the current threats and sources of insecurity, take stock of existing tools for dealing with them and consider any additional methods and measures required. There is considerable temptation to define "security" to include virtually any source of discomfort or inconvenience in our world. Some at the OAS have even raised "trade disputes" as an example of a threat to hemispheric security. While it is true that we should consider the impact of extreme poverty and even internal stability on our common security, we should take care not to settle for an overly broad, unfocused, definition that renders the term "security" meaningless and renders our hemispheric security agenda unattainable.

For that reason many issues, such as development, public health, the environment, and social concerns are being handled within the appropriate summit and OAS architectures rather than within the Inter-American system related to hemispheric security. We must continue to support

existing mechanisms and institutions, and reaffirm the essential purposes of our hemispheric security architecture. The region must be ready to deter and to defend against any threat of aggression towards another nation. Yet, due to the existence of other destabilizing factors, the hemisphere must also promote wide-ranging partnership, cooperation, and dialogue with one another, with the ultimate aim of increasing transparency, mutual confidence, and the capacity for coordinated action.

We must stand ready to contribute to effective conflict prevention and to engage actively in crisis management, including crisis response operations. Our security architecture must identify early potential sources of conflict and take measures to address them. The Inter-American conflict prevention and resolution capabilities must be strengthened by adoption of appropriate mechanisms, measures and tools for early warning, the peaceful settlement of disputes and the prevention of conflict. This applies to conflicts within states, as well as those between states. Our security architecture must have a more formal structure and process conducive to the development, implementation, and consideration of new confidence-building and security-building measures. Our security architecture must recognize the important contributions of sub-regional arrangements, agreements and measures that foster hemispheric security. For example, the *Regional Security System* (RSS) *of the Caribbean* and the *Framework Treaty on Democratic Security* in Central America both play an important role in defining our present and future security architecture. The Special Conference on Security also should recognize that the OAS must have the educational, technical and advisory expertise on defense and security issues that it needs to better serve its member states. The product of this review must be a structure that all States find relevant to their security concerns and in which they can enthusiastically participate. One year ago yesterday, the invocation of the Rio Treaty demonstrated the ability of the existing Western Hemispheric security architecture to respond to the challenge of September 11, 2001, and the specter of international terrorism. Facing the new and dynamic environment of the 21st century, it is incumbent upon the States of the Western Hemisphere to seize the unique opportunity to design a cooperative hemispheric security architecture for the 21st Century and beyond. I know we will succeed.

# Defining U.S. Foreign Policy in a Post-Post-Cold War World

**By**

**Richard N. Haass,**
**Director, Office of Policy Planning Staff for the Department of State**

[The following are excerpts of 2002 *Arthur Ross Lecture*, presented to the Foreign Policy Association, New York, New York, April 22, 2002.]

I can think of no better occasion for this discussion than the *Arthur Ross Lecture*. The name Arthur Ross is synonymous with philanthropy in the cause of public service. Arthur Ross has devoted his time, his energy, and yes his resources to fostering the best new thinking in the service of foreign policy for the American people. When I was at Brookings, I benefited first-hand from Arthur's generosity and vision. Thank you again, Arthur, for your commitment to making the world a better place.

I returned to government service a little over a year ago to head up the State Department's Policy Planning Staff. Now, as you know, government officials rarely, if ever, have time to ponder history or look too far ahead. The Policy Planning Staff, though, is privileged. It is part of our job to step back from the day-to-day decisions, to discern the relevant lessons of history and to apply them to shape the future.

It would be difficult for me to escape history even if I wanted to. Every day members of the Policy Planning Staff are reminded of our own history when we gather under the photographs of our predecessors. We try to heed the final guidance that Secretary of State George Marshall gave to George Kennan when he called upon Kennan to create the Policy Planning Staff fifty-five years ago. In his characteristic direct and concise manner, Marshall offered two words of advice: "Avoid trivia."

Living up to that advice remains our mission on the Policy Planning Staff. That is also my task this evening. So let me not mince words, but go right to the heart of one of the most important challenges before us today defining American foreign policy for what my boss, Secretary of State Colin Powell, likes to call the post-post-Cold War world.

### To The Post-Post-Cold War World

A successful foreign policy begins with an understanding of the particular challenges of the day, one informed by a historical perspective. As the "post-post-cold war" label suggests, we can understand the challenges we confront today only if we know how we got here.

### The Cold War Era

For those of us who came of age during the Cold War, its key features are etched in our memories. For almost five decades, from the late 1940s until the demise of the Soviet Union, the Cold War defined the main contours of the international landscape. It was, at its core, an ideologically charged confrontation between the West, that is, the United States and its allies, and the Soviet Union and its satellites. Americans accepted that the stakes involved were nothing less than the preservation of our way of life. Our main security relationships in both the Atlantic and the Pacific emerged in this context. The prospect of a nuclear holocaust gave both sides a stake in maintaining a stable balance of terror, a balance both codified and symbolized in a series of

arms control agreements. Direct military confrontation between the two superpowers was avoided. Instead, we engaged in a long struggle on the periphery of the world in places such as Korea, Vietnam, and Central America. Eventually, the United States and its allies triumphed by containing the Soviet challenge until the Soviet Union collapsed under the weight of its own internal contradictions. Of course, these years were also marked by other international developments, most notably the rise of nationalism and European withdrawal from much of Africa and Asia. But it was the Cold War struggle that shaped our priorities and our responses to such developments.

**The Post-Cold War Interlude**

With the dissolution of the Soviet Union, we embarked on the post-cold war interlude. We see now that this was a decade of transition defined by uncertainty as we groped to determine the American role in an international system not defined by a single existential threat. American primacy was unprecedented and uncontested. Russia declined as it struggled to overcome the legacy of over seven decades of Communist misrule. Europe consolidated and the North Atlantic Treaty Organization (NATO) expanded.

For a time, it seemed that American primacy was enough. The most important traditional security concern of the past—the prevention of a major power war dissipated. U.S. policy seemed to be guiding important regional disputes, such as those in the Middle East and on the Korean Peninsula, toward settlement.

But, in the absence of a defining idea for American policy, this transitional period became a time of one step forward, one step back. For example, we made significant progress on the international economic front with the launch of the North American Free Trade Agreement and the World Trade Organization (WTO), only to confront the expiration of Fast Track authority, financial meltdown in many parts of the world, and the debacle of the 1999 World Trade Organization meeting in Seattle. Democracy spread as never before, yet in many places its roots remained shallow and vulnerable to disappointment and backlash.

In the 1990s, the wars of Yugoslav succession and the dilemmas posed by “failed” states, such as Somalia and Haiti, moved the issue of humanitarian intervention to the top of the foreign policy agenda. We saw relative successes like Kosovo, and complete failures like Rwanda. There was confusion over both the goals and means of policy. Still, despite the lack of clarity, most Americans perceived a seemingly inexorable positive trend in international developments. From the American perspective, therefore, foreign engagement appeared to be a matter of discretion of choice, not necessity. With the demise of the Soviet Union, the oceans once again seemed to afford us privileged security. Even in the face of growing transnational threats from the proliferation of weapons of mass destruction, terrorism, infectious diseases, and environmental degradation, we continued to feel secure in our homeland. Preserving our way of life against external threat seemed a low cost, second order proposition.

**The Post-Post-Cold War World: The Intersection of Transnational and the Traditional**

The tragic events of September 11, 2001 the attacks on the World Trade Center and the Pentagon did not create the post-post-Cold War world. But they helped end the decade of complacency. They forced Americans to see clearly that foreign policy still matters, and that our oceans and our intercontinental ballistic missiles (ICBMs) alone do not make us safe. They brought home the stark reality that if we do not engage with the world, the world will engage with us, and in ways we may not like.

So, on September 11, 2001, our innocence ended, and we entered the post-post-Cold War world, a period when increasingly potent transnational challenges intersect with still important traditional concerns. The attacks were a grim reminder of how the march of globalization has raised the stakes from transnational threats. The murderers used cell phones, e-mail and the internet to communicate. They moved money via wire. And they turned civilian airliners into flying missiles that killed 3,000 unsuspecting people right here in our homeland. Transnational threats can present a clear and present danger to our way of life. They require a resolute response. At the same time, we do not have the luxury of focusing exclusively on transnational threats. Traditional challenges are still with us and still possess the potential to do great harm. They largely belong to the security realm and involve matters of war and peace, mostly although not exclusively between nation-states. A partial list of such challenges would include the situations in the Middle East, between India and Pakistan, on the Korean Peninsula, and in Colombia, as well as the threat posed by an Iraq in possession of weapons of mass destruction.

**Why Doctrine Matters**

U.S. foreign policy, therefore, will succeed or fail in the post-post-Cold War world by how well it copes with this era's diverse security challenges, traditional and transnational alike. You will note that I said "foreign policy" singular not "foreign policies" plural. On the international front, we have to move in one direction, not many. Our programs and initiatives must work in concert, not competition. Policymakers and the public alike need a compass to give strategic direction to avoid being incessantly pulled to and fro when dealing with everyday events and unexpected crises. We need a considered, reasoned approach an approach that might eventually evolve into a doctrine to help us navigate in the post-post-Cold War world.

**Why Do We Need a Doctrine?**

A doctrine not only gives overall direction to policy, but it also helps establish basic priorities. It can help shape, size, and direct the allocation of resources, while allowing policymakers to conserve that most precious of all resources, their time. It also signals to our allies and our adversaries abroad, and to our Congress and public at home, where our policies are heading, what they will entail, and what can be expected from American leadership. A doctrine offers strategic clarity.

It is especially important for the United States to have a cogent foreign policy approach because the United States is and will remain into the foreseeable future the world's preeminent power according to every metric military, economic, political, or cultural. The United States will continue to affect the shape of international relations and their trajectory more than any other country. This is a fact, not a boast. The decisions we make or fail to make, what we do or do not do, and what we say or do not say, will have widespread repercussions.

**Whence Doctrine?**

Strategic clarity does not come easily. To be successful, a doctrine cannot be just a clever turn of phrase or neat academic construct. It must emerge as much from experience as from intellect. Doctrine is discovered more than invented. And this takes time.

The case of "containment" is instructive. George Kennan first popularized the term "containment" in his famous "X" article in *Foreign Affairs* in 1947. But containment did not spring fully formed from the mind of Kennan alone. And it did not gain acceptance overnight. We easily forget that at the time of Truman's election to the presidency, in November 1948, the majority of Americans still could not define what was meant by the phrase "Cold War." Containment's success was a cumulative development. Kennan's ideas originally resonated

within government because they helped make sense of what had already occurred and the trajectory policy had begun to acquire. Like Moliere's Monsieur Jourdain, who was delighted to learn that he had been speaking prose all of his life, American officials had already been speaking containment without knowing it.

Containment evolved. Interpretations of its meaning varied. Errors and excesses were committed in its name. It did not prescribe policies for every international development. Yet containment endured as our doctrine through the Cold War because it proved an enormously successful framework for relating our interests and values to the main trends shaping the world. Containment proved itself by meeting the pragmatic standard in his own right it worked.

**Toward a Doctrine of Integration**

Is there today a doctrine that encompasses the complexities of this era defined by the intersection of traditional and transnational security concerns, a doctrine that points the way forward for U.S. foreign policy? There clearly is a consistent body of ideas and policies that guides the Bush Administration's foreign policy. Whether these ideas and policies will evolve into a formal doctrine with a name, I will leave to history to decide. But this coherence exists and can be captured by the idea of integration.

In the 21st century, the principal aim of American foreign policy is to integrate other countries and organizations into arrangements that will sustain a world consistent with U.S. interests and values, and thereby promote peace, prosperity, and justice as widely as possible. Integration of new partners into our efforts will help us deal with traditional challenges of maintaining peace in divided regions as well as with transnational threats such as international terrorism and the proliferation of weapons of mass destruction. It will also help bring into the globalized world those who have previously been left out. In this era, our fate is intertwined with the fate of others, so our success must be shared success.

We are doing this by persuading more and more governments and, at a deeper level, people to sign on to certain key ideas as to how the world should operate for our mutual benefit. Integration is about bringing nations together and then building frameworks of cooperation and, where feasible, institutions that reinforce and sustain them even more.

It is important to point out that the ideas I am talking about what President Bush has termed "the non-negotiable demands of human dignity: rule of law, limits on the power of the state, respect for women, private property, equal justice, religious tolerance" are not narrow American values that benefit Americans only. To the contrary, they are universal values that people everywhere would benefit from.

Nor is integration merely a defensive response to the world we live in. Integration is in fact a profoundly optimistic approach to international relations. As Secretary Colin Powell likes to point out, we live in a time of historic opportunity. With war between great powers almost unthinkable, we can turn our efforts from containment and deterrence to consultation and cooperation. We can move from a balance of power to a pooling of power. Integration reflects not merely a hope for the future, but the emerging reality of the Bush Administration's foreign policy. Indeed, akin to the experience of containment over five decades ago, we have in a way been speaking integration without knowing it.

We can see this clearly in our relations with the other major powers. We are on the road to a vastly changed relationship with Russia. President Putin's response to the attacks on the United States accelerated a trend already under way toward a relationship based on common interests. We are cooperating on a range of transnational issues, and it is no longer fanciful to speak of the

day when Russia enters the World Trade Organization. This historic shift was reaffirmed just last week, when in his annual speech to the Duma, President Putin tied Russia's future to integration into the world economy and stated that the greatest threat to the international community, of which Russia is a part, is terrorism. Indeed, Secretary Powell coined the phrase "post-post-Cold War world" in the context of our strengthened relationship with Russia.

Our relationship with our European allies is also evolving in this time when there is no Soviet threat to reinforce our unity of purpose. While the bonds across the Atlantic remain strong, they are being stretched in new ways and, yes, even strained at times as the Europeans search to develop a common approach to international affairs consistent with their power and interests, and as we seek to enlist European cooperation in the world beyond Europe. Our relationship with Europe is not at risk. But the issues we deal with, and the ways we deal with them, are evolving.

The same holds true for allies elsewhere, such as Japan, South Korea, the Philippines, Thailand, and Australia, especially as we try to define a security architecture for Asia that meets our needs in the post-post-Cold War world.

The case of Pakistan is particularly dramatic. Faced with a stark choice, President Musharraf made the strategic choice to reorient his country's foreign policy and stand with the United States and the rest of the international community against the Taliban and al Qaeda.

One of the major challenges and opportunities of the post-post-Cold War world is the integration of China and India into the international system. This is already happening. We are encouraged by Beijing's entry into the WTO last November and its cooperation in the war against terrorism. With India, the Bush Administration had already opened before September 11, 2001 an unprecedented dialogue between our two countries the world's two largest democracies. Since then, in our common response to the terrorist threat, we have developed new and deeper relations across the board. There are no ironclad laws of international relations, but both emerging and declining major powers have caused turbulence in their wake. How we manage our relations with these new powers and whether we can forge new kinds of partnerships with them will be critical to our success.

Integration applies to institutions as well as relationships. We are helping adapt institutions inherited from the past century to cope with the challenges of this one, challenges ranging from international terrorism to the spread of infectious disease. We are doing this not just in NATO, but in the Organization of American States, the Asia-Pacific Economic Cooperation forum, the United Nations, and numerous other organizations. We are creating an architecture for this new era that will sustain the cooperative pursuit of shared global interests even when disagreements over more limited or local issues intrude as they inevitably will.

The Bush Administration is also aggressively promoting trade as a way to integrate more nations and peoples into a more stable, prosperous, and equitable international order. The latest Economic Report of the President highlights support for global economic integration as a top administration priority. American leadership proved instrumental in launching the Doha WTO round last November, and the administration is working hard to secure the trade promotion authority necessary to take advantage of it. The *African Growth and Opportunity Act* is helping stimulate economic growth in Africa. We are looking forward to extending and expanding the *Andean Trade Preference Act*, as well as joining with Brazil this November in leading the next round of negotiations for the *Free Trade of the Americas Agreement*.

We recognize, however, that some nations and their people cannot now tap into the benefits of the globalized economy because of these countries' institutional and economic weaknesses. It would be morally repugnant and defy our nation's deepest values to ignore the plight of the

citizens of such countries. And, as Afghanistan taught us all too well, it would also be unwise to look away when states begin to fail. Today's humanitarian problem can all too easily become tomorrow's strategic threat.

It is for reasons such as these that the United States is pressing for fundamental reforms in how the World Bank handles development assistance. And, that is why President Bush announced last month his bold initiative to dramatically increase American foreign assistance by 50 percent over the next three years. The Millennium Challenge Account, moreover, will be allocated according to criteria that stress the mutually reinforcing connections among good governance, the rule of law, investment in people, open markets, and poverty reduction.

Establishing new norms for this new era will be equally important to our success. The right to self-defense is an international norm that none deny. But over the past decade, we have seen an evolution in how the international community views sovereignty. Simply put, sovereignty does not grant governments a blank check to do whatever they like within their own borders. Instead, the principle that sovereignty carries responsibilities is gaining ground. We saw this in the humanitarian interventions of the past decade, such as in Kosovo. When governments violate the rights of their people on a large scale, be it as an act of conscious policy or the by-product of a loss of control, the international community has the right and sometimes even obligation to act. Since September 11, 2001, behind President Bush's leadership, we have seen similar changes in how the international community views states' responsibilities vis-à-vis terrorism. Countries affected by states that abet, support, or harbor international terrorists, or are incapable of controlling terrorists operating from their territory, have the right to take action to protect their citizens.

**Implementing Integration**

We see the Administration implementing integration with all the tools of statecraft. The conduct of the global campaign against terrorism is a prime example of this approach. While at times the military has been the most visible to the outside world, and while we salute the valor of our brave young men and women in uniform, over the long haul the military tool will almost certainly not be the most important contributor to our success. Instead, a combination of diplomatic, economic, intelligence, financial, and law enforcement means, along with military, will make the difference.

Furthermore, in an era when so much expertise and power is in private hands, we have to forge new, unprecedented public-private partnerships to achieve our goals. We see harbingers of this in the Global Fund on HIV/AIDS, tuberculosis, and malaria, and in our efforts to protect critical infrastructure around the world.

As the case of HIV/AIDS also underscores, the transnational challenges inherent in this globalized era often defy the efforts of any single country, even a country as powerful as the United States. No single country can sustain a robust international financial architecture, maintain the forward momentum around the globe for good governance, rule of law, and democracy, cope with state failures and humanitarian catastrophes, or defeat international terrorism. Transnational challenges demand transnational solutions.

Despite our unmatched power, therefore, working with others is not merely desirable because it materially or morally strengthens our efforts. It is often essential for our success. As Secretary Powell has said of the coalition fighting terrorism today, "The coalition we have built does not tie President Bush's hands. It magnifies his efforts. The coalition is a force multiplier in our campaign for all the tools we are using."

Considering the Bush Administration's foreign policy in its entirety, you can see how basic principles of a hard-headed multilateralism are helping us implement integration. Certain truths are already clear.

- First and foremost, American leadership is fundamental. Without it, multilateral initiatives can be stillborn, go astray or worse. We must be resolute and confident once we have embarked upon a policy. Yet leadership demands, as President Bush has emphasized on many occasions, a sense of humility. Leadership thus requires genuine consultation. We must respect the values, judgment, and interests of our friends and partners. We have no monopoly on wisdom.

- Second, in forming multilateral initiatives in this era, we should not be shackled by the memories of past animosities. Ultimately, we are interested in results. We thus must continue to try to integrate Russia, China, India, the Arab world, African countries, and others into our efforts to create a better future based on our common values. This is an era of new partnerships.

- Third, we cannot expect every nation to make the same commitment to every coalition. Differences in capabilities, location, foreign policy outlook, and domestic concerns make this impracticable. Instead, we should expect our coalitions to be dynamic and embrace the benefits of division of labor. Some multilateral efforts will become embedded in more formal institutional structures, but others will change through time as specific challenges wax, wane, and evolve. Even in the campaign against terrorism we have, as Secretary of Defense Rumsfeld says, not "a single coalition," but "revolving coalitions that will evolve and change over time depending on the activity and the circumstance of the country."

- Fourth, our desire to work cooperatively with others does not imply a willingness on our part to agree to unsound efforts just because they are popular. Empty or ineffective, but high-profile, agreements do not make for an effective foreign policy. Nor can we forget that the United States has unique global responsibilities. If we are to meet them effectively, we may not always be able to go along with measures that many or even most others support. We will listen, learn, and modify policies when we hear compelling arguments. But we all recognize that even the closest of friends will sometimes disagree on what constitutes the best policy. We will not go along simply to get along.

- Fifth and finally, we have demonstrated that we can and will act alone when necessary. Our right to self-defense is unquestioned. By the same token, we do not take lightly the costs to ourselves and to others when we forego participation in some multilateral initiative. We will give consultations every reasonable chance to produce an acceptable outcome. But if we conclude that agreement is beyond reach, we will explain why and do our best to put forth alternatives. We have shown this commitment in policies ranging from developing a new strategic framework to protecting the environment. And we will continue to do so.

**Conclusion**

The Bush Administration's foreign policy is based upon a clear-eyed understanding of the challenges of this new century. It comprehends both the traditional and the transnational factors shaping the post-post-Cold War world. It is guided by the principle of integration, but recognizes that success is by no means inevitable. There is a natural tendency in any system toward entropy. No invisible hand makes the international environment increasingly hospitable to our values and interests. Only human hands often American hands can do that work.

The challenge for American foreign policy is translating our strength into something lasting a world where our way of life is secure and universal values are embraced as standards, not exceptions. We now have the opportunity to do this. We have already begun to realize this

potential. We know the way forward. George Kennan stressed over five decades ago one of the major weapons in our foreign policy arsenal was “the cultivation of solidarity with other like-minded nations on every given issue of foreign policy.” In the post-post-Cold War world, it still is.

# Fourth International Conference on Export Controls

**By**

**John R. Bolton,**
**Under Secretary for Arms Control and International Security**

[Keynote address to the Fourth International Conference on Export Controls, September 30-October 3, 2002 Warsaw, Poland, October 3, 2002.]

When the United States and other nations began working together on the problem of proliferation of weapons of mass destruction (WMD) over thirty years ago, the world was a very different place, where the largest source of the most dangerous materials was contained within two superpowers. Weapons of mass destruction were considered weapons of last resort. Non-state actors were not yet linked to abundant sources of supply. With the end of the Cold War, the international security environment changed and the proliferation problem increased. When the world witnessed the destructive potential of terrorism on September 11, 2001, we were reminded of the need to remain steadfast in recognizing emerging threats to our security, and to think one step ahead of those who wish to do us harm.

The United States believes that the greatest threat to international peace and stability comes from rogue states and transnational terrorist groups that are unrestrained in their choice of weapon and undeterred by conventional means. There can be no doubt that, if given the opportunity, terrorist groups such as al-Qaeda would not hesitate to use disease as a weapon against the unprotected, to spread chemical agents to inflict pain and death on the innocent, or to send suicide-bound adherents armed with radiological explosives on missions of murder. To ensure that terrorist groups and their state sponsors are never able to gain access to chemical, biological, or nuclear weapons, or the means to deliver them via missile, the United States is employing a variety of methods to combat the spread of weapons of mass destruction, including multilateral agreements, diplomacy, arms control, threat reduction assistance, export control and other means where necessary.

Export control, the subject of our discussions this week, forms a key component in our efforts to stem proliferation and terrorism. Proliferation concerns are growing, more states are seeking increasingly advanced WMD capabilities, more states are entering the supply market, and all of this is compounded by the fact that terrorists are also seeking weapons of mass destruction. A strong export control system, properly enforced, can stem the spread of weapons of mass destruction, their delivery systems, related dual-use items, and advanced conventional arms. Our critical mission to keep sensitive goods and technology out of the hands of terrorists and their state sympathizers requires us to enact strict measures at the national level, to work bilaterally to assist other countries in upgrading their tracking and enforcement capabilities, and to use multilateral partnerships to help standardize and strengthen export control laws. This annual conference has proved successful in providing a venue for policy, licensing, and enforcement officials to further those efforts on all levels.

This year's conference is co-hosted with our ally Poland. This is the first year where a recipient country of export control assistance has been chosen to co-host this important event. Poland, a member of all four multilateral export control regimes, is an excellent example of what national and multilateral efforts can achieve. Poland has made great strides in tightening its export control system within the past ten years. It adopted a new export control law in 2001, refurbished its border crossings, and has strengthened its capabilities to enforce export controls.

Previous conferences have addressed information-sharing, the intangible transfer of technology, catch-all regulations, and industry compliance programs. This year's conference will

focus on the changed environment in the wake of the September 11 attacks with an emphasis on countries' efforts to standardize procedures, share information, eliminate opportunities for criminal or terrorist efforts, and improve enforcement.

As we look at the changes in our world over the past year and review the task ahead of us, we must recognize the success or failure of any multilateral effort to control the flow of sensitive technology and dangerous material rests on a common purpose and agreement on the source of the threat. Terrorist groups seek to acquire chemical, biological or nuclear weapons any way they can; state sponsors of terrorism are actively working to acquire weapons of mass destruction and their missile delivery systems. Here lies a dangerous confluence of nefarious motives, and we must prevent the one from abetting the other. To do this, we must maintain an unvarnished view of the proliferators, and we must disrupt their supply of sensitive goods and technology before it contributes to an increased WMD capability or falls into the hands of terrorists or other rogue states.

Without question, the states most aggressively acquiring WMD and their means of delivery are Iran, Iraq and North Korea, followed by Libya and Syria. It is no coincidence that these states, which are uniformly hostile to the United States, are among the ones we identify as state sponsors of terrorism.

Iran, one of the most egregious state sponsors of terror, is known to be seeking dual-use materials, technology and expertise for its offensive biological and chemical weapons programs from entities in Russia, China and Western Europe. It is also seeking to upgrade its large ballistic missile force with the help of Russian, North Korean and Chinese firms. Our intelligence clearly shows that Iran seeks to acquire a nuclear weapons capability, and thus we are extremely concerned about transfers to Iran of dual-use materials. Once a rogue state's intentions become apparent, we can safely assume that the dual-use technologies it acquires will be used for nefarious purposes.

Iraq, despite U.N. sanctions, maintains an aggressive program to rebuild the infrastructure for its nuclear, chemical, biological and missile programs. In each instance, Iraq's procurement agents are actively working to obtain both weapons-specific and dual-use materials and technologies critical to their rebuilding and expansion efforts, using front companies and whatever illicit means at hand. We estimate that once Iraq acquires fissile material — whether by securing the materials to build an indigenous fissile material capability or by acquiring fissile material from a foreign source — it could develop a nuclear weapon well within one year. We also believe that Iraq has continued to procure materials and technology, including controlled items, for its biological, chemical, nuclear and missile weapons programs.

North Korea is the world's number one exporter of missile technology and equipment. These sales are one of its major sources of hard currency, which in turn allow continued missile development and production. As the central intelligence agency publicly reports: "North Korea has assumed the role as the missile and manufacturing technology source for many programs. North Korean willingness to sell complete systems and components has enabled other states to acquire longer range capabilities."

Libya continues to pursue an indigenous chemical warfare production capability, relying heavily on foreign suppliers for precursor chemicals, technical expertise, and other key chemical warfare-related equipment. Moreover, Libya has not abandoned its goal of having an offensive biological warfare (BW) program. It continues efforts to obtain ballistic missile-related equipment, materials, technology, and expertise from foreign sources. Further, it continues its longstanding pursuit of nuclear weapons, and the suspension of U.N. sanctions against Libya increased its access to nuclear technologies.

Syria seeks to expand its chemical weapons program and, through foreign assistance, improve its capability to produce biological weapons. Syria is also pursuing assistance from North Korea and firms in Russia for its missile development programs. Syria has become a major transshipment point for goods and technology going to Iraq.

Among these regimes flow dangerous weapons and dangerous technology. A growing concern is that cooperation among proliferators is increasing, recipients have become suppliers, and this "onward proliferation" presents yet another difficult problem. These are the critical areas of concern for those of us in the export control business, and it is on these rogue regimes in particular that we should focus a watchful eye. States such as these rely heavily on front companies and illicit arms traders to seek out arms, equipment, sensitive technology and dual-use goods for the benefit of their WMD programs. These front companies are experts at concealing the actual end-use of an item and in finding the path of least resistance for shipping an illicit commodity. If there is a loophole in a law or a weak border point, these companies will try to exploit it. All too often they succeed.

In an effort to plug the holes in this system, we are encouraging countries around the world to adopt export controls that conform to international standards, to put in place effective licensing procedures and practices, and to back them up with capable enforcement mechanisms. Through the Export Control Assistance Program, we are helping other countries to control the movement of goods and technology through their borders. For example, Customs officials in a Caspian Basin country who had received our training recently stopped a suspicious shipment headed through their territory that contained military aircraft parts destined for a false end-user in a Middle Eastern country. Officials immediately contacted our export control advisor at the U.S. Embassy for advice on how to proceed. This case is still in process, but demonstrates the progress we are making raising awareness about export controls and strengthening enforcement capabilities in the region.

We are also working to expand and update the inventory listed in the four multilateral export control regimes, so as to keep ahead of demands for new technology that could be used for the production of weapons of mass destruction. The control lists must reflect not only the items that could contribute to a full-scale WMD program, but also those that would be useful to terrorists. The United States imposes strict rules on its industry, the same ones it asks other countries to apply to theirs. U.S. companies are restricted from doing business with firms involved in supplying equipment, technology, or expertise to known proliferators or entities that could potentially aid terrorists.

Thwarting the acquisitive aims of rogue states and terrorists will require the determination and resourcefulness of all the countries represented here today. Sensitive, dual-use goods and technologies cannot be controlled effectively unless there is broad consensus to do so, and unless these goods and technologies are *consistently* denied to those we have identified as proliferators. With the consequences of failure so great, we simply cannot afford to have weak links in our common export control chain. As President Bush said in June, "The gravest danger to freedom lies at the perilous crossroads of radicalism and technology. When the spread of chemical and biological and nuclear weapons, along with ballistic missile technology … occurs, even weak states and small groups could attain a catastrophic power to strike great nations. Our enemies have declared this very intention, and have been caught seeking these terrible weapons. They want the capability to blackmail us, or to harm us, or to harm our friends — and we will oppose them with all our power." I encourage you to take full advantage of this conference by discussing how to further strengthen export controls and enforcement.

# Security, Stability, Prosperity: Engaging the Eurasian Front-Line States

**By**

**B. Lynn Pascoe**
**Deputy Assistant Secretary for European and Eurasian Affairs**

[The following are excerpts of the remarks delivered at the International Conference on Central Asia and the Caucasus Yale Center for the Study of Globalization, New Haven, Connecticut, September 20, 2002.]

I am pleased to be here today and to have this opportunity to discuss our policy toward Central Asia and the Caucasus with such a distinguished audience. I would like to congratulate the organizers on the timing of the conference: One year after September 11, 2001, is obviously a time to take stock. This is also the 10th year of independence for the countries of the former Soviet Union and, as some of you will recall, just over five years after Strobe [Talbott] laid out the first comprehensive U.S. government policy toward the Caucasus and Central Asia in his famous "Farewell to Flashman" speech.

It is important to note the significant areas of continuity in U.S. policy. We worked very hard in the first nine-plus years of our relationships with the new countries of Central Asia and the Caucasus to improve the economic and political lot of their peoples, to establish solid ties with their governments, and to support their newly-acquired independence. Our policy has accomplished a great deal over the past decade. Of particular importance has been our effort to eliminate weapons of mass destruction from the region from President Nazarbayev's wise decision to rid Kazakhstan of nuclear weapons to our continuing efforts to clean up old Soviet biological weapons (BW) facilities on Vozrozhdeniye Island. The strategic vision that drove this policy in Congress and the administration along with its funding and implementation is all the more impressive now that we find ourselves in an era of sophisticated terrorists seeking to use weapons of mass destruction against the United States.

The immediate provision of humanitarian aid in the aftermath of the Soviet Union's collapse saved many lives as the general domestic product (GDP) of these countries dropped precipitously with the loss of markets and the destructive wars in the Caucasus and Tajikistan. Our economic advice and steady pressure for economic reforms have helped advance the long process of recovery as well as the beginnings of new development in these countries. Progress in Kazakhstan and Kyrgyzstan was particularly impressive in the early years. The multiple pipelines strategy in which, by the way, is anti-monopoly, not anti-Russian has been carefully nurtured throughout this period. The U.S. was actively involved with the early oil pipeline from Baku to Novorossisk of 1997, the Baku-Supsa pipeline of 1999, and the Caspian Pipeline Consortium project that was completed last year.

Our effort to make the East-West energy corridor a reality took a giant stride forward two days ago (September 18) with the inaugural ceremony in Baku for the Baku-Tbilisi-Ceyhan pipeline (BTC) which Secretary of Energy Spencer Abraham attended. Turkey will hold a similar event in Ceyhan on September 26. That million-barrel-per-day oil pipeline is scheduled for completion in 2005, and a parallel Shah Deniz gas pipeline is in the planning stage. Our pipeline policy seeks to enhance global energy security by ensuring reliable flows of gas and oil to global markets, unfettered by geographic choke-points such as the Bosporus and the Straits of Hormuz. By doing so, projects like BTC help ensure that Caspian oil can stabilize oil prices at the margins, thereby serving as a hedge against OPEC efforts to manipulate oil prices. A large portion of American

assistance over the years has gone into building civil society in these former Soviet lands. Our success in developing the basis for responsible, modern nationhood in these countries has been considerable, if uneven. Georgia and Kyrgyzstan have vibrant civil societies, Turkmenistan still attempts to suppress most non-governmental activity, and the other countries lie somewhere in between. None of the countries has an exemplary record on human rights or democracy issues, and, in fact, the record of some remains quite bad. Nevertheless, there has been movement forward in almost all of the countries.

Between 1992 and this September, the United States spent nearly five and a half billion dollars in support for these efforts including $2.5 billion in humanitarian assistance, over $1 billion on economic and market reforms, $700 million for security assistance, over $600 million on democratic reform, and nearly $600 million on projects such as health, natural resource management, education, and community development. However, most observers viewing the region in mid-2001 could only rate the pace of overall political and economic reform in Central Asia and the Caucasus as slow at best. The GDP of all the countries remained near or below the level of a decade before, truly democratic governments were only a distant dream, conflicts remained unresolved in the Caucasus, and the threat of militant Islam led by the Islamic Movement of Uzbekistan (IMU) cast a shadow over the Central Asian landscape. Indeed, some of the countries in the region looked to be potential candidates for "failed state" status in the not-too-distant future.

After the terrible events of September 11, 2001, last year, a consensus developed quickly in Washington that we needed to break the back of al Qaeda and its Taliban patrons in Afghanistan before they could carry out further attacks against the United States. This required the support of all the countries of the region for the global anti-terrorism effort and bases in Central Asia to prosecute the war in Afghanistan. It was equally clear that we needed to ensure that al Qaeda, the IMU, or similar groups would not find fertile ground for bases in other regional failed states to attack our country. We recognized that this would be much more difficult than prosecuting the war and required long-term solutions. It demanded a more comprehensive approach to address the factors creating vulnerabilities in Central Asia and the Caucasus. Let me go into a bit more detail on Central Asia. It has become a cliche, but nevertheless remains very true, that the countries of Central Asia ceased being a backwater of U.S. strategic interests on that fateful day a year ago. They instead became front-line states in our global war against terrorism. Soon after September 11, 2001, all of the governments in the region offered generous assistance in prosecuting the war. Uzbekistan was the first to offer bases, but the others were quick to join the coalition and put facilities and air space at its service, especially after President Putin changed the initial Russian alarm at our presence into support.

Uzbekistan and Tajikistan played central roles as staging areas for our crucial early operations with the Northern Alliance. You may remember that the bombing campaign began on October 7, hours after Uzbekistan agreed to our carrying out search and rescue missions from Karshi-Khanabad airbase. All governments in the region provided blanket overflight rights, and Turkmenistan facilitated the transfer of some 40 percent of the humanitarian aid into Afghanistan in the first few months of the effort. While all countries offered airbases for the long-term prosecution of the war, Manas, the civilian airport serving Bishkek, was chosen for technical reasons to be the primary base for coalition air support for our troops in Afghanistan. We also obtained agreement to refuel aircraft at the Dushanbe and Ashgabat airports. We have no intention to build large, permanent U.S. bases in the region. We do, however, expect to use these facilities in Central Asia as long as conditions in Afghanistan require it. And we will want access for future contingencies and to be involved in training and joint exercises with the armed forces of these countries for the long-term.

The U.S. military action has disrupted al Qaeda, deprived it of its Afghan base, and greatly weakened its close ally, the IMU. This has given the countries of Central Asia some breathing space. But we know there is no alternative to continuing engagement with them. The terrorists could still regroup and bring intense suffering to the peoples of these countries and inflict catastrophic damage to the United States and its allies. But we must be more ambitious and attempt to deal with the fundamental problems of these countries. We are rethinking and intensifying our efforts to help them become stable, prosperous, and fully integrated members of the world community and the global economy. This will, of course, require them to carry out fundamental political, economic, and societal reforms. It will require a transformation of their thinking and actions from the Soviet mold that continues to dominate in much of the region. While we respect the unique legacies that shape the region, we have a pretty clear idea of what it takes for countries to prosper. Our policy is to try to encourage the governments to choose the proven path for development.

We have no doubt and emphasize it repeatedly that true security and stability, and eventual prosperity for these countries are inextricably linked to democratic and economic reforms, a healthy respect for human rights, rule of law, and a willingness to cooperate with each other. True economic reform is required for the creation of free-market economies not just tinkering around the edges. This, in turn, can unleash the entrepreneurial instincts of their well-educated populations, encourage foreign investment, and create the broad wealth that produces a stable middle class. We seek to impress on the leaders of these countries that promoting democratic reforms, independent media and a vibrant civil society will create citizens who feel that they have a voice in their own government and, thereby, an outlet for their frustrations. Given the sharp challenge posed by Islamic militants, democracy and respect for human rights are a necessity, not a luxury for these countries. We are quite clear that without democratic engagement and a hopeful economic future, the people of the region are capable of turning to other voices, voices of extremism and revolution.

Occasionally we hear the charge that we are downplaying human rights and democracy issues in Central Asia to ensure security cooperation in the region. These charges are flatly false. We believe firmly that these countries cannot make it to modern statehood without political reforms. How governments treat their people is key to winning the ideological battle. We have pressed and will continue to press human rights and good governance issues hard precisely because they are essential for the region's success. But success will not come easily or as quickly as we would like. The leaders of these former Soviet republics are a product of their own histories where command and control were the be-all and end-all of Soviet economic and political culture. Some of these leaders do indeed have a vision for a prosperous, democratic future, and we have actively sought to encourage these tendencies. But others, regretfully, are determined at all costs to maintain their power, and the ill-gotten wealth of their families and closest associates. Corrupt cronyism weighs like a millstone around the neck of some of these countries. That is one reason why too many are limping haltingly toward economic reform, because truly open, free-market economies would benefit the many rather than the few. That is why too many are deeply suspicious of allowing their citizens to have a voice in how they are governed. That is why we see too many abuses of human rights. And that is why we have seen precious few cases of free and fair multi-candidate elections in these countries.

And so the United States must maintain a carefully calibrated policy in this strategic region that includes both sustained positive engagement when leaders embrace reform, and negative engagement when they step backward. Regional cooperation does not come naturally to countries long subjected to divide and rule policies from the center. But it is essential to reverse the hardening of borders that occurred over the past decade as a result of extremist threats and misguided economic policies. We are working with each of the countries to develop modern

border controls that promote trade and interaction while inhibiting the trafficking in narcotics, persons, and the components of weapons of mass destruction.

Efforts by the central government in Afghanistan to tighten its control of the countryside offers the best hope in years of a major reduction in the flow of narcotics from the region. As part of the effort, we are stepping up our assistance in Central Asia to help stem the flow. This global scourge must be brought under control, and the Central Asians know that narcotics traffic breeds corruption, criminality, and addiction all along its path. We also encourage activities of the Central Asian Cooperation Organization and regional projects by the International Financial Institutions and others to tackle some of the deeply imbedded economic problems of the region, such as the environment and water, that can only be addressed on a regional level. We hope the recent increased security cooperation between the countries can be expanded into cooperation in economic and other areas.

Russia, China, Iran, Turkey and the key countries of South Asia all have natural interests in Central Asia. Our goal is to channel these interests, where possible, to benefit the entire region and to promote stability and prosperity in Central Asia. Cooperation of their neighbors is key to helping the countries there become economically viable and stable. The neighbors must come to see that their own interests demand a forward-looking approach that conforms to the needs of the 21st Century. It is no secret that our enhanced presence in the region following September 11, 2001, unsettled many in Moscow, Beijing, Tehran, and elsewhere who were and remain captives of the thinking of a century or two ago. We have carried on intense discussions with Moscow, in formal consultations led by Deputy Secretary Armitage as well as at lower levels, and with other capitals including Beijing, on our vision for the future of the region. The Central Asian countries not only want to preserve their independence, but they should be allowed to move toward prosperity without the disruptions brought on by the rivalry of outside powers. We also point out to the Central Asians the need to maintain good relations with their larger neighbors, to develop close economic ties with them, and to encourage investment from them. As we work to rebuild Afghanistan we want to encourage it also to develop close links with these countries. And, as always, we emphasize the importance of closer cooperation with the region to our friends in Europe.

In the past year, as a result of our intensified engagement, we have seen some surprising steps forward. Uzbekistan, which soon after September 11, 2001, was seen as the litmus test of our policy, has made some movement in the right direction. It has reengaged with the International Monetary Fund, and has taken tentative steps down the long road of reforming its command economy. The progress has sometimes been halting, but if Uzbekistan stays the course, it will reap the economic benefits. Likewise, Tashkent has taken modest steps toward reforming its human rights practices, perhaps most significantly in prosecuting and convicting officials who tortured prisoners to death. And, it has abolished prior censorship of the mass media though self-censorship remains a problem. These and other steps add up to modest progress, but they are obviously not sufficient. There is still far to go and we will continue to encourage progress.

Tajikistan, of which we hear too little, has emerged from its devastating civil war of 1992-1997, and has established a multi-party parliament incorporating many of its former Islamic foes in the government. The government is also extending its writ of authority throughout the country. And it is committed to fighting narco-trafficking. This year, Tajikistan has seized 260 tons of drugs — more than the rest of region combined. The Kyrgyz Republic has had its ups and down over the last ten years, but it clearly has the most vibrant civil society in all of Central Asia. President Akayev has publicly stated his willingness to engage with the opposition and is planning for a constitutional transfer of power at the end of his term in 2005. You can expect the full engagement of President Bush and other U.S. leaders on these issues during President Akayev's visit to Washington next week.

Throughout the post-independence period, Kazakhstan has led the region in market reform and political openness. The economic picture remains bright. Careful development of new oil and gas resources in the Caspian could make Kazakhstan one of the world's leading oil producers in a few years.

Delimitation of Caspian boundaries with Russia and the opening of the BTC pipeline have enhanced Kazakhstan's prospects. Unfortunately, recent democracy trends have been negative. Sadly, the government of Kazakhstan has become increasingly intolerant in recent months of media criticism and political opposition. We have been quite firm in urging President Nazarbayev and his government to reverse this trend. We regret that the leadership of Turkmenistan has veered into what appears to be a dead-end. The people of Turkmenistan are suffering for it. But even there, we can see the beginnings of civil society where citizens are forming non-governmental organizations to tackle social, environmental, and other problems. We hope that these seeds of a more open society will take root and flourish in the years to come.

We press the leadership of these countries to move forward with economic and political reforms at every opportunity and encourage them to create the institutions necessary to that end. At the same time, it is important for opposition groups to act responsibly as they seek to advance their own goals. The countries of the Caucasus, too, share many of the same challenges we face in Central Asia, although there are several unique problems that should be noted.

Apart from the corrosive corruption that permeates the country, Georgia faces significant security problems that threaten its sovereignty and territorial integrity. The presence in the crime-ridden Pankisi Gorge of international terrorists with links to al Qaeda is of serious concern. The United States is helping Georgia address its internal security problem through various assistance programs, including the Train and Equip Program or the Georgian military. This assistance is intended to help the Government of Georgia deny the use of its territory to foreign terrorists and build strong democratic institutions.

Moscow's rhetorical campaign against Tbilisi and its occasional violation of Georgia's territorial integrity are clearly not acceptable. We have worked and will continue to work intensively with Russia and Georgia to solve the very real security problems in this region and to de-escalate the tensions between Moscow and Tbilisi. The armed conflict over Nagorno-Karabakh ended eight years ago, but the failure to establish peace keeps Armenia and Azerbaijan shackled and unable to realize their full potential. The costs to the people of both sides are enormous, including the lost opportunity to get on with building modern societies. We continue to work with Russia and France in the Minsk Group and with the two governments concerned to help promote a solution. We have taken a major step forward recently in engaging both Azerbaijan and Armenia. From 1992 until 2001, the assistance we could give the government of Azerbaijan was severely constrained by Section 907 of the *Freedom Support Act*. We could engage in democracy and humanitarian programs, but were unable to engage in most forms of security cooperation as well as intelligence and law enforcement cooperation.

To take full advantage of Azerbaijan's offers of vital assistance after September 11, 2001, Congress granted the President the authority to waive Section 907, which he did for the first time this past January. This also made it possible to move forward with Armenia on military cooperation. Today, our engagement with both Armenia and Azerbaijan is moving ahead and we hope it will strengthen possibilities for lasting peace. Turkey has a positive role to play in the Caucasus and also in Central Asia. We have welcomed the recent development of trilateral ministerial involving Turkey, Armenia and Azerbaijan. We encourage Turkey and Armenia to continue to work toward normalized relations and an opening of their borders, without which prosperity for the entire region will be handicapped. Likewise, given Turkey's historic ties to

Central Asia and the linkages created by oil and gas pipelines, we look for Turkey to play an increasingly helpful role in the region.

In the Caucasus, as well as in Central Asia, we believe the European Union can become more active, increasing both its assistance and diplomatic influence. Central Asia and the Caucasus are indeed a complex challenge for the United States. But September 11, 2001, made it obvious that we had to meet that challenge. As we have told the leaders of each and every one of these countries: the United States is in this for the long haul. We have committed ourselves to a qualitatively new relationship with these countries.

We will be a force for fundamental change, even if in many cases that change comes more slowly than we would like. We, and the countries of these regions, have no real choice. The way to make these countries stable, secure, and prosperous is through movement toward democratic governments that respect human rights and the rule of law, and economic reform that integrates them more fully into the global economy. We can, and will, be there to help them in this endeavor.

# Prospects for Peace in South Asia

**By**

**Christina Rocca**
**Assistant Secretary of State for South Asian Affairs**

[The following are excerpts of the speech presented at the Strobe Talbott and Nayan Chanda U.S. Institute for Peace Washington, D.C., September 5, 2002.]

**Introduction, Conflict in the Region**

I am pleased to be here today to discuss the prospects for peace in South Asia. This subject is central to the goals of the United States, and to the interests of the international community in the region. I know that a principal concern of this gathering today is the continuing crisis between India and Pakistan, and I will review current administration thinking on this issue.

But it is also important to keep in mind that there are other, quite serious, conflicts in South Asia. I think that these also need to be included in any discussion of stability and the prospects for peace in the region. I know that the situation in Afghanistan was taken up at a separate session this morning, so I do not intend to address it except to the extent it influences other developments in South Asia. But I would like to talk about Sri Lanka, where there are some indication that an almost twenty-year conflict may be on the way to resolution, and about Nepal, where a rural insurgency has grown over the past five years to threaten the future of a country struggling to establish prosperity and democracy.

**India-Pakistan**

Throughout South Asia, the search for prosperity and democracy is too often overshadowed by the specter of war. The most prominent case in the region, of course, is the continuing crisis between India and Pakistan. Twice so far this year, the possibility of war between India and Pakistan became very real. Hundreds of thousands of Indian and Pakistani troops were mobilized along their border and the Line of Control in Kashmir. These crises were generated by extremely provocative terrorist attacks, first against the Indian parliament in New Delhi last December, and then against families of Indian soldiers in Jammu in May. The forces of extremism once again sought to exploit the deep and long-standing differences between India and Pakistan over Kashmir.

They did not succeed, and tensions have been reduced since then thanks to decisions made in Islamabad and New Delhi, with the encouragement of the international community. But we, and the rest of the international community remain deeply concerned. The military mobilization continues. The rhetoric, though muted, could bubble up again. Another major terrorist attack or a significant surge in violence could still spark a military confrontation, with long-lasting and devastating consequences for the entire region. The enemies of moderation in the region are aware of this fact and have already tried to exploit it through high-profile terrorist attacks. They could very well try again.

We need to recognize that an important factor in the current crisis is the willingness of extremists and terrorists to go to any length to reach their goals. Our efforts to prevent conflict between India and Pakistan are made even more urgent by the global war on terrorism. President Musharraf, recognizing the danger that extremism poses to his country, has denounced the senseless ideology of violence. Pakistani authorities have moved against extremist groups. The

extremists, showing how threatened they feel by President Musharraf's actions, have struck back. The government has not been intimidated; instead it has continued its campaign against terrorists and their supporters. We are standing by Pakistan as it faces this brutal challenge.

Secretary Powell has said that war is just not an option in resolving the differences between India and Pakistan it will only make the situation worse, probably much worse. The only realistic way forward is the path of dialogue and confidence building. The Secretary has also publicly recognized that Kashmir is now on the international agenda. Given the potential cost of a conflict, the international community has focused on the need to reduce tension and demobilize. No one from the outside can impose a settlement, but we must work to help the two sides further de-escalate current tensions and begin to tackle the more fundamental differences between them.

Both sides have reaffirmed their desire for a peaceful political solution to their differences. President Musharraf has pledged that his government will provide no support for infiltration across the Line of Control, and that he will not permit Pakistan to be used as a base for terrorist attacks in any other country. Pakistan needs to sustain that pledge in order to begin a process of resolution of the immediate crisis and of its more fundamental differences with India. We also look to India to take further de-escalatory actions, as Pakistan carries through with its commitments. As tensions begin to subside, New Delhi should agree to resume talks with Islamabad on all issues, including Kashmir. During his recent meetings with Indian leaders in New Delhi, Secretary Powell saw that there was a solid commitment to dialogue. He said that India understands that their dialogue had to include all the issues between the two nations but especially it had to include Kashmir.

**Kashmir**

The problems of Kashmir cannot be resolved through violence, but only through a healthy political process and dialogue between the parties. We look forward to India holding free and fair state elections beginning later this month. We also encourage a continuation and expansion of the nascent efforts to engage Kashmir separatist leaders. Kashmir's, Pakistanis and Indians must do their part to ensure that the upcoming elections can be held in safety and without interference from those who would like to spoil them. Recent attacks on officials and political party activists in Kashmir cannot be allowed to derail the election.

State elections can be an important step in a political process, but they alone cannot resolve the problems between India and Pakistan, nor can they erase the scars of so many years of strife. Only a productive and sustained bilateral dialogue on all issues, including Kashmir, will prevent future crisis and finally bring peace to the region. We are committed to staying engaged, in the months and years ahead, helping both parties resolve their differences so that everyone in the region can live in dignity, prosperity and security.

**Sri Lanka**

As I said earlier, there are other serious conflicts in South Asia, in which thousands have died, and thousands more can die if they are not resolved. I will touch briefly on the situations in Sri Lanka and Nepal. I hope that our discussion after the opening remarks will include some attention to these situations. Recent developments in Sri Lanka have been encouraging and give us cause for cautious optimism. After almost two decades of war, costing well over 60,000 lives, a serious peace process is now under way. A cease fire has been in place since late last year. Norway, which has been acting as a facilitator, recently announced that the Sri Lankan government and the Liberation Tigers of Tamil Eelam have agreed to begin the first round of formal talks on September 16 in Thailand. The government's announcement yesterday that it was lifting its ban on the Tamil Tigers as part of the peace process is another welcome development.

The United States has supported Norway's efforts and we are continuing to watch developments very closely. We hope that the talks will eventually bring to an end this bitter conflict. The Norwegian government has played a key role in bringing the two sides together in what appears to be a major step forward. We wish them, and the Sri Lankan parties, continued success in their efforts toward peace. A negotiated political settlement to this conflict would be the best demonstration that negotiation not violence provides the most effective means for dealing with contentious issues that divide and separate peoples throughout the world.

We believe that such a settlement is possible if both parties continue to demonstrate the constructive and serious approach that has brought the process to this point. The people of Sri Lanka deserve nothing less. Everyone should understand, however, that the path to peace will not be smooth and that this is just the first step on that journey. The United States strongly supports the Sri Lankan peace process, as the President affirmed in July when he met with the Sri Lankan Prime Minister in Washington. Deputy Secretary of State Armitage recently concluded a successful visit to Sri Lanka, which included meetings with the government, the opposition, and Tamil leaders. Mr. Armitage emphasized the U.S. commitment to peace in Sri Lanka and our desire to help that country realize its great potential. We will continue to urge a negotiated settlement, which has as its goal a nation that is whole, at peace, and respects the rights of all of its citizens.

**Nepal**

I wish we could have as much optimism over an early end to the conflict in Nepal. That country continues to confront a violent Maoist insurgency, now in its sixth year, which has left over 4,000 dead. The Maoists have employed ruthless tactics in the field and conducted terrorist attacks against both government targets and innocent civilians. We acknowledge the Nepal government's right and duty to protect its citizens, within the framework of its constitution. Unfortunately, the leaders of Nepal's ruling political party are locked in a power struggle that inhibits the government's effectiveness in dealing with the insurgents and undertaking development initiatives to start restoring its authority in the countryside. The United States is finalizing plans for assistance as part of an international response to end this brutal conflict and help bring peace to Nepal. Our programs are intended to facilitate the government's efforts both to restore security and to focus on development and poverty reduction.

To truly end this conflict, the government and people of Nepal must build a better future for their country. Nepalis must hold their officials accountable for good governance and ending corruption. All must work to find the common ground on which to begin rebuilding what the Maoists have destroyed. We can assist in that reconstruction by continuing to aid Nepal's economic development. Peace can provide the space in which Nepal can diversify its economy, attract foreign investment, and seek sustainable and environmentally sound ways to tap the potential of its natural resources. While much remains to be done, many in the international community stand ready to assist.

**Continued U.S. Engagement**

These then are three of the four major conflicts in South Asia. All need to be resolved to truly have peace in the region. It is our intention that the United States does what it can to move toward resolution of each one. As Secretary Powell said in his visit to the region in July, what the United States is trying to do is to play the role of a friend, a good friend to all the nations of South Asia. He observed that our relations with all of the nations of the region are perhaps better then at any time in the last quarter century. And noted that if we are seen as a good partner then we can be in a position to perhaps assist nations in resolving their differences. Not as a meddler nor as a

mediator, but somebody whose good offices can help bring people to the table to deal with their differences. We hope that we will be able to play this role in the region.

# United States Approaches to Nonproliferation

**By**

**John S. Wolf**
**Assistant Secretary, Bureau of Nonproliferation**

[The following are excerpts of the speech presented at the meeting of Monterey Nonproliferation Strategy Group, Stockholm, Sweden, September 6, 2002.]

Sweden, through its institutions and its people, has a long history of determined support for non-proliferation. Ambassador Ekeus, in his chairmanship of the U.N. Special Commission is part of this tradition, as are Hans Blix, and of course, Sweden's Ambassador to the United States, Jan Eliasson.

The United States has for over a generation worked to halt the spread of weapons of mass destruction and ballistic missiles. For the Bush Administration, this is a fight that is a cardinal objective of U.S. foreign and national security policy. Last September's terrorist attacks in New York and Washington, followed by the anthrax attacks the following month, dramatized the human dimension of these concerns. The heart-rending impact of these terrible acts on the lives of so many ordinary people has brought home what is at stake, for America and the world, if weapons of mass destruction (WMD) are allowed to spread further or if they were to fall into terrorists hands.

March of this year, President Bush stated:

> In preventing the spread of weapons of mass destruction, there is no margin for error, and no chance to learn from mistakes. Our coalition must act deliberately, but inaction is not an option.

I suppose it is natural at gatherings like this to pierce down into the workings of the various treaties and regimes that so many of you have worked to develop over a period of decades. And my country has long been at the forefront of advocacy for many of these treaties, and in most cases still is. But at the same time, we need to be aware that there are a host of issues call it defiance of the norms and treaties that pose real risks to the international community, and these problems are growing. The facts are indisputable. New weapons programs and their delivery systems in the Middle East, South Asia and East Asia, have real, destabilizing consequences. Regional instabilities generate global ripples political, economic and social.

The ongoing air of confrontation and recurrent crisis in South Asia for example, pose risks well beyond the region. Far from stabilizing the situation or even strengthening individual nation's security, nuclear weapons in South Asia have upped the ante in a way that places millions of ordinary people in far greater danger than ever before. South Asia is but one example of the dangers we must address. Other WMD wannabees have drawn the conclusion that acquisition of WMD weapons will enhance nations security. They are mistaken, and the world is all the more dangerous for their mistake.

Our mission is clear: to prevent the spread of weapons of mass destruction, missiles, and advanced conventional weapons. The proliferation problem is becoming worse. The number of demandeurs is up, there are more suppliers, due to increasing globalization, and the distinction between buyers and sellers has blurred. Proliferators links to terrorism open up a whole new dimension of concern.

President Bush spoke in his State of the Union address of an "axis of evil". While these words may be harsh, the linkages are real. Iraq, Iran and North Korea, by their continued hostility and their ties to terrorists, pose a direct threat to the United States, its allies and friends, and our deployed forces. North Korea continues to acquire more sophisticated WMD and missile expertise, and is prepared to sell missiles to any country that can buy them. And they have done so. Iran continues its WMD and missile development with help from North Korea, and entities in China and Russia. Iraq covertly diverts or smuggles in technologies that are helping it to reconstitute its WMD and missile capabilities, all in defiance of United Nations Security Council resolutions, and with cynical indifference to the sufferings and deprivations of its own people. And it is now evident that these countries, plus others that have been covertly developing WMD and missiles, and importing technology and components, may now be exporting those same elements to others.

So the stakes are high and the challenges are great. But the news is not all bad. Over the past year, we have some important achievements to be proud of:

- We achieved United Nations consensus for a new, more focused and credible export control regime for Iraq, which balances the legitimate humanitarian needs of the Iraqi people first, against firm guidelines to help stop the sale of technologies to be used for military purposes. (But, looking ahead, the real issues of Iraq is just ahead the international community can not continue to tolerate Iraq's continuing defiance of successive United Nations resolutions, its continuing efforts to acquire mass weapons, nor the threat all this poses to Iraq's neighbors, its own people, and each one of us.

- The G-8 has have laid the groundwork to pursue multilateral arrangements to support Russia's program to dispose of 34 tons of surplus weapons-grade plutonium, and we are building a new global partnership that can greatly accelerate work in Russia, the former Soviet Union and beyond to safeguard dangerous materials, destroy chemical weapons stocks, and redirect the work of thousands of former weapons scientist.

- We secured a number of nations support, including that of Russian and Indian agreement to expand export control cooperation with us.

- The first Non-Proliferation Treaty Revcon Prepcom went relatively smoothly, but as Amb Salander said there are a number of hurdles on the road to 2005 within the Revcon, but the really serious challenges come from events outside the conference room.

- We are pursuing an international effort to increase the IAEA budget for nuclear safeguards, and we started the process of ratifying the U.S.-IAEA Additional Protocol.

Within recent weeks, we have seen cooperative efforts between the United States and other countries yield important results:

- In partnership with Russia, the Yugoslav federal government, Serbia and the IAEA, we have removed into Russian safekeeping a significant quantity of weapons-grade uranium from the Vinca research reactor near Belgrade. This success offers a model for similar projects in the future, several of which are now under examination.

- And China's announcement of broad new export control regulations holds out promise of Beijing playing a more active and vitally important role as a full partner in nonproliferation. There are formidable challenges, and new rules are meaningless without a serious law enforcement effort, but this significant step lays crucial groundwork and sets the stage to work together on remaining issues.

Given President Bush's insistence that halting proliferation must be a central element of U.S. foreign policy, we are focusing on a number of specific policy initiatives:

- We aim broadly to diminish the worldwide sources of supply for rogue-country WMD and missile programs, even as we work also to put in place the disincentives that could limit demand.

- We can reduce the flow of sensitive technologies by raising the bar further in the four export control regimes. This means getting partners agreement to stay ahead of the curve in defining and protecting the technologies and products proliferators need.

- But it also means getting better at disruption of proliferators efforts.

- Getting Russian cooperation to curb WMD technology flows from Russian entities to Iran is one of our highest priorities. And allow me, if you will, to make several additional points on this issue:

  •• Our dialogue with Russia on this point stretches from my level, all the way up to the two Presidents. The Presidents seem of one mind concerning the threat that a nuclear and missile equipped Iran would pose, in the region, to Russia, the U.S. and our friends. And the Russians do not argue that Iran is sparing no effort to acquire such weapons. Where we differ is the role Russian entities play. The facts are troubling.

  •• There can be no logical explanation for a country like Iran, so rich in oil and natural gas, to spend billions of dollars to establish an entire nuclear fuel cycle. The gas they flare annually is worth considerably more than the price they are paying for Bushehr, and that is but one of the nuclear efforts under way. We were confident of our intelligence, which shows conclusively that Iran's objective is early acquisition of a nuclear weapons capability. Resolving the profound contradiction between President Putin's statements and the facts on the ground will be an important factor in determining whether Iran's efforts are successful, and it will be an important factor the degree to which U.S. Russian relations can grow into new areas related to nuclear development and space.

Make no mistake about our resolve. We will make every effort, and use all means possible, to cut off Iran's access to those who would supply their nuclear weapons program. This includes the use of sanctions against entities and governments that assist Iran's efforts.

- We also aim to see China do what it has said it will do to enforce controls that will stop the flow of WMD and advanced weapons technologies to countries like Iran, Iraq and Libya.

- South Asia is a special case. They have weapons. We will not be successful in pressing them to beat them into plowshares, but we need to be more inventive in getting them to understand much better how to manage the dangers that the weapons pose. There are a variety of confidence building measures they could take bilaterally and unilaterally.

- We will press hard to keep newly advanced states like the East Europeans or India from becoming the next WMD shopping centers for would-be proliferators.

- North Korea is a complicated situation, a supplier and a buyer. Both must stop or be stopped.

- We are making clear in the marketplace that companies have a choice: sell technologies to proliferators or in the United States but not both. Where official controls fail, and

where companies make the wrong choice, there must be consequences. One consequence is sanctions.

- Another tool is interdiction. It is not a panacea, but properly planned and executed, interdiction can enable us to intercept critical technologies en route to dangerous end users, and lengthen the time that proliferators will need to acquire new weapons capabilities.

Stopping proliferation is the ultimate multilateral activity. And the United States is an active partner, in fact the most active partner in multilateral regimes designed to prevent dangerous goods and know-how from getting to people with bad intentions. In these efforts, no organization plays a more critically important role than the IAEA. We are working to ensure that the IAEA has enough money and resources for effective safeguards, and the tools it needs for vigorous action in countries like Iran, Libya and North Korea.

We also want to reinforce the NPT boundaries dented by the 1998 South Asia nuclear tests; (as we discussed yesterday) there are many hurdles along the path to a successful 2005 NPT Review Conference. The treaty and the norms it provides are our best protection against a world unspeakably more dangerous if we allow others to move across the nuclear threshold. That issue, in my mind, dwarfs all others.

Another key element of our nonproliferation policy is the nuclear threat reduction assistance programs. They provide a cost effective force multiplier by enabling our partners to take more effective measures against proliferation, to stem dangerous exports, secure dangerous materials and redirect WMD expertise into peaceful, valuable work. This serves the international community, strengthening in very tangible ways the consensus against proliferation, even as it builds better foundations for future cooperation.

- We are looking at ways to broaden our programs beyond the former Soviet Union, as in the G-8 Global Partnership.

- We are considering ways we, and partners could help tighten national legal regimes; design and implement inventory controls, and provide for better tracking of dangerous nuclear, biological, and chemical materials in domestic and international commerce.

- We see this effort as one to pursue bilaterally and multilaterally. We have already begun outreach to industry groups, and will shortly begin to survey national laws and regulations worldwide, as a first step in designing international outreach efforts to upgrade export controls.

- But beyond such technical efforts, President Bush has made clear, most recently at Kananaskis, that he wants to use the G-8 Global Partnership to accelerate and expand programs with Russia and the other former Soviet states. This includes speeding up the negotiations on plutonium disposition and plutonium reactor closure, and expanding programs like bio-engagement and the science centers. The guidelines agreed to at Kananaskis are crucial both for assuring that funds already committed are disbursed more quickly, and a context for major new commitments.

**Conclusion**

The attack on the United States nearly one year ago has served to focus attention on a danger that we have all been aware of for some time. These are not dangers just for the United States; they are a direct challenge to the world as we all know it. These are real world threats; we need to fashion real world responses that work. We will not solve problems overnight. It will take great perseverance, skill and resources to forge an effective global partnership against the nexus of

proliferation and terror. This is the President's goal. We will pursue it on many fronts, with many tools. We will build international partnerships where we can, involve the private sector where we can but we will act wherever and whenever we must.

# Implementation of the Lusaka Protocols

**By**

**Colin L. Powell**
**United States Secretary of State**

[The following are remarks presented to the Special Meeting of the Joint Commission for the Implementation of the Lusaka Protocols, at Hotel Tropico, Luanda, Angola, September 5, 2002.]

This is a historic moment for me and for all of us sitting here today when we see former adversaries sit around the table of peace to discuss reconciliation and discuss the future of Angola, the future of this country and the future of its people. It is only fitting that the representatives of the Angolan government and UNITA, working with the United Nations, have the support of Portugal, the former colonial power which has itself undergone a remarkable two decades of democratization, and that they have the support of the United States and of Russia, former adversaries who now work together around the globe for peace and prosperity.

The United States has been an active member of this Troika, urging reconciliation. For the past six months the United States has worked with Angola, laying the foundation for reconciliation. This year our humanitarian assistance to Angola is nearly $100 million. Angola is facing enormous challenges as millions of displaced Angolans become reintegrated into society. And I want to assure all here that the United States stands ready to help to do as much as we can to make this a successful reintegration.

I would like to commend the government of Angola and UNITA for demonstrating true commitment to peace during the last six months. You have made a promising start. Now for peace to hold, reconciliation to be achieved, and for hope to return, both the government and UNITA must reach out to all concerned Angolans in search of deep reconciliation.

We know this from our own history. One hundred and thirty-seven years ago Abraham Lincoln and I thank you for referring to him earlier was inaugurated for a second term as President of the United States, and he was speaking at the end of a bloody civil war where Americans had killed other Americans for four long years. Hundreds of thousands of brothers lay dead. And in this time of great crisis, and this time of great need for reconciliation, for coming together of the societies, President Lincoln, at his second inauguration, gave an address that means still so much to all Americans. It is an address that is so powerful that I think it fits the situation that we have here in Angola, and I hope you will find some inspiration and comfort from these very simple words uttered by Abraham Lincoln as we came to the end of our crisis, the Civil War. What he said, in addressing the American people, as the way to go forward is that we should move forward with malice toward none, with charity for all. Let us strive to bind up the nation's wounds, to care for him who shall have borne the battle, and for his widow, and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves.

President Lincoln did not discriminate between victors and vanquished: he just saw hurting people who needed to be healed. Similarly, this Joint Commission is not just about ending the war: it is also about an opportunity to heal wounds and frame the future and shape a new political dynamic for Angola. If it is to succeed, the Joint Commission cannot become merely a mechanical exercise without meaning to anyone other than the participants. The Joint Commission and the healing it is meant to foster must be a tool to help build a new Angola, a peaceful, prosperous, and democratic Angola.

Reconciliation will not be easy, but it must begin now. the people of Angola have suffered enough. This opportunity that is now before us must not be squandered. We must all join together, hand in hand, to help Angola enter a peaceful and prosperous future.

# The Administration's Commitment to Sudan

**By**

**Walter H. Kansteiner, III**
**Assistant Secretary for African Affairs**

[The following are excerpts of the testimony before the Senate Foreign Relations Committee Subcommittee on African Affairs, Washington, D.C., July 11, 2002.]

It is indeed an honor to appear again before this Subcommittee, this time to discuss the administration's commitment to bring about a just peace settlement to end the tragic civil war that has raged in Sudan since 1983. I would like to discuss the latest policy developments concerning Sudan, including my recent trip to Khartoum and Nairobi, where I met with the leaders of the Sudan People's Liberation Movement and the Government in Khartoum.

When the administration first laid out its policy towards Sudan, it identified three elements. First, we would deny the use of Sudan by terrorists as a harbor or safe haven. Second, we would ensure humanitarian access to Southern Sudan, and third, support a just and comprehensive settlement of the civil war that has raged there since 1983.

The September 11, 2001 terrorist attack on the United States injected a degree of urgency into our counter-terrorism cooperation with Khartoum. The President defined the government's choice in stark terms: you are either with us, or you are against us. The government appears to have calculated that it could not be against us. While I cannot discuss the sensitive details of their cooperation in this unclassified setting, I can with confidence characterize their current cooperation as acceptable, but as the President said, still more is required.

Our Counter-terrorism Coordinator Ambassador Frank Taylor and I just returned from meetings with the senior leadership in Khartoum on July 2, where we discussed our expectations for continued cooperation. We also made it clear to them that a good record of cooperation in counter-terrorism, vital as it might be, does not provide a free ride on other requirements — particularly humanitarian access and a just peace.

Since February 2002, the authorities in Khartoum have aggravated the human tragedy in Sudan more than usual by denying complete humanitarian access to the famine-threatened region of Western Upper Nile. This is in direct contravention of the terms of the Operation Lifeline Sudan agreement they signed with the United Nations and the Sudan People's Liberation Army (SPLA). We at the Department of State, our colleagues at USAID, and the President's Special Envoy for Peace former Senator John Danforth have repeatedly protested this failure on the part of the Sudanese government to honor its agreement and to safeguard the well-being of its citizens in southern Sudan. I raised the issue directly with President Bashir and Vice-President Taha in Khartoum on July 2. Bashir offered us humanitarian access to eighteen locations in southern Sudan, including four in Western Upper Nile. I made it clear that we would settle for nothing less than what the government has promised to give us: full and unhindered humanitarian access to all of southern Sudan. I delivered a similar message on our deep disappointment that the government's campaign in the South continues to violate the human rights of its citizens by denying them access to needed humanitarian assistance. I want to take this opportunity to reiterate these messages to the government of Sudan.

Prospects are quite positive for the peace process that began June 17 in Nairobi. Lieutenant General Lazaro Sumbeiywo, Kenyan army commander, has provided determined and capable leadership for the Intergovernmental Authority on Development (IGAD) regional organization hosting the talks. Our diplomatic team in Nairobi is providing day-to-day support for the talks. The British, Norwegians, Swiss and Italians are providing similar assistance. Here in Washington, we have assembled an inter-agency Sudan Programs Group headed by a "Chief Operating Officer" for Sudan policy, Ambassador Michael Ranneberger, to manage the day-to-day work of implementing policies and programs related to the peace process. Presidential Envoy for Peace former Senator John Danforth will travel to Europe next week to consult with our European friends and allies on peace process strategy and will encourage increased financial support for humanitarian and peace process operations. Former Senator Danforth plans another trip to Kenya and Sudan next month to encourage continued forward movement in his meetings with Garang, Bashir and other key figures in the peace process.

General Sumbeiywo's objective is to secure agreement by the parties to a framework by the end of the month, and to achieve a just and comprehensive settlement agreement by the end of the year. These are extremely high goals, but he believes they are eminently doable, and that the parties possess the political will to reach agreement. The United States is fully committed to work with the parties to make General Sumbeiywo's goals a reality.

Until the day that a just and comprehensive peace settlement is reached, the cold reality of the civil war in Sudan is that the two parties will continue a policy of talk and fight. Most recently, the SPLA recaptured Kapoeta, and the government took Gogrial. Of greater concern are the allegations of attacks on civilians by the government of Sudan in contravention of the agreement signed in March 2002 by both sides not to target civilians. The fog of war and the scarcity of on-the-ground reporters who can collect and report the facts have made it difficult to verify these claims. To help establish ground truth capacity, I have sent retired Brigadier General Herb Lloyd to Khartoum to establish and head up a verification unit. It will consist of two groups, each with fixed-wing aircraft: one fifteen-person group in the northern area and a ten-person group in the southern area. The mission of each will be to investigate first-hand any reports of attacks on civilians and report their findings to the U.S. government. We will report verified attacks on civilians as violations of the Geneva Code, to which Khartoum is a signatory. More importantly, and of more immediate importance to the Sudanese overnment, we will interpret any such violations as an indication of bad faith vis-à-vis the peace process that will have a direct, negative impact on prospects for improved bilateral relations.

Mr. Chairman, the civilian verification unit to monitor attacks on civilians is only the latest of four initiatives the administration is pursuing to test the seriousness of commitment of the parties to achieving peace, and to create conditions on the ground to help end the vicious cycle of war. The first of these initiatives to be implemented was the cease-fire in the Nuba Mountains, for which we created a Joint Military Commission (JMC) together with the "Friends of the Nuba Mountains," which includes Norway, Britain, Switzerland, Italy, Germany, France and Canada, among others. A Norwegian general, served by Swedish and British deputies, heads the JMC. As a result of the stabilizing influence that the JMC's verification efforts have brought, we have seen something approaching a return of normalcy to the Nuba Mountains. Internally displaced people are returning to their homes. Normal economic activity is resuming. Prisoners of war are being exchanged. Goods and people are moving across the cease-fire lines.

We have received word from both sides that they agreed to a six-month extension of the cease-fire through January 2003, whereupon they would under the terms of the agreement consider another extension. I will chair a meeting of the "Friends of the Nuba Mountains" at senior level here in Washington on July 31. It will evaluate the work of the JMC, outline its work for the next six months, and encourage other countries to support the JMC's work both financially

and with the transfer of uniformed military officers to staff the JMC. The success of the Nuba Mountains cease-fire gives us tangible indications of what a comprehensive peace agreement could accomplish not only in the South, but throughout all of the Sudan.

Another of our initiatives was the creation of an international group of eminent persons, chaired by former Deputy Director of USIA Penn Kemble and Ambassador George Moose, which traveled to the Sudan to investigate slavery and issued a series of concrete recommendations for eliminating this nefarious practice. It refuted the Khartoum government's weak assertion that there is no slavery in Sudan, as well as the equally weak assertions of some European intellectuals that what we call slavery is nothing more than a traditional practice of abductions.

The commission's report, available on the Department of State website, made it clear that slavery exists in the Sudan, and that the Khartoum regime uses slavery as a tool in its war on the people of southern Sudan. We are now in the implementation phase, and are considering ways that the civilian verification unit can be used to investigate and report the incidence of slave raids by the Khartoum government and its militia allies.

The fourth and final initiative was the "Days and Zones of Tranquility," under which both sides would allow government and non-governmental organization personnel to vaccinate people and animals against polio, rinderpest and guinea worm in southern Sudan. I understand that the effort was successful in protecting thousands of people against polio. The Khartoum government and SPLA have hindered progress with the rinderpest and guinea worm inoculations. USAID and non-governmental organizations continue to administer vaccinations where they can, while we have made it clear to both parties that we expect them to honor their agreements to permit access to the other affected regions.

Let me say a few words about Sudan's efforts to improve its status as a neighbor in the sensitive Greater Horn of Africa neighborhood. Khartoum has demonstrated a desire to improve regional stability through support for Ugandan efforts to free the captives of the terrorist Lord's Resistance Army and capture its renegade leader, Joseph Kony. The Sudanese government reversed its policy of support for Kony and the LRA by allowing the Ugandan military to hunt the LRA in southern Sudan with the help of Khartoum's military. While this reversal of support for a prominent, destabilizing terrorist organization is promising, the international community awaits the results of this effort.

Mr. Chairman, I want to close my prepared testimony by assuring you that the Bush Administration is committed to ending the cycle of violence and suffering in Sudan by pursuing a just and comprehensive peace in Sudan. We support the Senate version of the S*udan Peace Act*, which shares those same goals. Our approach is to focus on the big-picture process of achieving a just and comprehensive end to the war and suffering in Sudan, and not to become bogged down on a divisive issue that would do little to advance the cause of peace. This will remain our position so long as we judge that the Sudanese government is serious about the peace process.

# Weak States In Africa: U.S. Policy Options in the Democratic Republic of the Congo

**By**

**Mark Bellamy**
**Principal Deputy Assistant Secretary for African Affairs**

[The following was the speech presented to the Senate Committee on Foreign Relations Subcommittee on African Affairs, Washington, D.C., April 9, 2002.]

## Introduction

The situation in the Democratic Republic of the Congo (DRC), the scene of a complex and devastating war involving six nations, two Congolese rebel groups, local Congolese militias, and Rwandan and Burundian Hutu rebels. The war has caused a tremendous loss of life, property, and economic development opportunities in a potentially rich country. The central African conflict has produced a major humanitarian crisis with some two million people displaced and an estimated 2.5 million deaths from war-related causes. Government and rebel troops have perpetrated gross abuses of human rights. The conflict has generated large refugee flows into neighboring countries, such as the Republic of Congo, and diverted scarce economic resources to military expenditures, particularly in the Congo, Rwanda, Uganda and Zimbabwe.

## U.S. Interests

The U.S. interests are to:

- End the conflict;
- Restore stability in the Great Lakes region;
- Ameliorate the humanitarian and HIV/AIDS crises;
- Promote a democratic government and respect for human rights; and
- Promote economic development and reform.

## The Lusaka Cease-Fire Agreement

The U.S. supports implementation of the *Lusaka Cease-Fire Agreement* as the best means to achieve a just and stable peace in the region. The agreement signed in 1999 by the Congo, Rwanda, Angola, Namibia, Rwanda, Zimbabwe, and the Congolese rebel groups known as the Congolese Liberation Movement (MLC) and the Congolese Rally for Democracy (RCD) provides a framework for resolution of the DRC conflict. It calls for a cease-fire, a national dialogue leading to a new political dispensation, the disarmament and repatriation of armed groups in the Congo, and United Nations monitoring of the withdrawal of foreign troops. We are working with the parties to the *Lusaka Cease-Fire Agreement*, the United Nations, the Organization of African Unity, our European allies and key regional leaders to help implement this agreement. President Bush met with President Kabila last fall to discuss ways to end the conflict. Secretary Powell has urged implementation of the agreement in meetings with Presidents Kabila and Kagame and other regional leaders.

I was in Kinshasa two weeks ago and reiterated to the Congolese government the importance of finding a negotiated settlement to the conflict. Walter Kansteiner, Assistant Secretary for

African Affairs, visited the Congo and Rwanda in January. In his discussions with Congolese President Joseph Kabila and Rwandan President Paul Kagame, Mr. Kansteiner also urged both leaders to support the *Lusaka Cease-Fire Agreement*. We will continue to make peace in the Great Lakes region a top priority for the Administration.

**Cease-Fire**

Of the non-Congolese signatories, only Rwanda and Zimbabwe retain significant numbers of forces in the Congo. A cease-fire among the signatories to the Lusaka Agreement has mostly held, except in eastern Congo. Fighting in the East involves, among others, Rwandan-backed Congolese rebels, Congolese-backed Rwandan rebels, local Congolese militia, the Rwandan Army, and Congolese supported Burundian Hutu rebels. We have provided two million dollars for the Joint Military Commission, a commission of the signatories to the *Lusaka Agreement* whose duties are to resolve military problems connected with the agreement, including cease-fire violations. We intend to notify Congress shortly that we will provide additional assistance in fiscal year 2002.

**The Inter-Congolese Dialogue**

The Inter-Congolese Dialogue is currently taking place in Sun City, South Africa. The participants include all the Congolese signatories to the *Lusaka Agreement*, as well as representatives of Congolese opposition political parties and Congolese civil society. The United States has provided $1.5 million to support the work of former Botswanan President Ketumile Masire, the facilitator of the Dialogue. We are pleased that the talks in Sun City have occurred and hope that when the meeting ends this week, the participants will have charted the way forward to further negotiations and to a comprehensive and enduring political settlement.

At the same time, we believe that to end the war, meaningful demobilization and disarmament of militias and rebel groups,most importantly of Rwandan Hutu rebels, and a cessation of foreign support to Congolese rebels must occur.

**Demobilization and Disarmament**

Progress on demobilization and disarmament has been limited. We believe that a broad-based agreement between Presidents Kagame and Kabila will be necessary before any general demobilization and disarmament can occur. The Congolese government continues to give some supplies to the Rwandan rebels and the Congolese Mai-Mai militia, while the Rwandan government continues its support to Congolese rebels and its occupation of most of Eastern Congo. Both countries are reluctant to make the first move in fear that the other threatens their national security.

**The United Nations Observer Mission for the Congo**

The United Nations Security Council established in February 2000 a United Nations Mission in the Congo (MONUC). Former President Laurent Kabila consistently blocked deployment of MONUC. Following his father's assassination in January, Joseph Kabila reversed this policy. MONUC has now deployed 3,688 observers in the Congo and has effectively monitored the cease-fire line in accordance with its mandate.

In his February 15 report to the Security Council, Secretary General Kofi Annan recommended an increase in MONUC's troop ceiling from 5,537 to 6,387. The Secretary General said this increase is needed to support MONUC's deployment to Kisangani and Kindu in advance of a voluntary demobilization and disarmament program.

At this time we do not see the need for an increase in the troop ceiling. However, if events on the ground should move forward, a more robust MONUC could be useful. For example, an agreement among the Congolese parties over an interim government or a complete or partial withdrawal of foreign troops, could yield opportunities for demobilization and disarmament of irregular forces and the need for monitoring the withdrawal of foreign forces in larger areas of the Congo.

**Humanitarian and Development Assistance**

The United States provided about $98 million in assistance to the Congo in fiscal year 2001 including about $6 million in development assistance. This aid was mostly directed at emergency food relief, including operation of humanitarian aircraft outside areas of government control, food security programs, and improving health services. We have also provided money for programs targeting refugees and internally displaced persons in the DRC. We expect total U.S. assistance in fiscal year 2002 for the DRC to be about the same order of magnitude as last year. USAID's Development Assistance for fiscal year 2002 is estimated at $21 million. Projects will concentrate on improving primary health care services in rural areas, increasing immunization coverage, combating HIV/AIDS and malaria, enhancing food security, promoting a peaceful transition process, and protecting the environment.

The cease-fire has created an increased opportunity for humanitarian assistance to reach previously isolated populations. Nonetheless, the war continues to restrict aid organizations and normal economic activity. As a result, the condition of Congolese civilians, especially in the East, remains truly horrific.

**International Crime and Terrorism in the DRC**

We do not have any hard evidence of links between groups operating out of the Congo and international terrorism. However, the United States has an interest in a just and strong Congolese government that can contribute to the war on terrorism. Both the war and the lack of an effective central government create an environment that is conducive to international crime. The Congo is rife in illegal trade in mineral wealth and arms. The foreign armies and rebel groups in the Congo steal diamonds, coltan, gold, and timber and use the proceeds to finance the war and line the pockets of government officials and army officers.

Moreover, the Congolese government grants concessions to its allies, most notably Zimbabwe, in order to win their military support. The Congolese government has conceded to the Zimbabweans the right to set up commercial ventures to explore, research, exploit, and market mineral, timber, and other resources. Zimbabwean troops provide the military muscle to secure these commercial activities. Top Congolese officials also have personal financial interests in these concessions to the Zimbabweans.

The Congolese government lacks the ability to control trade in these minerals or to set up a legal buying system that offers attractive prices to buyers. As a result, dealers take the goods over international borders, wherever they perceive they will get the best price. The Congolese government liberalized the legal diamond trade in April 2001, which may help steer more diamonds through legal channels. Nonetheless, smuggling in diamonds and other Congolese natural resources will continue to be a problem.

**A Few Final Thoughts**

In summary, let me just reiterate, Mr. Chairman, that the United States has a strong interest in bringing a lasting peace to the Congo. We must use our influence to guide the belligerents to a

political agreement. The Congolese people deserve stability, good governance, and economic prosperity. I believe they have the ability to achieve this, and the international community has a duty to help them do so.

# The U.S.-Middle East Partnership Initiative: Building Hope for the Years Ahead

**By**

**Secretary Colin L. Powell**
**Secretary of State**

[The following are excerpts from the speech given at the Heritage Foundation, Washington, D.C., December 12, 2002.]

The Middle East is a vast region of vast importance to the American people. Millions of us worship in churches, mosques, and synagogues, professing the three great faiths that were born in the lands between the Mediterranean Sea and the Persian Gulf. Our language and traditions are filled with references to Jerusalem, to Bethlehem, to Mecca. Our phone books list names such as Mousavi, Levy, and Shaheen that speak of deep family roots in the Middle East. Our farmers grow wheat, and our workers make airplanes, computers, and many other products that we sell to the countries of the region. We, in turn, benefit from traded goods and investment from the Middle East.

Tragically, thousands of our countrymen and women died on September 11, 2001, at the hands of terrorists born and radicalized in the Middle East. Recognizing the region's importance, we have for half a century and more devoted our blood and our treasure to helping the peoples and governments of the Middle East. Indeed, my own career in public service, and especially military service, has been shaped by events in that region. I was privileged to be Chairman of the Joint Chiefs of Staff when the United States led the international coalition, which included many Arab countries, that evicted the Iraqi invaders from Kuwait. Today, as Secretary of State, the Middle East requires and deserves a great deal of my attention.

Our Middle East policy has emphasized winning the war on terrorism, disarming Iraq, and bringing the Arab-Israeli conflict to an end. The war on terrorism is not confined to the Middle East. Our friends there have a very important stake in that conflict and in winning that conflict because many have suffered the scourge of terrorism first hand. I am pleased that our friends have stepped up to the challenge by extending basing rights for Operation Enduring Freedom in Afghanistan, exchanging intelligence and law enforcement information, arresting suspected terrorists, and clamping down on terrorist financing.

The countries of the Middle East, our friends and allies, and the community of nations, we must also deal with the grave and growing danger posed by the Iraqi regime, led by Saddam Hussein. By unanimously passing *Resolution 1441*, the United Nations Security Council has offered Iraq a final opportunity to meet its obligations to peace and to the international community. The Iraqi regime can either disarm, or it will be disarmed. The choice is theirs but this decision cannot be postponed.

We also have a deep and abiding national interest in bringing the Israeli-Palestinian conflict to an end. With our friends in the region and the international community, we are working to bring about a lasting peace based on President Bush's vision of two states, living side-by-side, in peace and security. This peace will require from the Palestinians a new and different leadership, new institutions, and an end to terror and violence. As the Palestinians make progress in this direction, Israel will also be required to make hard choices, including an end to all settlement construction activity, consistent with the *Mitchell Report*. As President Bush has stated, with intensive effort by all, the creation of a democratic, viable Palestine is possible in 2005. Our ultimate goal is a

just and comprehensive Arab-Israeli settlement, in which all the peoples of the region are accepted as neighbors, living in peace and security, and building a better future for all the peoples of the region.

These challenges have been at the forefront of America's Middle East policy, and with good reason. Each of these challenges profoundly affects our national interest, and the interests of the peoples who call the Middle East home. We remain deeply committed to meeting each of these challenges, meeting them with energy and determination. At the same time, it has become increasingly clear that we must broaden our approach to the region if we are to achieve success. In particular, we must give sustained and energetic attention to economic, political, and educational reform. We must work with peoples and governments to close the gulf between expectation and reality that Queen Rania of Jordan has so eloquently termed the "hope gap."

The spread of democracy and free markets, fueled by the wonders of the technological revolution, has created a dynamo that can generate prosperity and human well-being on an unprecedented scale. But this revolution has left much of the Middle East behind. Throughout history, the countries of the Middle East have made invaluable contributions to the development of the arts and sciences. Today, however, too many people there lack the very political and economic freedom, empowerment of women, and modern education they need to prosper in the 21st century.

*The 2002 Arab Human Development Report*, written by leading Arab scholars and issued by the United Nations, identified a fundamental choice between "inertia and an Arab renaissance that will build a prosperous future for all Arabs." These are not my words. They come from Arab experts who have looked deeply into the issues. They are based on the stark facts. Some 14 million Arab adults lack the jobs they need to put food on the table, a roof over the heads of their families, and to put hope not only in their hearts but the hearts of their children. Fifty million more Arab young people will enter the already crowded job market over the next eight years. But economies are not creating enough jobs. Growth is weak. The gross domestic product (GDP) of 260 million Arabs is already less than that of 40 million Spaniards, and falling even further behind. Add in the production of 67 million people in Iran, and the total is still only two-thirds of Italy's.

Internally, many economies are stifled by regulation and cronyism. They lack transparency, and are closed to entrepreneurship, investment, and trade. The countries of the Middle East are also largely absent from world markets. They generate barely one percent of the world's non-oil exports. Only ten Middle Eastern countries belong to the World Trade Organization (WTO). The region's governments are now recognizing, as Egypt's President Hosni Mubarak has warned, that "giving a boost to exports is a matter of life or death." A shortage of economic opportunities is a ticket to despair. Combined with rigid political systems, it is a dangerous brew indeed. So, along with freer economies, many of the peoples of the Middle East need a stronger political voice.

We reject the condescending notion that freedom will not grow in the Middle East, or that there is any region of the world that cannot support democracy. President Bush gave voice to the yearnings of people everywhere when he declared, in his West Point address, that "when it comes to the common rights and needs of men and women, there is no clash of civilizations. The requirements of freedom apply fully to Africa and Latin America and the entire Islamic world." Given a choice between tyranny and freedom, people choose freedom. We need only look to the streets of Kabul, filled with people celebrating the end of Taliban rule last year. There are rays of hope in the Middle East, as well.

Countries such as Bahrain, Qatar, and Morocco have embarked on bold political reforms. Civic organizations are increasingly active in many Arab countries, working on bread-and-butter issues such as securing badly needed identity cards for women. We are also seeing an explosion of media outlets, from satellite television stations to weekly tabloids. Though some still do not live up to their responsibility to deliver responsible coverage and factual information, altogether they are making information available to more people than ever before. And with information, ultimately comes knowledge, knowledge to raise young people up, knowledge about what is happening in other parts of the world.

Still, too many Middle Easterners are ruled by closed political systems. Too many governments curb the institutions of civil society as a threat, rather than welcome them as the basis for a free, dynamic, and hopeful society. And the language of hate, exclusion, and incitement to violence is still all too common throughout the region. As Morocco's King Mohammed told his country's parliament two years ago, "to achieve development, democracy, and modernization, it is necessary to improve and strengthen political parties, trade unions, associations, and the media, and to enlarge the scope of participation."

Finally, too many of the region's children lack the knowledge to take advantage of a world of economic and political freedom. Ten million school-age children are at home, at work, or on the streets, instead of being in class. Some 65 million of their parents cannot read or write, let alone help them with their lessons, teach them to read or write. Barely one person out of a hundred has access to a computer. Of those, only half can reach the wider world via the internet. Even when children do go to school, they often fail to learn the skills that they will so desperately need to be successful in the 21st century world. "Education" too often means rote learning rather than the creative, critical thinking essential for success in our globalizing world.

The authors of the *Arab Development Report* have found that "education has begun to lose its significant role as a means of achieving social advancement in Arab countries, turning instead into a means of perpetuating social stratification and poverty." This is a telling indictment, but it is more than that; this is a call to action. There is a constant theme running through these challenges, and that is the marginalization of women. More than half of the Arab world's women are illiterate. They suffer more than men from unemployment and lack of economic opportunity. Women also make up a smaller proportion of members of parliament in Arab countries than in any other region of the world.

Until the countries of the Middle East unleash the abilities and potential of their women, they will not build a future of hope. Any approach to the Middle East that ignores its political, economic, and educational underdevelopment will be built upon sand. It is time to lay a firm foundation of hope. Hope is what my presentation today is about. America wants to align itself with the people of the Middle East, moving forward on the basis of hope, hope for peace, hope for a better life for the children of the Middle East and the children of the world. To that end, I am announcing today an initiative that places the United States firmly on the side of change, on the side of reform, and on the side of a modern future for the Middle East, on the side of hope.

During last March's visit by President Mubarak to Washington, President Bush asked me to head a new American government effort to support the peoples and governments of the Middle East in their efforts to meet these challenging and pressing human needs. I am pleased to announce the initial results of our work, an innovative set of programs and a framework for future cooperation that we call the U.S.-Middle East Partnership Initiative.

The U.S.-Middle East Partnership Initiative is a bridge between the United States and the Middle East, between our governments and our peoples, an initiative that spans the hope gap with energy, ideas, and funding. Our Partnership initiative is a continuation, and a deepening, of our

longstanding commitment to working with all the peoples of the Middle East to improve their daily lives and to help them face the future with hope. Just as our decision to rejoin UNESCO is a symbol of our commitment to advancing human rights and tolerance and learning, so this initiative is a concrete demonstration of our commitment to human dignity in the Middle East.

We are initially dedicating $29 million to get this initiative off to a strong start. Working with Congress, we will seek significant additional funding for next year. These funds will be over and above the more than $1 billion we provide in economic assistance to the Arab world every year. Our initiative rests on three pillars. We will engage with public and private sector groups to bridge the jobs gap with economic reform, business investment, and private sector development. We will partner with community leaders to close the freedom gap with projects to strengthen civil society, expand political participation, and lift the voices of women. And, we will work with parents and educators to bridge the knowledge gap with better schools and more opportunities for higher education.

My friends, hope begins with a paycheck. And that requires a vibrant economy. Through the United States-Middle East Partnership Initiative, we will work with governments to establish economic rules and regulations that will attract foreign investment and allow the private sector to flourish. We will help small and medium-sized businesses gain access to the life-blood of capital. As a first step, I am pleased to announce that we will establish Enterprise Funds for the Middle East, modeled after the successful Polish-American Enterprise Fund, and these funds will begin investing in promising new businesses. We will also help more countries share in the bounty of the global economy. That means offering aspiring World Trading Organization members like Saudi Arabia, Algeria, Lebanon, and Yemen, technical assistance to meet the WTO's membership criteria. It means building upon our successful Free Trade Agreement with Jordan by beginning FTA negotiations with Morocco. And, it means continuing to work with countries like Egypt and Bahrain to explore ways to enhance our bilateral economic trade relationships, including through possible free trade agreements.

Open economies, to be successful, require open political systems. So the second pillar of our Partnership Initiative will support citizens across the region who are claiming their political voices. We began the first pilot project in this area last month, when we brought a delegation of 55 Arab women, women political leaders, brought them to the United States to observe our mid-term elections. I had an excellent meeting with this remarkable group, and I was inspired by their energy and their commitment. They put tough questions to me, and we debated the issues as people do in a free society. These women were proud of their heritage. They spoke eloquently of their dreams of a world where their children could grow up and live in peace. They told of their hopes to see an end to the conflicts that cripple their region. They also spoke of their expectations of America. They talked about how they want control over their own lives and their own destinies. And, they asked to know more about American democracy, and how to make their own voices more effective. Increased political participation also requires strengthening the civic institutions that protect individual rights and provide opportunities for participation. Through our Partnership Initiative we will support these efforts. To be effective, free economies and open political systems need educated citizens, so the third pillar of the U.S.-Middle East Partnership Initiative will focus on education reform.

Our programs will pay particular emphasis to the education of girls. An Egyptian poet once wrote that, "A mother is a school. Empower her and you empower a great nation." He was right. When girls' literacy rates improve, all the other important indicators of development in a country improve, as well. With the U.S.-Middle East Partnership Initiative we will provide scholarships to keep girls in school and expand literacy for girls and women. More broadly, we will work with parents and educators to strengthen local and parental oversight of school systems. In each of

these three areas, we are committed to genuine, two-way partnership with the citizens and countries of the region, with Congress, and even with other donors as we implement this agenda.

The U.S.-Middle East Partnership Initiative is one of the most challenging undertakings that we and our friends in the region have ever considered. We should be quite realistic as we move forward about the obstacles that are ahead, about the time that it will take to see real change take root, about the limited role that outsiders can play. We can and must understand that genuine Middle Eastern interest must drive this initiative, and only Middle Eastern engagement will sustain it over time. But we should also avoid resigning ourselves to low expectations. As the ferment in the region shows, the peoples of the Middle East themselves are seized with these issues. These are issues they are talking about. These are problems they are ready to deal with.

We are not starting from scratch, either. We are already working successfully with a broad array of partners. For example, just last month we announced the establishment of the LEAD Foundation, in which the United States Agency for International Development is partnering with the World Bank and the Egyptian private sector to support micro-enterprise lending in Egypt. In addition, through our Partnership for Learning, we are already engaged with the countries of the region on teacher training, English-language instruction, and other programs to strengthen their educational systems. Indeed, an important part of our work will involve reviewing our existing programs to learn from them and to make sure our assistance touches as many lives as possible.

Nor are we advocating a "one size fits all" approach. The region is much too diverse for that. We will be on the ground listening and working to make sure our programs are tailored to meet the needs of people where they live their lives. In my travels throughout the Middle East in public and in private life, I have seen first hand the energy, creativity and dedication of parents as they try to build a better future for their children. But I have also seen their frustration when progress is so painfully slow. We must move faster. And we will move faster. Through the U.S.-Middle East Partnership Initiative, we are adding hope to the U.S.-Middle East agenda. We are pledging our energy, our ability, and our idealism to bring hope to all of God's children who call the Middle East home.

**Question:** Mr. Secretary, you have spoken eloquently about the need to promote freedom. Some of the governments there, including some that are allies, are not hospitable to either free markets or democracy. How are you going to resolve the tension between the desire to promote our goals and not offend allied governments?

**Answer**: We believe that democracy and free markets will benefit all countries in the Middle East. Obviously, some are further away from this concept than others. We are not setting out in this Initiative, nor are we setting out in any of our other policies, to say to someone, this is the American way, you have to do it our way. We hope that through programs such as this, through education, through persuasion, but really through the countries in the region taking a look at the situation they find themselves in individually, looking at whether or not they are educating their young people for the kind of future that is in front of them, whether or not they can continue to afford not to educate 50 percent of their population, women, for the challenges and jobs and requirements of the future, and whether or not they see a future in their economic system that does not get them engaged somehow in a globalizing world. I think by them examining themselves honestly and working with us and allowing us to work with them, we can make the case. I do not see this as something that is going to be done in one year or five years. This is a long-term prospect. But to stand back from it and say, well, we can not possibly discuss these issues with a particular country because there is some other geo-strategic agenda that we have in mind or priority we have in mind that makes it too difficult an issue to discuss. I no longer think that is affordable and sustainable. And there is not a country in the Middle East that I have not begun to have this conversation with and the President has not begun to have this conversation with.

**Question**: Mr. Secretary, considering the enormous oil wealth in the Middle East and the statements of Arab brotherhood, is not this a job, really, for countries like Saudi Arabia and Kuwait? Second point, considering the vast population explosion when you spoke of women, women, young women surrounded by huge families almost tied down into poverty, is there room in the Bush administration to make family planning one of the pillars of your program?

**Answer:** On the first question, there is wealth in the region. But there is also great poverty in the region. The United States has provided assistance to the region for many years and we want to use the assistance we have been providing in a more directed way to deal with these structural and fundamental issues that I spoke to. And I think it is quite appropriate for us to add additional monies to this kind of effort and I look forward to appearing before the Congress to seek additional money because it is not only in interest of these nations to move, but it is in our interest, as well. And I think there is more — there is enough of a problem there to demand additional contributions from those who are able to contribute in the region, as well as additional contributions from the United States, and I hope to also be able to engage my colleagues in other parts of the world among European nations and other nations that this is in their interest, as well. With respect to population and family planning issues, as you know, we do contribute to family planning activities of the kind that we believe are sensible, appropriate and consistent with the values of the United States and consistent with the values of this administration.

**Question**: You did not in your remarks make any explicit connection, or connection at all, as far as I could hear, with the struggle the United States has been engaged in since September 11. Is there a — is this a way of, in fact, fighting the war against terrorism? Is this another angle in that struggle for taking the wind out of the sails of the radicals in the region?

**Answer:** We have been working on this since before September 11, 2001, and I think it is something that can be seen as totally separate from September 11, 2001. We should do this because it is the right thing to do. The pillars I talked about, the programs I talked, about are relevant before and after September 11, 2001, perhaps after September 11, 2001, somewhat more relevant because to the extent that you have populations where people are angry, people are frustrated, people do not feel that their lives are improving, then you have the possibility of additional radicalization of that population. But I do not think September 11, 2001 should be seen as the determining factor with respect to this program. We hope that it will make it more likely that young people will see this possibility of a better future and hope, and will not be pulled into activities of the kind that led to September 11, 2001. We also have to remind ourselves that the perpetrators of September 11, 2001 were doing quite well in their societies and in terms of the wealth they had accumulated and we should not fall into this trap of they were oppressed, they were poor, they were poverty stricken; quite the contrary, they have stolen these issues from those who are poor and oppressed and used these justifications for their own evil ends, but they are certainly not justifications. So I think this program stands on its own before September 11, 2001, after September 11, 2001, with a little greater emphasis after September 11, 2001.

**Question:** Mr. Secretary, this kind of follows on previous questions. Throughout the Middle East one hears the refrain, "We love America, we hate America's policies." This is directed both towards perceived imbalance in terms of Israeli-Arab relations and in terms of U.S., perceived U.S. support for non-democratic regimes. The policy initiative you have announced today and the statements you have made clearly address the latter. I was wondering if you could address the former a little bit more, how the government intends to address the perception of U.S. policy.

**Answer:** I think there is no question that there is great admiration throughout the Arab world, throughout the Middle East, throughout the Muslim world for the United States as a nation, as a people. Come with me to our visa offices and I will show you long lines of people who are anxious to get into the United States. One of my favorite lines is I can walk out of this building

right now, go get in a car, and be at a mosque, a temple, a synagogue or twelve different kinds of churches within five minutes, showing the strength and beauty and diversity of our society, and created by people who have come to this nation knowing what kind of a nation and what kind of a people we are. And there is great admiration and support for that. We do have problems with some of the policies that we are following and those policies are, to some extent, driven by the situation we find ourselves in. The Middle East peace process, of course, is Exhibit A.

We would do anything to find a solution, a way to move forward, to end the terror and the violence that comes from some of the Palestinian community. Most parts of the Palestinian community want the same thing we want for our communities: peace and security for our children. And with the terror and the violence down, then we are in a position to get movement from the Israeli side. We have not lost sight of the vision that the President gave us in his 24 June speech that said we have to find transforming leadership within the Palestinian community, and there are expectations we have of the Israeli community. And we have to work on both of these tracks, and the President is committed to finding a solution that will create the state of Palestine living side by side, in peace, with the Jewish state, Israel. And I think that as we continue to move in this direction, as we continue to work on the initiatives that we have for a political settlement, the roadmap is much discussed we are still hard at work on the roadmap and we will continue that work next week when the Quartet assembles and also have a chance, I hope, to meet with President Bush and discuss their work with President Bush. And we are committed to move forward and find a solution. And I think the people of the Middle East are looking to the United States to play a leadership role in finding that solution. And to some extent, we are held to account for the problem until the solution is found. And so you have to kind of separate this, this feeling toward America into those two pieces: respect for us as a people and a nation, but there is concern about the policies we follow.

And Exhibit A is the Middle East peace plan and effort and, of course, there is considerable debate with respect to Iraq. And I think that as the Iraq situation resolves itself one way or the other, that will be dealt with and hopefully we will see progress in the Middle East peace plan.

**Question:** Mr. Secretary, even if we grant that democracy can take on a number of forms, it still is primarily a secular institution. How can democracy coexist with the profound levels of depth of theocracy and theology which is prominent in the Muslim world?

**Answer:** That is a challenge that will have to be dealt with by Muslim leaders, Arab leaders, Arab and Muslim leaders in different parts of the world, not just in the Middle East. I think a way has to be found. You can have a strong commitment to religion. We do. Most democratic nations have a faith-based aspect to them, but there has to be a model found that will allow that faith to coexist with political and economic institutions that serve the people. And it will be a challenge for each and every one of those nations to find the proper way forward. And I think each and every one of them will find a model that is unique to their culture, unique to their history, unique to their experience and unique to the aspirations of their people. It is not going to be a Jeffersonian model that is imposed in each one. But clearly, strong leaders will have to come forward and the peoples of the region will have to come forward to raise up strong leaders that are willing to find the balance between faith, theocracy, as you call it, and a political system, an open political system, and an open economic system that will give them what they really need faith plus hope for a better future for their children.

# *PERSPECTIVE*

## Supply Chain Visibility: United States Air Force Adapts To War In Afghanistan And Learns Logistics Lessons

**By**

**Adam J. Herbert**
**Director, *Inside Washington Publisher's***

[The following article is a reprint from the *Armed Forces Journal International,* April 2002. We would like to thank the *Journal* for reprint permission.]

A logistical system designed around large, permanent bases and designed to contain the Soviet Union was able to adapt to the challenge of the war on terrorism in Afghanistan through some fortuitous planning decisions in previous years and hard work, United States Air Force (USAF) officials said. Decisions made in recent years to shift the Service to a more expeditionary structure and to emphasize asset tracking paid dividends when the time came to build a military presence in a section of the world where the U.S. previously lacked a military foundation. The Defense Department had to create a plan to support Operation Enduring Freedom as the war on terrorism developed, but the Air Force made the difficult task look easy despite rushed time lines, according to the service's top logistics officer.

The Air Force was in a difficult position when combat operations began last fall. Afghanistan's ruling Taliban and al Qaeda terrorist targets were far from the United States' permanent forward bases, such as those in Saudi Arabia and on the island of Diego Garcia in the Indian Ocean, so new operating locations had to be established in the theater essentially from scratch. But prior to September 11, 2001, Afghanistan had not been on most planners' minds as a likely place for the U.S. to go to war.

"We made it up for Afghanistan as we went along," noted Lt. Gen. Michael Zettler, USAF's Deputy Chief of Staff for Installations and Logistics (IL). "Every one of those missions was an opportunity for failure," he said, because "everything is needed" at a base in that region of the world.

Establishing an operating location from a bare base requires not just aircraft and personnel, but the full spectrum of equipment. Water, tents, fuel, and construction equipment are among the many things brought in and put to use before the Air Force could begin attacking targets from new locations.

Despite the challenges associated with reaching Afghanistan's corner of the world, the Air Force was able to begin flying combat missions out of new bases in the region in less than two weeks, assuming a minimal infrastructure was already in place at those bases, he said. "I am sure there are some things we could have done a little better [or] sooner, but in the grand scheme, with no deliberate planning" before September 11, 2001, and "no war plan for this area of the world," the Air Force was able to respond quickly, Zettler said. "People in the field make this look easier

than it really was. I am sure one day there will be thousands of vignettes told" about extreme measures and improvisation needed to make Enduring Freedom possible, he said. Officials were forced to be innovative, to meet taskings "on a very accelerated time line, often before expected support was in place," he added.

**An Old Lesson: Visibility**

After Operation Allied Force in Kosovo revealed lingering shortcomings in the Air Force's asset-tracking capabilities, the service began making changes to improve visibility into the supply chain. Improvements were needed so that officials could readily determine the location of equipment or parts in the logistics pipeline. Reforms led to greatly improved logistical support for Operation Enduring Freedom, Air Force officials said, and have turned asset visibility into a force multiplier in the war on terrorism.

Both technology and management emphasis have improved dramatically since Allied Force in 1999, USAF officials said. Improved Air Force and DoD tracking systems feeding into the Global Transportation Network enable personnel to know what materiel is en route, where it is at any given moment, and when it will arrive a vast improvement over "the bad old days," one officer remarked.

Previously, a lack of visibility into the system led to inefficient inventories, parts shortages, and repeated ordering of the same parts, clogging the supply chain. Officials often could not determine if parts were on their way or when they would arrive, or even if they were already at their final locations but not yet checked in. This inefficient system contributed to its own shortcomings when additional supplies were forced through the supply chain.

Improved visibility into the supply chain also allows bottlenecks to be bypassed, giving planners better options to get equipment to the field, such as shipping through commercial providers. The improved system has become a force multiplier at forward operating locations, because it creates efficiency in the field, Air Force officials said. Inventories can be kept at ideal levels, without the need to over-order or cannibalize parts from vehicles when replacements are due to arrive.

Improved technology had to come with a command emphasis, however. "We have to credit the UCOMs because the UCOMs put so much more emphasis on asset visibility over the past few years," said Patty Kelly, deputy chief of IL's Traffic Management Division. "They've drummed that into the folks who work for them," she said. "We have had emphasis at the top, better training at the bottom, and improved systems," Kelly added. In light of the previous situation and numerous 'stovepiped' systems being integrated, it is "almost a miracle" that the disparate systems feeding the Global Transportation Network were integrated with the improvements seen, she said.

The commander of U.S. Transportation Command (TRANSCOM) has made in-transit visibility a top priority, added Lt. Col. Gregory Wilson, the Traffic Management Division's Cargo Team branch chief. To support the war on terrorism, TRANSCOM tasked USAF's Air Mobility Command to send in-transit visibility teams to South Asia, with the mission of setting up advanced systems to track inventory. The improvements have been clear. According to Zettler, visibility into the supply chain is "better than ever before." Asset visibility rates are as high as an eight on a scale of 10, he said, compared to a "five or six" during Allied Force. As recently as the Persian Gulf War, the Air Force was largely blind to what materiel was in the logistics pipeline, since visibility during that conflict only rated a three, according to Zettler.

## A New Lesson: Weapons Forward

A temporary shortage of the weapons the Air Force's fighters and bombers needed for the war in Afghanistan brought to light a need to increase forward-deployed stockpiles. The Defense Department draws upon pre-positioned stocks of munitions for battles in remote parts of the globe, but Enduring Freedom showed that greater stocks are needed. At one point last fall, Air Force units attacking targets in Afghanistan from Diego Garcia nearly ran out of munitions before additional weapons arrived via airlift, Zettler said. "It took Air Mobility Command dozens of sorties to fly munitions out to Diego Garcia," he said. The long-range bomber units on Diego Garcia "never ran out" of munitions, he said. "They got close once, but they never ran out." While this airlift mission was an expensive and labor-intensive task, the personnel responding to the urgent demand proved to be up to the job, he added. "It is really remarkable how [the Air Force] moved munitions by air," Zettler said. Airlifting bombs is not the best way to get weapons to the field, however, so TRANSCOM and Air Mobility Command moved to immediately obtain an additional ship to store and transport massive amounts of munitions, Zettler said. Nonetheless, "I would have liked . . . more pre-positioned precision munitions forward, because that is what we were shipping by air," he said. "We set up Diego Garcia a few years ago as a bomber [forward operating location], but we were still proceeding into what I would call a full-up realm," he added. To eliminate this concern in the future, the Air Force and TRANSCOM are increasing the number and efficiency of ships that hold weapons. In addition to the new munitions ship brought into use immediately when bombs began to run low, DoD plans to buy a new pre-positioned ship to serve as a floating precision munition warehouse. Now funded, the ship will be available this fall, according to the Air Force. A new ship should make re-supplying forward units faster and easier, because a single pre-positioned ship can carry as many weapons as up to 400 C-130 aircraft loads. "You always like to have a little more stuff out there," Zettler noted.

The munitions ships should also be spread among new home ports to distribute them better, officials said. The study that recommended that the Air Force procure an additional munitions ship also said that the ships should be spaced to give flexibility to respond to all manner of contingencies worldwide. One of the four pre-positioned ships will likely be moved to the western Pacific region, nearer potential contingencies involving China or North Korea.

## Commercial Benefits

One solution that the Air Force is making greater use of, but which still needs improvement, is the use of commercial carriers to transport military equipment. Commercial shippers can deliver equipment overnight to "anywhere they fly," Lt. Col. Wilson noted. This makes external shipping an especially viable option to alleviate bottlenecks generated because DoD has a finite amount of airlift available for all missions. Commercial shipping methods were often touted by former DoD acquisition chief Dr. Jacques Gansler. Uncertain threats require the ability to rapidly deploy and build up military inventories, Gansler said in an interview before September 11, 2001. Therefore, the old logistical system that gradually ramped up a presence over several months needs improvement, he said. "Lots of our airplanes are standing on the runway waiting for one part" because DoD's logistics system has a needed part working its way through the system, he said, adding, "It takes twenty-two days to get there. You 'FedEx' it there, you get it in 24 hours instead. You then have fewer things in the pipeline, but you also have higher readiness." Commercial carriers are not a cure-all, however. "They don't use our systems" to track shipments, Kelly noted, which can create a "visibility gap" if a FedEx package's contents, for example, are not linked into DoD tracking systems. And commercial shipping can also be expensive compared to "organic" military airlift options. But officials say the private-sector alternative offers rapid delivery that must be considered when evaluating the best way to get equipment to the field.

## Expeditionary Developments

The Air Force's expeditionary concept was "taken to a very high level of fidelity, as opposed to perfected during this operation," Zettler said. "We're not perfect; we'll never be perfect. But we fully understand what it takes to go into a bare base and operate any kind of forces in those bare bases."

Despite the enormous challenge of getting to Afghanistan, the Air Force "covered every target line" assigned, he said. The result is that the service's expeditionary planning structure is now at a higher level of "fidelity." Leaders can "very easily sit down" and lay out a plan to "take a bare base and put F-16s in there," Zettler said. The buildup for Operation Enduring Freedom took place while a shift to wartime footing meant the Service's readiness was increasing. Mission-capable rates, the percentage of aircraft able to perform their primary missions at any given time, are higher than they have been "in the last few years," Zettler said. The mission-capable rates of bombers and intelligence, surveillance and reconnaissance aircraft are all up, he said, yet the time it takes to get materiel to the field has declined.

There was no single factor that led to the successful build up, officials stressed. Rapid movement of equipment and establishment of bases were possible through a wide range of efforts, including Air Force Reserve and Air National Guard support, contractor assistance, and the Air Force's new expeditionary structure, said Colonel Connie Morrow, chief of IL's Strategy, Concepts, and Doctrine branch. Enduring Freedom proved that the Air Force's Expeditionary Aerospace Force concept "is not a Cold War construct," she said. Officials noted that scheduled Aerospace Expeditionary Force (AEF) rotational unit deployments never broke down during the operation. Even though many officials had to remain deployed longer than planned or were "spun up" for deployment early, the system of having rotating AEFs respond to contingencies on a scheduled basis held up overall, Zettler said.

Zettler still sees improvements in the future. In a nod to the massive size of DoD's logistical system, he noted that support requirements are largely "force structure-dependent" and that the system can be reduced if it needs to do less. The AEFs are "light, lean and lethal, but not as light, lean, and lethal as we'd like them to be," he said. "We'd like to be able to do it with a third of the people, but that's what we've got to go with because of our weapons systems. If you look at airplanes like the F-22 or the Joint Strike Fighter coming down the road, they're not going to require as many people" to deploy and support, he said, which will free up personnel and resources to apply to other missions.

# Andean Counterdrug Initiative

**By**

**Richard Armitage**
**Deputy Secretary of State**

[The following is a reprint of the speech presented to the U.S. Senate Caucus on International Narcotics Control, Washington, D.C., September 17, 2002.]

We asked for $731 million in fiscal year 2003 for this program and we in turn owe you a discussion and demonstration that this is a wise investment that will be well-spent. As a Vietnam veteran, I consider it crucial to start off with this point: this is not our war. It is not our war in the sense that we have no intention of putting American soldiers, sailors, airmen or Marines into combat in the war on drugs. The Byrd Amendment does give us the ability to have up to 400 military and 400 civilian personnel in the field at any given time, and as of July 2002, we had 170 U.S. military personnel and 228 U.S. civilian contractors in Colombia in support of Andean Counterdrug Initiative. These individuals are providing advice, support, and training of human-rights vetted military units and that is all.

Make no mistake, this is our war in the sense that it is the U.S. domestic appetite for illegal drugs that helps sustain the Andean region's misery. According to Office of National Drug Control Policy (ONDCP), Americans consumed about 259 metric tons of cocaine and 13 metric tons of heroin at a cost of more than 45 billion dollars in the year 2000. Almost 90 percent of the cocaine and over half of the heroin trafficked to the United States that year came from Colombia alone. We have a responsibility to address our own substance abuse problem in this country, but we also have a responsibility to address the problems our people help create in the Andean countries that are the major sources of supply. And the problems are serious and extensive. The narcotics trade imposes a very high cost on the ordinary citizens of the region, particularly in Colombia. Moreover, the cost to ordinary citizens has risen dramatically as organized, armed groups have joined the drug trade.

The Revolutionary Armed Forces of Colombia (FARC) and United Self-Defense Forces of Colombia (AUC) and also to a lesser extent the National Liberation Army (ELN) may bill themselves as opposition or anti-guerrilla movements, but over the last decade they have increasingly made the leap into criminal activity. These are narcotics traffickers, plain and simple. We estimate that the FARC and the AUC derive as much as 70 percent of their income from the drug trade whether it is protection money paid by cocoa leaf growers or direct involvement in cultivation and sales. And these groups use terror as a tactic to keep the money flowing and the population and politicians in line. They have earned the label this nation has given them as Foreign Terrorist Organizations.

Having said that, I do not mean to suggest that these groups are terrorist organizations with global reach; they are not. This is not al Qaeda or Hizballah. But the reach of their drugs is certainly global, and their nefarious means and ends to protect that trade are consistent with the methods of other terrorist groups. And it is the civilian population that has borne the brunt of these methods. Last year, more than 3,000 Colombians lost their lives in the crossfire; another 3,000 were kidnapped and held for ransom, including children. A far greater number by more than a factor of ten fled the violence and left their homes, according to the United Nations High Commissioner for Refugees.

Of course, the FARC and the AUC have singled out politicians for special intimidation the FARC has threatened to kill every mayor in the country. But consider what the actions of this group mean to ordinary citizens: all it takes is to be in the wrong place at the wrong time to become a victim in Colombia. It is not safe to drive down the roads outside of any city you can be kidnapped anywhere, at any time. It is not safe to be in the same city as a political leader: last month, the FARC fired mortar shells in an attempt to assassinate President Uribe at his inauguration; all missed the mark and killed 21 people in a poor neighborhood of Bogota. It is not safe to live in your own town: in May, a FARC-fired mortar shell landed on the roof of a church in Bojaya, killing 119 villagers who had taken refuge there in an attempt to escape the fighting.

It is understandable that the people in the region are tired of this, and no place more so than in Colombia. So it follows that in the last elections, the people of Colombia gave Alvaro Uribe and his party a large margin of victory and a strong mandate for change. The United States, in turn, needs to give President Uribe the opportunity and the tools to be successful not because we owe it to him or because we like him, but because success is our goal.

In turn, the Government of Colombia has to meet its own obligations. Quite simply, U.S. funds cannot be a substitute for a commitment on the part of the people of Colombia. And indeed, the government of Colombia has put in place key reforms and spent or mobilized $3 billion dollars-worth of projects in support of Plan Colombia, everything from building roads to providing humanitarian assistance to supporting local eradication efforts.

Of course, Colombia's misery is fungible; if we concentrate solely on fixing the problem in Colombia, we will see the narcotics trade relocating to greener pastures across the region. And tacit support or the failure to combat traffickers by other states in the region helps keep these criminals in business. The Andean Counterdrug Initiative is in part meant to use United States. funds as leverage to motivate and sustain a region wide commitment to the counternarcotics fight. Bolivia, for example, has achieved a 70 percent reduction in cocoa cultivation over the last six years that is the sort of success we will be looking for.

The United States should not stand alone in the international community in providing such support. And indeed, we see some consensus in principle European nations, the European Commission, Canada, Japan and the United Nations have pledged up to $600 million to the Andean counternarcotics effort. Unfortunately, their disbursements are not matching their generous intent. Another major priority for the Department of State will be to work with these like-minded nations to ensure that commitments made are commitments delivered.

Having said that, I want to tell you how we are spending U.S. money. There are three major goals for the Andean Counterdrug Initiative: eradication, interdiction, and alternative development. In the first six months of this year, we sprayed a herbicide on some 90,000 hectares of cocoa fields in Colombia that exceeds the total sprayed in the previous year. In 2003, our goal is to spray 200,000 hectares. For opium poppy, we have already sprayed 1,837 hectares this year, which is a significant portion of the total land under cultivation for this crop some 6,500 hectares, according to the CIA. The Environmental Protection Agency and the USDA have provided us with extensive background and research on the safety of the herbicide we are using, which is also used domestically in the United States. We have solid evidence that the spraying is not hazardous to human health, and no credible evidence that spraying has caused any damage to people or the environment in Colombia.

As for interdiction efforts, most of our involvement has been to train and equip military and police forces in the region. This year, Colombian police already have seized tons of cocaine, opium and other drugs, destroyed scores of labs, and arrested more than 11,000 people. Military forces have also seen key successes, particularly in protecting oil pipelines. In 2001, rebel groups

attacked the second largest pipeline in the country 170 times. In the first half of 2002, effective surveillance and enforcement by Colombian armed forces and police has dramatically decreased the number of attacks and led to the arrests of 42 terrorists  only three people had been arrested for such attacks in the previous 15 years. U.S. training and equipment has a key role to play in locking in this success. Our assistance is especially important when you consider that the attacks on the pipelines not only cost the government of Colombia current income, but also investor confidence  which is especially cruel in the today's economic climate in South America.

As I have mentioned, cruelty is the stock in trade of these terrorist organizations. On the other hand, however distasteful we may find it, many of these groups have some public support, particularly in rural areas. In Bolivia, 20 percent of the voting public supported a cocoa grower for President in their last elections. Why?  Is that of necessity a vote for lawlessness, kidnapping and murder? I don t think so. I believe it is, for the most part, a protest vote  an unmistakable challenge for the government of Bolivia to meet the needs of her people. Certainly the same forces are at work in Colombia.

And this points to the importance of alternative development, which helps us to get at the underlying conditions that allow these groups to attract public support, new recruits, and hiding places. Alternative development, a program we have developed in cooperation with the government of Colombia, is aimed at voluntary eradication, public works projects, income generation, and improving local governance. The specific projects, whether it is building a well or a micro-enterprise, are shepherded by AID and local non-governmental organizations. In the fifteen months that we have had this program in place, local communities have voluntarily destroyed more than 8,000 hectares of illicit crops in order to participate. We have a direct interest in seeing that the people in these areas, often remote and sparsely populated, have a better way to support themselves.

We also have an interest and, indeed, a responsibility in seeing that there are basic protections for the rights of all citizens of the Andean region. This is a serious concern for us in Colombia, in particular. This year, we are satisfied that the Colombian armed forces met the rather narrow requirements of the law, as I certified on September 9$^{th}$. But I also recognize that meeting these criteria is not in itself sufficient. These conditions are the minimum requirement for us to be able to proceed at all. Military and paramilitary collaboration already have been a focus of our dialogue with President Uribe and will continue to be not just a point of discussion, but potentially a point of departure. The answer to the problems of narcotics trafficking and terrorism lie in promoting the rule of law and professional armed forces.

In order for the Andean Counterdrug Initiative to succeed in the long run, this commitment to democratic institutions will be crucial. But the U.S. also needs to contribute strong support to enforcement and alternative development programs  now and for the immediate future. We cannot have one at the expense of the other if we want anything other than a trophy to put on the mantle, a short term victory with no lasting effect. We can wipe out all the crops and jail all the farmers we want, but as long as it is the sole source of income in rural areas, cocoa will continue to grow like a fungus.

And I want to close by reassuring this Caucus that our ultimate goal is actually to put ourselves out of business. This initiative was never meant to be a permanent feature of our foreign policy; but rather a capital investment in a long-term struggle. We aim to help our partners regain control of their territory and then give them the tools to maintain this control. When you consider that the American public spends something like $45 billion dollars on cocaine and heroin every year  plus the costs in health care and crime that result from that consumption  $731 million is actually a modest proposal.

# Caribbean Narcotics Trafficking: What is to be Done?

**By**

**Tellis A. Bethel**
**Lieutenant Commander, Royal Bahamas Defence Force**

## Introduction

At the end of the Cold War, the advent of globalization catapulted domestic crime across national boundaries into the transnational domain. Transnational crime has since mutated into a complex matrix of criminal activities.[1] Narcotics trafficking, money laundering, and illegal migration are integral components of extensive criminal networks that undermine the democratic stability, economic development and social well being of nations.[2] National and international response to non-traditional threats are further complicated by a myriad of security issues territorial disputes, economic decline, and natural and man made disasters that limit available resources.

Today, the narcotics trade is not only a multi-billion dollar industry, but it is also the center of gravity for many of the ills associated with trans-national crime.[3] In the western hemisphere, trade routes for narcotics trafficking vacillate between the transit zones of Central America and the Caribbean.[4] Known as the the third border of the United States, the tiny islands of the Caribbean lie between the world's leading producer, and the world's leading consumer of cocaine and marijuana South America and the United States, respectively.[5] Former U.S. Drug Czar, General Barry McCaffrey, described the ghastly effects of the narcotics trade as a "shared agony throughout this hemisphere."[6]

The geographic outlay of the Caribbean region adds to the complexities of counter-drug measures within the region. These tropical islands are in proximity to major sea lines of communication - the Panama Canal and Caribbean Sea areas. They extend from the Trinidad and Tobago Islands in the south (near the northern Venezuelan coastline) to the Bahama Islands in the north (approximately fifty miles off the U.S. east coast). The proximity of the Caribbean chain of islands to the major sea lines of communication, and its vast coastlines and territorial seas make this region a natural transit route for narcotics trafficking into the United States and Europe.

In recent years, limited resources of Caribbean governments have compelled them to join the United States in a cooperative posture toward combating drug trafficking.[7] Although cooperative security has given way to a host of bilateral and multilateral frameworks, peripheral measures such as joint training and asset acquisition will remain ineffective unless comprehensively reinforced by political will, economic viability, and social stability at the national, multilateral and multinational levels.[8]

These strategic factors political will, economic viability and social stability are major components of national power. Consequently, they must be consistently harnessed and fed into the cooperative equation, if efforts to safeguard the region against narcotics trafficking, and other elements of trans-national crime are to be effective.[9]

## Political Will

National sovereignty, regional cooperation, and institutional integrity are vital subsets of political will. Issues regarding them require decisive resolution by government officials and policy makers to strengthen the process of cooperative security between nations.

The political, economic and social crises posed by drug smuggling require both U.S. and Caribbean policy makers to develop means of alleviating understandable fears concerning loss of sovereignty. In the past, interdiction efforts made by the U.S. were conducted within Caribbean territories without regard for the sovereignty and independent legal systems of those countries.[10] This unilateral approach generated much skepticism among Caribbean nations.[11] Upon introduction by the U.S., Caribbean nations interpreted the concept of collective security as an American ploy to undermine their sovereignty.[12] The ensuing political fallout created a collaborative stalemate between the U.S. and its Caribbean neighbors.

In addition to this, U.S.-led sanctions against Cuba following the overthrow of its government in 1959 by communist insurgents under Fidel Castro resulted in Cuba's isolation from regional affairs. Hence, a vital piece of the cooperative puzzle was missing from the Caribbean security framework.

Now that the Cold War is over, the United States no longer has a distinct security strategy for the region and sanctions against Cuba remain in effect.[13] The resultant absence of nationally and regionally coordinated strategies between local public agencies as well as national governments have stifled cooperative engagement. A classic example was evidenced in attempts made by the Office of National Drug Control Policy (ONDCP) to better coordinate agency activities within the United States. The ONDCP's endeavours to unite U.S. law enforcement services were resisted by respective agencies resulting in continued deficiencies and ineffectiveness in counter-drug measures.[14] A similar occurrence was noted at the regional level during U.S. Secretary of State Madeleine Albright's visit with Caribbean foreign ministers in 1998. At the meeting, the Secretary of State was greeted at the negotiating table by Caribbean leaders, whose individual agendas were focused on national rather than regional interests.[15] Consequently, efforts to cement regional security ties were diluted by independent thinking.[16]

Lack of regional collaboration is not solely responsible for the slow tempo experienced in the process of cooperative security. During the Cold War period, the United States had unilaterally fixed its economic and military sights on countering communist threats within the region. This concentration opened a window of opportunity for Caribbean nations, governments and local elites, to furtively nurture narcotics trafficking. Over the years, national dependence on profits gained from this trade had induced a display of administrative and technical lethargy toward crime prevention by local government agencies. This institutional complacency encouraged the growth of the narcotics business and simultaneously inhibited law enforcement counter measure. The 1997 United Nations Drug Control Program report described the result: " . . . the anti-narcotic spirit – the political will against drug lords – is undoubtedly strong while the anti-narcotic flesh – the implementation of those policies – remains weak and fragmented."[17]

Without the indispensable instrument of political will to resolve intrinsic sovereignty issues, develop regional cooperation, and overcome dependencies on artificial economies, perpetrators of trans-national crime will continue to thrive.

## Economic Viability

Current global conditions demand that economic viability be granted priority status in resolving problems associated with trans-national crime within the broader context of cooperative

security.[18] This concept of fostering economic viability abroad was viewed by Captain W. B. Woodson as one of America's promising instruments of national policy.[19] To this end, the implementation of a regional plan that incorporates long term sustainable development is essential for cooperative success throughout the region.

The United States displayed substantial economic interest in the region with the establishment of the Caribbean Basin Initiative (CBI) during the latter half of the Cold War. The U.S. import tariffs for Caribbean goods manufactured under this initiative were reduced, and an equal source of revenue was generated for both the Caribbean and the United States. Since 1984, however, the trade gap has widened to $19 billion in favor of the United States.[20]

Today, the U.S. stands as a regional hegemon in the wake of the Cold War. Nevertheless, U.S. aid to the region has fallen from $237 million in 1985 to $23 million in 2000. The recent terrorist crisis in the United States has pressured Caribbean nations to seek international funding to counter future terrorist attacks, compensate for shortfalls from tourism, and implement measures against money laundering while combating the illegal drug trade.[21] Current economic conditions are expected to worsen as the tidal wave of globalization approaches. Caribbean nations dependent upon revenues derived from import duties and economic benefits under CBI are currently seeking alternative economic solutions before the *Free Trade Agreement of the Americas* (FTAA) takes effect in 2005.[22]

Declining economies have also made it increasingly difficult for Caribbean governments to make meaningful contributions toward cooperative strategy efforts against a growing narcotics industry.[23] Additionally, the political and economic crisis in Haiti currently threatens the stability of the region with vast illegal migration flows.[24] The rise in unemployment throughout the region has also heightened prospects for the propagation of the Colombian effect, the luring of many into seeking employment in the drug trade as an alternative source of income.[25] Even worse, this lack of economic viability may very well trigger a new wave of problems in migration, domestic security and politics.[26] Understandably, the United States goal of achieving cooperative security without a regional economic agenda had left many at the 1997 U.S. and Caribbean Summit disappointed.[27]

**Social Stability**

Professional integrity remains a cornerstone of social stability. The chief obstacle to this strategic factor, however, is corruption. Although significant contributions have been made by non-governmental and charitable organizations toward the establishment of stable drug-free societies, governments play a fundamental role in maintaining professional integrity among local agencies within the cooperative framework. The existence or perception of corruption is a critical weakness within the cooperative environment and can do much harm in destabilizing developing societies.

The Bahamas, for example, became known as a nation for sale at the peak of the drug trafficking era during the 1980s.[28] Charges of corruption stemming from the narcotics trade had far reaching implications within the political and private sectors of the Bahamian society. A national inquiry was held to investigate the illegal use of the Bahamas as a transit region for illicit drugs into the U.S. Widespread corruption was brought to light during the course of the inquiry.[29] In its wake, government officials were compelled to resign from office, the country's reputation was tarnished, and public trust and support for law enforcement institutions were severely diminished.

Like the Bahamas, other nations within the Caribbean have suffered similar experiences stemming from the scourge of corruption. A case in point was the ousting of the prime minister

of St. Kitts and Nevis.[30] Even worse, the former Minister of National Security in Trinidad and Tobago was assassinated for allegedly speaking out against corruption.[31]

A core problem experienced in uprooting corruption is the compulsive drive of many within poorer societies to acquire material wealth through corrupt practices encouraged by the narcotics trade. Left unchecked, the attitude of "administrative and technical lethargy" eventually seeps into the domain of counter-drug operations, where it undermines professional integrity and inhibits law enforcement efforts.[32]

Although governments of Caribbean nations are taking major steps to enforce money laundering laws within private institutions, the legislative basis to bring public officials to justice for corruption remains inadequate.[33] The cries of the RJR Communications Group's chairman, J. Lester Spaulding, for a comprehensive anti-corruption driven within government agencies in Jamaica echo the concerns of citizens throughout the Caribbean.[34]

Corruption is inadvertently encouraged by a lack of technical ability to bring those engaged in this social ill to justice. The presence of corruption, real or imagined, within government institutions, therefore, erodes the integrity of government institutions, deters public assistance in providing vital information and moral support for cooperative initiatives, and threatens the stability of democratic societies.

**Operation Bahamas Turks and Caicos (OPBAT)**

Operation Bahamas, Turks and Caicos (OPBAT) is a contemporary model of cooperative security within the Caribbean region that demonstrates the positive impact of strategic factors when fused into a cooperative framework. This longstanding multilateral counter-drug operation between the United States, the Bahamas and the Turks and Caicos Islands (a British Colony) focuses on narcotics interdiction, and is headquartered in the Bahamas. OPBAT was described by former U.S. Ambassador to the Bahamas Arthur Schechter, as one of the finest and largest examples of cooperative efforts overseas by any country in the counter-narcotics area.[35] The constant infusion and interplay of strategic elements of political will, economic viability and social stability by OPBAT policy makers and operational planners into this cooperative process have been instrumental in resolving inherent complexities.

The signing of the U.S.-Bahamas Ship-riders Agreement in 1996, was a fundamental step toward overcoming issues of sovereignty, cooperation and integrity.[36] Enacting this agreement has enabled the U.S., The Bahamas, and The Turks and Caicos Islands to conduct joint interdiction efforts within territorial waters where traffickers often seek refuge. The netting of approximately 100,000 pounds of marijuana, 45,000 pounds of cocaine, and 500 arrests by OPAT counter-drug operations from 1998 to 2002 highlights the importance of the ship-rider agreement.[37]

Economically, the U.S. government primarily funds OPBAT operations. The annual cost of running this operation is approximately U.S. $30 million.[38] Although financially constrained, the Bahamas government has committed approximately 14 percent of its annual budget to counter-narcotics efforts.[39] The Bahamas government also continues to make available both personnel and land resources (for use as operational centers), along with coordinated assistance of local maritime assets. Consequently, long term investments made by the U.S. and Bahamas governments in this cooperative venture have sustained OPBAT's operational effectiveness throughout its twenty-year history.

Over the years, local forces and agencies have experienced intermittent incidents of corruption that inevitably create barriers of distrust, and consequently limit prospects for

trustworthy cooperation between participating agencies.[40] The Royal Bahamas Police Force's recently established "Policy for the Prevention, Detection and Treatment of Corruption, Dishonesty and Unethical Behavior" within the police force has had favorable results. The continued efforts of this lead agency in local OPBAT operations against corruption within its service will undoubtedly strengthen relationships among OPBAT participants.[41]

As a contemporary model of cooperative success, OPBAT's framework can be used to establish strategic networks of similar operations throughout the wider Caribbean. Operations between the U.S., Haiti and the Dominican Republic or between the U.S., Puerto Rico and the U.S. Virgin Islands are a few examples where the OPBAT model could be utilized. The adoption of this framework, would conveniently subdivide the region into smaller, more manageable areas of operations. Success against narcotics trafficking and other elements of transnational crime could then be maximized through a cohesive unity of effort within each overlapping zone.[42]

In retrospect, OPBAT's effectiveness has been directly proportional to the interplay of strategic elements vitally important to its overall success. Today, OPBAT stands as a beacon of hope where other cooperative entities have been dashed across the rocks of time.[43] This regional model is, therefore, one that should be carefully studied, systematically developed and incrementally exported to enhance overall success of regional endeavors against the narcotics trade.

**The Way Ahead**

In view of intrinsic difficulties associated with narcotics trafficking and the limitations of regional governments to solve them, cooperative security offers a positive alternative for the way ahead. Enhancing its effectiveness, however, requires the formation of strong relationships between the U.S., Caribbean states, and regional governmental and non-governmental bodies through the infusion of political will, economic viability and social stability.[44]

In addressing components of political will, sovereignty, cooperation, and institutional integrity it is important for regional partners to individually adopt bilateral and multilateral agreements tailored to deal with specific threats to regional security on an incremental basis similar to that of OPBAT. The implementation of these agreements would form the core from which a network of other relationships could evolve to eventually span the region. To include Cuba in this cooperative process would inevitably "improve U.S.-Cuban relations" a desire expressed by former President Jimmy Carter during his recent visit with Cuban President Fidel Castro.[45]

Economically, the development of a cooperative strategy that promotes long-term sustainable development based on economic parity among regional partners is valuable to U.S. national interests.[46] In designing this regional economic strategy, however, consideration must be given to improving service-based economies of Caribbean partners in the areas of tourism and banking.[47] Initiatives by the United States to promote economic viability throughout the Caribbean will create an environment of mutual benefit as well as regional support for America's national interest.[48] Stronger economies will enable Caribbean nations to make greater contributions toward cooperative measures like OPBAT, establish higher standards of living and reduce the temptation to engage in trans-national crime.

Regional partners acknowledged the problem of corruption within the Caribbean at the Caribbean-United States Summit in 1997. A drafting of model legislation for enactment by individual nations was subsequently proposed.[49] This proposal also included the provision of technical assistance and training by the United States for Caribbean law enforcement personnel to combat corruption. The promotion of professional integrity within government agencies along

the lines of proposed legislation is vital for eliminating barriers of distrust and securing much needed public support.

The incremental growth of cooperative bonds between nations, the designing of a regional security strategy with economic parity, and the implementation of legal processes to eliminate corruption are important measures that can augment cooperative endeavors against narcotics trafficking.

**Conclusion**

Narcotics trafficking and other trans-national crimes are in essence a revolutionary war against the traditional freedoms and values of America, the region and the free world. For decades, the narcotics industry has gnawed at the foundations of society and now threatens democracy, law and order, and social well being throughout the U.S. and the Caribbean.

Many within the region now realize that cooperative security is imperative for eradicating narcotics trafficking and its associated ills. However, the infusion of political will, economic viability and social stability is also necessary for the success of this collaborative approach.

The time is now for regional governments and their respective institutions to recommit themselves to fostering cooperation, economic viability and professional integrity. This cooperative venture will undoubtedly enhance the effectiveness of counter-drug measures and promote stability throughout the region.

**About the Author**

Lieutenant Commander Tellis A. Behel is a 2002 graduate of the United States Naval Staff College at the United States Naval War College, Newport, Rhode Island. He is also a 1981 graduate of Britannia Royal Naval College, Dartmouth, Devon, England, and a fellow at the Center for Hemispheric Defense Studies at the National Defense University, Washington, D.C. He currently heads the Royal Bahamas Defense Force's Maritime Defense Training Institute.

**End Notes**

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5 Bert Wilkinson, "Caribbean-U.S. Relations Take A Dip", *Inter Press*. February 22, 2002. http://infoweb2.newsbank.com/iw-search/we/InfoWeb, 2 March 2002.

6 General Barry R. McCaffrey, *Remarks to the 21st Regular Session of the Inter-American Drug Abuse Control Commission*, Office of the National Drug Control Program, (Washington, DC.: 1997), 6.

7 Joseph S. Tulchin and Ralph H. Espach, eds., *Security in the Caribbean Basin: The Challenge of Regional Cooperation*, (Boulder, Colorado: Rienner, Lynne, 2000), 8.

8 Several Caribbean nations have entered "ship-rider" agreements with the United States. These agreements allow U.S. law enforcement vessels and aircraft to patrol territorial waters, and airspace of Caribbean nations with Caribbean law enforcement officials onboard. Caribbean Community (CARICOM) members also conduct annual military training and maritime exercises that are sponsored by the U.S. Southern Command.

9 Consumer demand lies at the root of success of the drug trade. See "Drug Abuse and Demand Reduction." United Nations Office for Drug Control and Crime Prevention. http://www.undcp.org/drug_demand_hiv_aids.html, 24 May 2002. Consequently, demand reduction programs such as education and youth development via governmental, non-governmental, and private organizations are essential for overall success against drug trafficking. Consequently, political will, economic viability and social stability provide the necessary framework for the implementation and continuation of these programs.

10 West Indian Commission, *Time For Action: The Report of the West Indian Commission*, (Black Rock, Barbados: 1992), 348-349.

11 U.S. Admiral Thayer Mahan's strategic vision for the region had given way to the American concept of unilateral response to regional security within the Caribbean. See Joseph S. Tulchin and Ralph H. Espach, eds., *Security in the Caribbean Basin: The Challenge of Regional Cooperation*, (Boulder, Colorado: Reinner, Lynne, 2000), 1-2.

12 Ibid., 343-345.

13 Institute for National Strategic Studies, *Strategic Assessment 1999*, (Washington, D.C.: National Defense University, 1999), 179.

14 Ibid., 186.

15 *The Trinidad Guardian*, 30 March 1998, 1.

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17 *1997 United Nations Drug Control Report*, *No One Is an Island*, (Barbados: UNDCP Office, 1997), 2.

18 Mark Egan, "Global Finance Leaders Grapple With New World Order," *The Nassau Guardian, Business Report*, (19 November, 2001), 3.

19 Captain W. B. Woodson (after whom the U.S. Naval War College's award — The Woodson Prize — is named) noted in his 1958 thesis that "the United States national interest required an expanded program of long term economic assistance to underdeveloped countries as

one of the most promising instruments of national policy." Although, life span and modern conveniences have improved over the years, the fundamental principle of Captain Woodson's assumption holds true for the Caribbean region and the wider Americas in modern times. See Commander W.B. Woodson, U.S. Navy, "Some Strategic Implications with Regard to Economic Assistance to Underdeveloped Countries," (Unpublished Research Paper, Record Group 13, U.S. Naval War College, Newport, R.I.: 1958), p. iii.

20 Bert Wilkinson. "Caribbean-U.S. Relations Take A Dip." *Inter Press Service*, 22 February 2002, http://infoweb2.newsbank.com/iw-search/we/InfoWeb, 2 March 2002.

21 Ibid. Two of the September 11 hijackers had attempted to enter the region via the Bahamas several months before the tragic event. Bahamian immigration officials, however, denied them entry. A third terrorist had entered the Bahamas during what appeared to be a flight training exercise a year before. These events demonstrate the need for cooperative security within the region to guard against potential acts of international crime. See Gustavius Smith, "Terrorists Were In Bahamas," *The Nassau Tribune*, (15 October 200), pp. 1, 11.

22 Caribbean nations have requested financial and technical assistance from the United Kingdom at the Third United Kingdom-Caribbean Ministerial Forum. The assistance is needed to help alleviate burdens felt from increased security costs, declining tourism industry and rising crime. See Lindsay Thompson, "U.K. Shares Caribbean Concerns," *The Nassau Guardian*, 10 April, 2002, p. 1. In 2005, trade tariffs and CBI benefits will be annulled. See Institute for National Strategic Studies, *Strategic Assessment 1999*, (Washington, D.C.: National Defense University, 1999), 173.

23 Jamaica among other Caribbean states highlights the difficulties experienced with budgetary shortfalls. Although the Jamaican government is committed to combating drugs, it is economically constrained with over half of its national budget going toward debt servicing. See United States, Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report 1999*, (Washington: Department of State: March 2000). http://www.state.gov/www/global/narcotics_law/1999_narc_report/carib99_part3.html, (12 April 2002).

24 Gregory J. Sanial, "National Security Depends On Water, *United States Naval Institute Proceedings*; (November 2001): 76-79. See also: Gustavius Smith, Haiti Caught in Vicious Cycle of Funds Embargo," *The Tribune*, (8 February, 2002), 3, and Raymond Winder, *The Economic Challenges in These Times: Going Beyond Business as Usual*, (Bahamas Chamber of Commerce, 31 October 2001), 3.

25 Finding employment in the narcotics trade is a natural inclination for unemployed workers in Columbia. See Scott Wilson, "Cocoa Invades Colombia's Coffee Fields: Falling Prices Push Farmers to Plant Illegal Crops, Threatening U.S. Drug War," *Washington Post Foreign Service*, 30 October 2001, sec. A., p. A 17. This tendency or "Colombian effect" has also affected many within the Caribbean region.

26 Mimi Whitfield, "OECD Tactics Decried", *The Florida Miami Herald*, (7 September 2001), 8C.

27 At the U.S.-Caribbean Summit held in Bridgetown, Barbados in 1997, U.S. security interests were realized with the establishing of ship-rider agreements among several Caribbean countries. This meeting, however, was viewed by Caribbean partners as long on rhetoric and short on economic commitments. See "U.S.-Caribbean Summit Disappoints", *Latin American Monitor: Caribbean*, (June 1997): 1.

28 Guy Gugliotta and Jeff Leen, *Kings of Cocaine*, (New York: Simon and Schuster, 1989), 61.

29 Government of the Bahamas. *Report of the Commission of Inquiry into the Illegal Use of the Bahamas for the Transhipment of Dangerous Drugs Destined for the United States*, (Nassau: 1984), 41.

30 Jorge I. Dominguez, ed. *International Security & Democracy: Latin America and the Caribbean in the Post-Cold War Era*, (Pittsburgh: University of Pittsburgh Press, 1998), 176.

31 *New York Times*, October 30, 1995, sec. 1:13.

32 Joseph S. Tulchin and Ralph H. Espach, eds., *Security in the Caribbean Basin: The Challenge of Regional Cooperation*, (Boulder, Colorado: Reinner, Lynne, 2000), 144.

33 CARICOM. U.S. Caribbean - *Summit 1997: Principals of Declaration*. 10 May 1997. http://www.caricom.org/usccs.htm#5.%20Combatting%20Attempts%20to20Corrupt%20Officias 14 April 2002.

34 "Rid JCF of Corruption." Western Bureau, *Jamaica Gleaner*. 6 November 2000. http://www.JamaicaGleaner.com/gleaner/2001106/lead/lead1.html, 15 March 2002.

35 "Bahamas Held Up as A Model to Combat Drug-Trafficking By U.S. Diplomat." *BBC Monitoring International Reports*, 26 November 1998. http://infoweb2.newsbank.com/iw-search/we/InfoWeb, 18 March 2002.

36 The U.S. and Bahamas governments had informally established the "Joint United States Coast Guard/Royal Bahamas Defense Force Ship-rider and Over-flight Program" for joint operations in 1985. This program was later formalized as the Cooperative Ship-rider and Over-flight Drug Interdiction Program by exchange of diplomatic notes in 1986, and was later extended by a similar exchange in 1996. See Ministry of Foreign Affairs, *Joint United States Coast Guard/Royal Bahamas Defence Force Ship-rider and Over-flight Program No. 380*, (Nassau, Bahamas: 1996). This program permits Bahamas police and defence force personnel to embark U.S. government vessels operating in Bahamian territorial waters as ship-riders. Additionally, this program authorizes Bahamian ship-riders to board any vessel suspected of drug smuggling in Bahamian territorial waters as well as Bahamian registered vessels on the high seas with the assistance of U.S. law enforcement personnel. U.S. government aircraft are also permitted to over-fly territorial airspace. See also: United States, Department of State, Bureau of International Narcotics and Law Enforcement Affairs, "International Narcotics Control Strategy Report 2000", (Washington: Department of State, March 2001), http://www.state.gov/g/inl/rls/ nrcrpt/2000/889.htm, 12 April 2002.

37 Matthew L. Seebald. seebaldm@nassau.cms.southcom.mil "OPBAT Statistics." e-mail address, tellisbethel@juno.com, 15 March 2002.

38 "Bahamas Held Up as A Model to Combat Drug-trafficking By U.S. Diplomat", *BBC Monitoring International Reports*, 26 November 1998. http://infoweb2.newsbank.com/iw-search/we/InfoWeb, 18 March 2002.

39 United States, Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report 1999*, (Washington: Department of State, March 2000). http://www.state.gov/www/global/narcotics_law/1999_narc_

report/carib99.html, 12 April 2002. The reallocation of U.S. counter-drug assets to the American "home-front" to assist in "America's War on Terrorism" is a recent example of the need for Caribbean countries to be economically viable. This would help supplement unexpected shortfalls within a cooperative environment. See "Coast Guard Striving to Define Normalcy", *National Defense*, January 2002, 13. See also "Drug-Policing Efforts May Suffer", *Miami Herald International Edition*, 18 October 2001, 3A, and "Laid Up; The Caribbean Economy", *The Economist*, 10 November, 2000. http://proquest.umi.com/pqdweb?Did=000000089307625&Fmt=3&Deli=1&Mtd=1&Idx=1, 9 April 2002.

40 *Secure Communications For the Exchange of Intelligence*, Technical Study and Report., (Barbados:European Commission, 1996), pp.20-21.

41 See United States, Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report 2000*, (Washington: Department of State, March 2001), http://www.state.gov/g/inl/rls/nrcrpt/2000/889.htm, 24 January 2002.

42 The Caribbean Community (CARICOM) group that attended the United Nations International Drug Control Program's (UNDCP) Regional Meeting on Drug Control in 1996 had proposed that the Caribbean region be divided into three main zones — the Northern, Central and Southern Zones — for the purpose of maritime cooperation. See Joseph S. Tulchin and Ralph H. Espach, eds., *Security in the Caribbean Basin*: *The Challenge of Regional Cooperation*, (Boulder, Colorado: Reinner, Lynne, 2000), 180-181. The exporting of the OPBAT model within this collaborative proposal would ensure that these zones are operationally effective. See Joseph S. Tulchin and Ralph H. Espach, eds., *Security in the Caribbean Basin: The Challenge of Regional Cooperation*, (Boulder, Colorado: Reinner, Lynne, 2000), 180-181.

43 Ivelaw Griffith, *Caribbean Security in the 21st Century*, (Washington, D.C.: Institute for National Strategic Studies, 1996), 45-47.

44 These regional bodies include the Caribbean Community (CARICOM), the Inter-American Drug Abuse Control Commission (CICAD), the Meeting of Heads of National Law Enforcement Agencies (HONLEA), the Organization of American States (OAS), the Regional Security System (RSS), the United Nations Drug Control Program (UNDCP) and the European Union.

45 Jimmy Carter. *Former President Carter Cuba Trip Report*. The Carter Center. 21 May 2002, http://www.cartercenter.org/viewdoc.asp?docID+5288submenu+news, 24 May 2002. Republican senators, Lincoln Chafee and Arlen Specter, met with Cuban President Fidel Castro, who assured them of his willingness to cooperate with the U.S. in drug interdiction efforts. See Nancy San Martin, "Two Senators Seek Cuba Links On Drugs, Terror", *The Miami Herald*, (7th January 2002), International Edition, 12A. It should also be noted that the U.S. government has a permanent drug interdiction specialist in Cuba. This specialist woks jointly with Cuban officials on a case by case basis. See United States, Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report 2000*, (Washington: Department of State, March 2001), http://www.state.gov/g/inl/rls/nrcrpt/2000/889.htm, 12 April 2002.

46 The region's economic potential is reflected in job creation, reinvestments and oil production it has generated for the U.S. As a major export market for U.S. trade, the Caribbean region accounts for some 400,000 U.S. jobs. See Bert Wilkinson, "Caribbean-U.S. Relations Take A Dip," *Inter Press Service*, February 22, 2002, http://infoweb2.newsbank.com/iw-search/we/InfoWeb, 2 March 2002. Additionally, the region's reinvestment within the U.S. is

approximately 50 cents on every dollar spent by the U.S. See Ivelaw L. Griffith, "U.S. Strategic Interests in Caribbean Security," *Joint Forces Quarterly*, (Autumn 2000), 64-68. Almost 40 percent of the crude oil consumed by the U.S. originates from the Caribbean basin. See *Influences On the Region's Economic Development; Latin America Economic Potential*, (Washington, D.C.: Institute for National Strategic Studies, 1999), 172.

47 The creation of a joint marketing tourism fund by the Caribbean Community (CARICOM) during the aftermath of the September 11 crisis is an example of how regional partners can work together to achieve a common goal that is beneficial to all. See Caribbean's Tourism Marketing Fund to Spend $16m in 2002, *The Nassau Tribune*, (19 October 2001) 7B.

48 Bert Wilkinson. "Caribbean-U.S. Relations Take A Dip," *Inter Press Service*, February 22, 2002, http://infoweb2.newsbank.com/iw-search/we/InfoWeb, 2 March 2002.

49 *Declaration of Principles: U.S.-Caribbean Summit 1997*, CARICOM. 1997, http:/www.caricom.org/usccs.htm#5.%20to20%20Corrupt%200Officials, 25 March 2002.

# The U.S. Approach to Combating the Spread of Small Arms

[The following is a fact sheet published by the Bureau of Political-Military Affairs, Washington, D.C., June 2, 2002.]

The proliferation of illicit small arms and light weapons (SA/LW) in regions of the world suffering from political instability and violent conflict has proven a major obstacle to peace, economic development, and efforts to rebuild war-torn societies. In places like Sierra Leone, Kosovo, and Colombia, thousands of innocent civilians have been killed and tens of thousands more displaced by ethnic and civil conflicts perpetuated in large part by easy access to illicit SA/LW.

The United States is a global leader in efforts to mitigate the illicit trafficking and destabilizing accumulation of SA/LW through multilateral diplomacy and bilateral assistance to countries in need. Specifically, the United States has directed its policies at building and enhancing enforcement and legal capacities, controlling proliferation to areas of conflict, providing training on export controls and customs practices, discouraging irresponsible and indiscriminate exports, strengthening sanctions against violators of embargoes, and enhancing stockpile security and destroying excess weapons. The U.S. approach focuses on practical, effective measures to address the problem of illicit SA/LW trafficking in conflict regions where it is most urgent, while acknowledging the legitimacy of legal trade, manufacture, and ownership of arms.

**Export and Import Controls**

Effective export and import controls are the keystone of any successful effort to mitigate the problems of illicit trade in small arms and light weapons. In many developing countries, very few laws, if any, exist to regulate the import and export of small arms and light weapons. In places where such laws and regulations do exist, enforcement is often weak. End-use certificates, the primary means of ensuring that weapons are delivered to intended users, are easy to forge and frequently can be bought for a price in poor countries where corruption is rife.

All countries that manufacture, trade, or transit weapons, require a robust regime regulating the transfer of arms. Regulations in the *U.S. Arms Export Control Act* (AECA) govern commercial exports of all U.S. defense articles and services as well as government transfers through the foreign military sales (FMS) program. Under these regulations, U.S. government approval is required for each transaction of defense articles and services. The intended end-users are carefully vetted to ensure that they do not violate any of the principles and norms in the 1995 *U.S. Conventional Arms Transfer* (CAT) policy. Under the CAT, all commercial exports and non-commercial transfers are subject to strict criteria including: U.S. and recipient country security needs; support for foreign policy interests; risk of adverse impact on the recipient country or region; human rights, terrorism, and proliferation record of the recipient and potential for misuse; and potential for diversion or other unauthorized use.

Unauthorized re-transfers are a major source of illicitly traded SA/LW. Arms re-transferred without notification to the original exporter are frequently the nexus between legal and illegal trade. Certain countries in Africa and Latin America, for example, have become major conduits of arms to violent terrorist and insurgent groups because of lax regulation over retransfers of legitimately traded arms. The United States is one of the very few countries in the world that conditions all commercial sales and government transfers of defense articles on rigorous end-use certification, adequate security to prevent illegal diversion, and the requirement for authorization for retransfer. U.S. law prohibits arms and munitions exported from the United States from being

re-transferred by the recipient without prior U.S. government approval. Suspected violations are subject to end-use inquiries, which can result in criminal sanctions against the person or entities involved, and termination of exports to a violating country. By law all U.S. SA/LW are marked at the time of manufacture and import to assist in tracking illegal diversions.

Laws and regulations are only as good as their enforcement. While no enforcement mechanism is foolproof, the United States employs end-use checks as an instrument for deterring and ensuring that U.S. exports are not illegally diverted to undesirable end-users. When a shipment is suspected of diversion or some other violation, the Department of State and U.S. Customs Service are able to conduct end-use inquiries through a program known as "Blue Lantern." The U.S. Department of Defense (DoD) also has instituted an end-use monitoring system for foreign military sales based on the Blue Lantern program. Inquiries can range from simple interviews conducted by U.S. Customs or Department of State officers to physical inspection of shipments. Hundreds of these end-use checks are conducted worldwide each year. Known violations of U.S. export regulations have resulted in denial and suspension of licenses, criminal prosecution, and termination of all defense exports to certain countries. Persons subject to prosecution under the ITAR may face criminal penalties up to $1 million per violation, imprisonment, or both.

**Regulation of Arms Brokers**

Unchecked "rogue" brokers operating with impunity due to a lack of regulation are a major source of illicitly trafficked arms around the world. Fewer than 20 countries in the world have laws regulating arms brokers. The United States prides itself as having one of the most comprehensive regimes governing international arms brokers in the world. A U.S. law approved in 1996, as an amendment to the *Arms Export Control Act* (AECA), mandates that commercial brokers engaged in the sale of U.S. defense articles must register with the Department of State's Office of Defense Trade Controls (DTC). Each transaction must also be fully authorized and licensed by DTC. Jurisdiction extends not only over U.S. citizens and foreign nationals operating in the United States, but also over U.S. citizens abroad. Finally, brokers are required to submit annual reports enumerating and describing all approved activities. The U.S. actively encourages other countries to develop robust brokering laws and procedures and has repeatedly called for international discussion on the development of model brokering regulations that could serve as a global template for national brokering laws.

**Enforcement of Embargoes**

Although United Nations Security Council (UNSC) resolutions impose legally binding commitments on member states, too often some members lack the political will or resources to ensure compliance with UNSC embargoes. The United States strictly observes embargoes and imposes criminal penalties on U.S. companies that violate them. The United States urges all countries to impose criminal sanctions on violators of UNSC embargoes, to support increased international cooperation, and to involve United Nations sanctions committees in efforts to identify violations and violators.

**Attacking Means of Financing**

A great deal of media attention has been focused on the problem of "conflict diamonds." Gems, timber, minerals, drugs, and other contraband, as well as diamonds, are bartered for arms and are also a major precipitator of conflict between rival military organizations struggling for control of lucrative concessions in some areas of conflict such as in Western, Central, and Southern Africa. The United States strongly supported a December 2000 United Nations General Assembly resolution calling for a break in the link between diamonds and conflict and a July 2000

UNSC resolution calling on member states to ban the import of diamonds from Sierra Leone unless exported under a certification process approved by the United Nations Sanctions Committee. The United States has additionally supported sanctions against Liberia and Angola relating to the trade in conflict diamonds. The United States is currently working with the diamond industry, non-governmental organizations, and governments through the so-called "Kimberly Process" to develop standards for a global certification process. Ending the export of "conflict diamonds" and other contraband will greatly aid efforts to cut off illegal sources of revenue that often fuel illicit trafficking in SA/LW.

**Assistance Programs**

Lack of proper laws, regulations, training and resources greatly hinder many countries' efforts to curb illicit small arms and light weapons trafficking. The United States works bilaterally and multilaterally to offer technical and financial assistance in the areas of law enforcement, export control assistance, and stockpile management and destruction of excess SA/LW. The United States funds a variety of programs in Africa, including, notably, the African Baseline Survey on Small Arms Legislation, Regulations, and Law Enforcement Capacity for the United Nations African Institute for the Prevention of Crime and Treatment of Offenders (UNAFRI). The United States leads efforts to include national reporting on SA/LW transfers in the Wassenaar Arrangement, a 33-country organization dedicated to transparency and responsibility in arms transfers. Export control assistance is offered to countries in need of developing laws, regulations and enforcement mechanisms; in particular, we have extensive cooperation programs with former members of the Warsaw Pact. In fiscal year 2001, the United States dedicated $2 million to global efforts to assist countries in the destruction of excess small arms and light weapons.

We believe that the approach outlined above holds the best prospects for mitigating the harmful proliferation of SA/LW in the areas of the world where action is most urgent. The United States does not support the proposals of some to totally ban civilian possession of firearms. Individuals in the United States and many countries lawfully own and use hunting and sporting firearms. The problem of SA/LW proliferation in areas of conflict and political instability is a qualitatively different issue. Casting the net so wide as to ban all firearms is counterproductive.

Similarly, the vast preponderance of SA/LW sold around the world are licensed, fully legal transactions, mostly to governments for national defense and law enforcement purposes. To tar all trade and manufacturing of arms with the same brush as the illicit trade misses the point. Finally, the United States disagrees with proposals to ban sales of SA/LW to non-state actors. Fundamentally, we oppose such a ban in principle because it fails to make the distinction between responsible and irresponsible end-users only whether or not they have status as "governments." Terrorist groups, insurgents, and drug traffickers acquire arms primarily through illegal diversion, theft and smuggling rather than through legitimate transfers. Therefore, a ban to non-state actors is unlikely to work as intended. It is also important to note that such a ban would preclude assistance to oppressed non-state groups such as an ethnic minority faced with genocide by an oppressive government. Arms acquired through illicit channels are best addressed by improvements in export controls for both state and non-state end-users which we strongly advocate.

Ultimately, simple "one size fits all" solutions are ineffective in dealing with the complex, often region-specific problems caused by the proliferation of small arms and light weapons. Focused efforts to identify and curb the sources and methods of the illicit trade via robust export controls, law enforcement measures, and efforts to expeditiously destroy excess stocks and safeguard legitimate government stocks from theft or illegal transfer are the best ways to attack the problem.

# Destroying Excess Small Arms: United States Policy and Programs

**By**

**C. Edward Peartree**
**and**
**Micheal D. Slack**
**Foreign Affairs Officers**

## Overview

The principal source of small arms and light weapons (SA/LW) in many regions of conflict is not new production but recirculated surplus stocks. Cold War-era stockpiles in the countries of Eastern Europe and the former Soviet Union, often poorly managed and susceptible to theft or illegal transfer, have been a source of arms for regional criminal organizations and terrorist groups. Ex-Warsaw Pact militaries eager to upgrade to North Atlantic Treaty Organization (NATO) standards have dumped large numbers of infantry rifles, machine guns, and light weapons such as rocket-propelled grenade launchers (RPGS) on to the global market. Sales of surplus arms, often to undesirable end-users such as insurgent groups or warring governments under international embargo, have proven a ready source of revenue for cash-poor developing countries.

In Africa, Southeast Asia and Latin America, small arms used in one regional conflict frequently turn up in another regional conflict. Arms collected in the aftermath of a peace settlement, if not quickly secured and expeditiously destroyed, will often be dispersed into the community, exacerbating instability and violent crime, or fuelling new conflicts. Arms used by the FMLN in El Salvador and the Contras and Sandinistas in Nicaragua during the 1980s have been recently traced to insurgents in Colombia. Sometimes, the migration of arms spans oceans and continents: U.S. origin M-16 rifles captured in Vietnam after the fall of Saigon have turned up decades later in Central America.

U.S. policy is to counter the illicit trade in small arms and light weapons, whether of U.S. or foreign origin, and to ensure that U.S. transfers of small arms and light weapons are carried out with the utmost responsibility. While robust export controls and enforcement are critical elements in the effort to curb illicit trafficking in SA/LW, the simplest and most reliable way to prevent proliferation of illicit arms is through proper stockpile management and expeditious destruction of excess. Taking up this global problem, the Department of State, working with the Department of Defense, has dedicated funding and expertise to assisting countries in improving stockpile management practices and destroying excess SA/LW.

## History – U.S. Efforts

Until recently, U.S. destruction of excess small arms had been largely an ad hoc effort. Recognizing that reducing collected stocks of arms in a post-conflict environment is critical to alleviating violence and improving stability, U.S. military forces, sometimes working with multinational partners, have frequently undertaken the destruction of arms seized or otherwise collected in military or peacekeeping operations. The U.S. destroyed tens of thousands of small arms and light weapons in Iraq and Kuwait during and after the Gulf War. In Haiti in 1994 and 1995, the 10th Mountain Division destroyed 18,621 small arms and light weapons. In Panama, coincident with Operation Just Cause in 1990-91, U.S. forces destroyed 77,553 small arms and

light weapons. SFOR in Bosnia and KFOR in Kosovo have destroyed thousands of weapons. In Liberia, between July and October 1999, the U.S. sent experts and contributed $300,000 through the U.N. Trust Fund on Liberia to destroy almost 19,000 small arms and light weapons and more than 3 million rounds of ammunition.

As U.S. engagement on global small arms efforts grew during the late 1990s, interest in concrete measures to mitigate their harmful effects turned to the issue of eliminating recirculating and surplus stocks in areas of concern. At an October 15, 1999 summit meeting, the United States and Norway agreed to create a Joint Working Group to assist at-risk countries in the destruction of excess SA/LW. Shortly thereafter, on November 18, 1999, the Stability Pact for Southeastern Europe endorsed a declaration of 10 regional states to destroy seized and surplus weapons. To support this commitment, the U.S. and Norway offered to send technical assessment teams to member countries to assist destruction efforts. In May 2000, U.S. and Norwegian experts visited Albania on the first assessment visit to be undertaken since the conception of their joint efforts.

**The Pilot Project: Albania**

Albania offers an excellent case study of the problems caused by excessive, poorly managed stocks of weapons in an unstable political environment. During the March 1997 political crisis caused by severe economic instability and the collapse of the government, over 500,000 small arms and light weapons and many tons of ammunition were looted from government arsenals around the country. The proliferation of stolen military small arms in Albania led to soaring violent crime and dramatic increases in arms smuggling into neighboring countries such as Macedonia and Yugoslavia. Some estimates indicate that over 50 percent of the stolen Albanian arms ultimately ended up in Kosovo; in any event, the sudden influx of arms to ethnic Albanian separatists helped to ignite armed conflict in that region — a conflict which led to direct U.S. and NATO intervention.

Beginning in May 1998, the Albania government bolstered efforts to collect weapons circulating in the civilian population, both through new legislation and increased law enforcement measures. This effort was assisted in 1999 by the initiation of a United Nations Development Program's (UNDP) "Weapons in Exchange for Development" program (originally targeted at the Albanian district of Gramsh, later extended to Elbasan and Dirba). Under the UNDP program, a limited number of collected weapons were destroyed, though the focus of the program remained on collection of illegal arms. Efforts to eliminate collected and surplus stocks of Albanian arms began in earnest on September 7, 2000, when then U.S. Assistant Secretary of State for Political-Military Affairs Eric Newsom, joined by representatives of the Norwegian and German Embassies in Albania, signed a memorandum with Albania's Minister of Defense, Ilir Gjoni. According to the memorandum, 130,000-plus weapons collected from the civilian population since the 1997 crisis were to be expeditiously destroyed along with surplus military stocks. The Albania project was praised within the Stability Pact and the Organization for Security and Cooperation in Europe (OSCE) as an important security and confidence building measure for the Balkan region. Since then, over 100,000 SA/LW have been eliminated in Albania with U.S., German and Norwegian assistance.

**Expanding Efforts**

The Albania initiative stimulated interest in the Balkan region and internationally in the importance of reducing stockpiles of surplus arms. A U.S.-Norwegian team conducted a successful joint assessment visit to Macedonia and Bulgaria in October 2000. The commitment of the U.S. government also grew with the release of $2 million in first-time dedicated funds in the fiscal year 2001 foreign operations budget for global small arms destruction; in fiscal year 2002 $3 million was budgeted for SA/LW destruction. Regional and international organizations

addressing the SA/LW proliferation problem began to recognize the importance of SA/LW stockpile management and destruction of excess. The landmark U.N. Program of Action, adopted following the July 2001 U.N. SA/LW Conference and the OSCE Document on SA/LW adopted in November 2000 contain provisions urging effective stockpile management and destruction of excess arms. The United States and the Southern African Development Community (SADC) signed a joint declaration on SA/LW measures in December 2000 which includes commitments to destruction of excess and illicit arms. In April 2001, NATO's Partnership for Peace (PfP) expanded its anti-personnel landmine destruction trust fund to include small arms and light weapons, encouraging PfP countries to commit to destruction of surpluses and NATO member countries to financially support these efforts.

The U.S. continues to expand its small arms destruction program. Projects have recently been completed in Bulgaria, Yugoslavia, and Lesotho. New projects are under discussion in the Balkans, Latin America, West Africa, and Southeast Asia. U.S. support for destruction of surplus and illicit small arms and light weapons is intended to promote regional security, peace and reconciliation in regions of conflict. The unchecked proliferation of these arms threatens civilians, peacekeepers, and law enforcement officials, and complicates the work of rebuilding war-torn societies and regions. Given that destruction is relatively inexpensive (costing generally between $1-5 per weapon destroyed) and can generally be accomplished using locally available infrastructure (a variety of cheap methods are viable) and personnel, the program offers large dividends in threat reduction for a modest initial investment.

**Policy into Practice**

The Small Arms/Light Weapons policy outlined above does not preclude government-to-government sales or EDA grants of military small arms to countries in regions of concern, but it is a factor the Department of State weighs heavily in making decisions on such transfers. Again, U.S. policy is to counter the illicit trade in small arms and light weapons arms, whether of U.S. or foreign origin, and to ensure that U.S. transfers of small arms and light weapons are carried out with the utmost responsibility. Generally speaking, the Department will support a transfer of U.S.-origin weapons only if it is clear that it will not result in a net increase of military small arms in excess of the country's legitimate military requirements. SAOs can assist by addressing questions relevant to these decisions in their requests and in follow-up communications with DSCA and State.

- Does the number being requested make sense in terms of the size of the force for which it is being proposed? Many statements on service manpower, both classified and open source, are outdated or wrong. The SAO can help the case by providing an up-to-date count on active duty forces. Knowing the size of reserves and paramilitary forces helps as well.

- As U.S. weapons replace the country's current inventory, how many weapons will become excess to military requirements? If the intent is to pass on current stocks to un-or under-equipped reserve or paramilitary forces, will this use absorb all of them?

- How else might the country choose to dispose of its excess inventory? Exports? If so, to whom does it plan to sell its excess inventory?

- If excess weapons are to be stored, how will they be stored and controlled and by whom?

- What is the track record of the armed forces or police in maintaining security of national stockpiles of small arms? Have there been thefts or other illicit transfers?

- If excess weapons are to be destroyed, what is the plan for their destruction? May U.S. representatives, normally the SAO, observe the destruction of those weapons even if they are not of U.S. origin?

**About the Authors**

C. Edward Peartree, a Foreign Affairs Officer in the Office of Policy, Plans, and Analysis in the Department of State's Bureau of Political-Military Affairs, specializes in U.S. policy on small arms and light weapons proliferation and critical infrastructure protection. During the past three years he has also served as a specialist in U.S. policy on anti-personnel landmines and non-lethal weapons. Prior to joining the State Department as a Presidential Management Intern in September 1997, he was a Research Associate at the Center for Strategic and International Studies where he was involved in a variety of projects on post-Cold War International Security Policy. He is the author/editor of *The Information Revolution and International Security* (CSIS Press, 1997) and has published several articles on defense and foreign policy. He holds an Masters from George Washington University's Elliott School of International Affairs and a B.A from Johns Hopkins University.

Micheal Slack, a Foreign Affairs Officer in the Office of Regional Security and Arms Transfers in the Department of State's Bureau of Political-Military Affairs, specializes in arms transfer policy and process. Prior to 1997 he served as a Foreign Service Officer for twelve years with overseas tours in the Azores, South Korea, the PRC and in Washington in the Bureau of Political-Military Affairs. Mr. Slack holds an M.A. and a B.A. from Ball State University, Indiana. He can be contacted by phone at (202) 647-2882 or by email at slackmd@t.state.gov.

# A Naval Aviation Foreign Military Sales Logistics Process Improvement Team Update

**By**

**Stephen N. Bernard**
**Naval Air Systems Command**

The Naval Aviation FMS Logistics Process Improvement Team (LPIT), chartered by VADM W.C. Bowes Commander, Naval Air systems Command and RADM R. M. Moore Commander, Naval Supply Systems Command in August 1993 to integrate and streamline the processes that logistically support Naval Aviation Foreign Military Sales (FMS) programs, was highlighted in the Summer 2000 issue of the *DISAM Journal*, Volume 22 No. 4 page 5-10. The LPIT consists of the FMS Logistics Steering Committee, the International Logistics Enterprise Team, the FMS Customer Advisory Group, the Industry Advisory Group, and the Logistics Support Office. The FMS LPIT works together at conferences and in separate meetings to create and enhance logistics processes that improve life cycle support for Naval Aviation FMS weapon system programs. The LPIT also examines technical logistics processes to develop innovative solutions for FMS logistics problems. The following information is provided as an update on several issues being worked by the team.

**FMS Reserve**

A Deputy Under Secretary of Defense (DUSD) (L/MDM) memo of January 30, 1995 authorized the Department of Defense inventory control points to establish a FMS reserve to identify and retain assets that may be needed to support foreign-owned weapon systems that have been phased out of use by U.S. forces. A DUSD (L/MDM) memo of September 25, 1995 further defined these assets as material not excess to the DoD, thereby providing protection from disposal actions required of excess material. The Assistant Secretary of the Navy (ASN) (RD&A) memo of August 25, 1998 required the FMS reserve to include all stock numbered and non-stocked numbered material for out-of-inventory systems managed or owned by the Navy hardware system command that is needed by foreign government under the security assistance programs.

The LPIT took responsibility for developing the FMS reserve for Naval Aviation FMS customers with the goal of enhancing life cycle logistics support for FMS customer weapon systems. The FMS reserve includes supply system assets managed by inventory control points (ICPs) and sponsor owned material (SOM), which includes support equipment, parts, training devices, etc., managed by HSCs. NAVAIR FMS reserve SOM is a sub-set of NAVAIR total SOM and managed as part of the NAVAIR Total Asset Visibility (TAV) program. Since the FMS Reserve items are not excess to DoD, they can be issued at full standard or market price (with adjustments for age, model, and/or condition). To date, millions of dollars of material have been sold through the FMS Reserve for several different platforms.

NAVAIR operations are detailed in formal NAVAIR FMS reserve business rules signed in May 2001. Roles and responsibilities are delineated in these rules. The FMS Reserve Board has overall policy and oversight responsibility. NAVAIR's TAV manager has responsibility for TAV policy and operating expense budget authority. NAWCAD Lakehurst personnel are responsible for financial management and banking services via the Navy working capital fund in addition to program and direct sales management. NAVICP has supply system sales management responsibility for stock numbered material held as sponsor-owned material, and they account for sales and credits in accordance with the FMS Reserve Memorandum of agreement.

The current status of the self-sustaining FMS reserve reflects all costs and warehousing expenses as paid through fiscal year 2002. In addition, sales are projected to cover all expenses through fiscal year 2003. It is anticipated that the FMS Reserve will continue to remain solvent and eventually produce funds to go to the U.S. Treasury since revenue from sales will be above the amount required to perpetuate the FMS reserve.

**Third Party Transfer**

The Third Party Transfer for six of the seven F-18 customer countries was approved in January 2002 after three years of work by LPIT members. Under Third Party Transfer, end-user agreements are signed by each country. These documents are pre-approved blanket agreements that state the receiving country will protect and respect the classification of the same configured item from another country. The pre-approved agreements provide the FMS F-18 community the ability to exchange and repair parts in an efficient manner without having to go to the Department of State (DoS) for each occurrence. The only requirement is to provide a quarterly report to the DoS for the items exchanged.

The need for third party transfer was seen by LPIT members and the FMS F-18 community due to budget and manpower reductions in the U.S. along with significant increases in major U.S. deployments and operations throughout the world. The budget reductions decreased spare procurements, while the increase in world operations caused a drain on off-the-shelf or stocked items. The U.S. also reduced its depot core repair capability by turning to outsourcing with Direct Vendor Delivery or total logistics support with major contractors. These issues, combined with parts obsolescence issues as Boeing Aerospace closed its main F-18C/D production line, led LPIT members and the FMS F-18 community to seek an economical and efficient legal means to make available spare and repair parts from one FMS customer country to another.

Australia, Canada, Finland, Kuwait, Malaysia, and Switzerland officials have signed the end-user agreements for F-18 third party transfer. Commodities for transfer include specific common and unclassified FMS-origin F-18 spare parts. Other items, not specifically cited in the agreement, but are also transferable, include related subsystems, accessory attachments, support equipment, and technical data. The end-state will be a better U.S. and FMS customer interoperability and improved U.S. national security. Third party transfer for F-18 FMS customers will also ensure the U.S. military has access to certified repair sites that can be reached quickly throughout the world and help individual F-18 FMS customers support their own logistics requirements more efficiently.

**WebLINK-International**

FMS customers requested access to the Defense Logistics Agency's (DLA's) tailored logistics information through DLA's WEBCATS, a Web-based Customer Account Tracking System. WEBCATS is an Oracle-based internet product that enables customers to view a wide range of DLA logistics information. Access to WEBCATS by FMS customers would have required extensive programming, but Headquarters Defense Logistics Agency LPIT members were able to provide access to WebLINK-International (I) by working with DLA's Defense Logistics Information Service in Battle Creek, Michigan. WebLINK-I is a scaled down version of DLA's Logistics Information Network (LINK). While LINK has fifteen data feeds, the international version has five data feeds.

The data feeds for FMS customers are the Defense Automated Addressing System Center, the Defense Reutilization and Marketing Service (DRMS), the Logistics Information Processing System, the Logistics Remote Users Network, and the Standard Automated Material Management System). These systems provide the status and location of a customer's items; who to call for

information; visibility of inventories and excess stock; and descriptive information about items of supply. foreign liaison, exchange officers, and other security assistance representatives from countries with FMS cases for material are eligible for using WebLINK-I after getting U.S. government sponsorship. Foreign embassy personnel in the U.S. can also be sponsored by their respective embassies. System access requests need to be forwarded through HQ DLA's Command Security Office.

All that is needed to access the unclassified information on WebLINK-I is a 128-bit browser. A database is selected by the customer; queries are built and then submitted to the LINK server. The server retrieves the data and builds the response files. After the customer clicks on Responses, the data is forwarded via email. WebLINK-I also allows for automatic queries. If you want daily information forwarded at a certain time, WebLINK-I can also do that. In addition, it has the ability to run batch queries, and the results can be downloaded on a spreadsheet. Enhancements to WebLINK-I are already being developed. These include submission of supply assistance requests) and submission of supply discrepancy reports.

**Dual Track**

NAVICP International Programs Directorate LPIT members developed procedures for an experimental FMS case that would include characteristics of FMS and commercial procurement. The Dual Track case is a new vehicle that provides international customers access to the DoD supply system and the option of using a Commercial Buying Service (CBS) via a single FMS case. It is not intended to replace existing supplemental buying service procedures, but to create additional options.

Over a three year period, Defense Logistics Agency statistics showed non-Cooperative Logistics Supply Support Arrangement follow-on support requisitioning had dropped by 50 percent. FMS customers started to go elsewhere for their consumable material requirements. DoD supplies the majority of FMS requirements within a few days. However, requirements subject to backorder or spot procurement often age beyond timeframes acceptable to FMS customers. Currently, 28 percent of Navy FMS requirements are on backorder. Most backorders are under $25,000. The Department of Defense spends an inordinate number of man-hours to support these low dollar value requirements.

Dual Track represents a distinct new direction in security assistance. DoD will have the ability to provide FMS customers a single portal to DoD inventories and electronic commerce. This program will reduce backorders, improve FMS logistics response time, and provide options for tailored FMS customer support. In addition, FMS infrastructure costs will be reduced through streamlined overhead and internal management requirements. Equally important for supply chain solutions, capability will be obtained to capture all weapon system demands, sales from FMS stock, and CBS procurements for platforms operated by our allies.

**eBusiness**

NAVICP's International Programs Department started their FMS electronic commerce with its eBusiness suite of applications. These applications are intended to allow the FMS customer direct access to various FMS related databases as well as electronic submission of business requests. Programs included in the NAVICP eBusiness suite are on-line requisitioning, supply discrepancy reports, quality deficiency reports, the SDR status center, as well as access to U.S. excess defense articles and the Management Information System for International Logistics Information Warehouse system. The EDA database allows the FMS customer to browse and purchase material excess to U.S. system stocks.

An on-line requisition system was developed in the eBusiness suite to allow the FMS customer to enter requests for all types of requisitions (stock numbered, part numbered, and publications). The system defaults fields such as fund code and signal code to reduce the amount of data entry required by the customer. Drop-down boxes are provided for unit of issue, document identifier, demand code, and priority to ensure correct data. Should the customer enter a wrong document identifier, the form will not accept remarks data, and an error message will be displayed. Upon submission, an email is sent to the user to confirm receipt. An on-line help page is incorporated and lists each field, its use, and proper entries.

NAVICP eBusiness development is a new and exciting field providing the FMS customer unprecedented visibility and access to their programs. The eBusiness suite was designed for ease of use by FMS customers and includes security features to ensure country access is restricted to authorized users by user identification and password. The suite of applications includes submission forms, status centers, and powerful databases with full ad hoc query capabilities. FMS eBusiness is expected to expand in the years ahead to streamline processes and reduce costs for the U.S. system and for FMS customers. The end-state will be a true, paperless environment, which will provide improved FMS customer service and support.

**Power Track**

Power Track is an internet-based freight payment system that allows Department of Defense customers to process invoices electronically to expedite shipments to the U.S. A bank in the U.S. initially developed the system for online freight payment and transaction tracking. DoD subsequently adopted Power Track as its standard method to pay contracted carriers for the military services, National Guard, DLA, and TRANSCOM. NAVICP-OF introduced Power Track as another option for FMS customers to return approved SDR unclassified material. Power Track software was installed on one of NAVICP's dedicated computers. NAVICP then selected Emery Worldwide as its prototype Power Track air carrier. Emery is transporting return material from Canada, France, Italy, Japan, South Korea, New Zealand, Spain, and Taiwan.

The operational advantages of Power Track include continuous asset visibility with door-to-door delivery regardless of size or weight. Returns are completed in days or weeks instead of months. Next day delivery is also available. Economic advantages include reduced claims for lost SDR materiel being returned to the U.S. This is significant since nearly $6,000 worth of Navy FMS SDR materiel is lost in returned shipments and written-off for customer credit every month. An advantage for carriers is that they receive payment as early as twenty-four hours after delivery, and there is one consolidated electronic monthly billing. Power Track also eliminates daily reconciling of freight bills and invoices. Time and money are saved when the individual documents do not have to be submitted every time material is returned.

Power Track is an excellent system that helps expedite material returns from FMS customers. This program also improves customer relations by simplifying SDR material tracking. Ultimately, service for FMS customer material return is faster, easier, and less expensive. NAVICP is exploring the expansion of Power Track for repair of repairables.

**Repairable Item Replacement Option**

On 14 February, NAVAIR approved the Repairable Item Replacement Option (RIRO) program approval procedures. The RIRO program permits an FMS customer, with an existing Cooperative Logistics Supply Support Arrangement FMS case in place, to order repairable components from the Navy supply system on an exchange basis. As with all CLSSA FMS cases, NAVICP determines whether an FMS customer must augment Navy supply system stock before they begin submitting requisitions under the RIRO program. Based on input from NAVAIR and

data from the NAVICP configuration database, NAVICP creates a table of stock numbers, which is keyed to the eligible FMS customer requesting participation in the RIRO program. Once RIRO requisitioning begins, NAVICP electronically screens incoming FMS requisitions against the aforementioned table and rejects those requisitions for items that do not pass the NAVICP front-end screen. Requisitions that pass the screening are processed for issue from the supply system.

RIRO allows a FMS customer to replace failed repairable items by using procedures for requisitioning, payment, and carcass tracking similar to those used by the USN/USMC fleet customers. It enhances a FMS customer's CLSSA program by permitting an FMS customer to requisition repairable components from the U.S. Navy supply system on an as needed basis. NAVAIR program managers may exclude items from the RIRO program. The exclusion policy is required for technical and safety reasons such as fatigue life tracking, configuration control, and other technical reasons as determined by the designated assistant program manager for logistics.

Implementing a RIRO program can substantially reduce a potential customer's initial investment (e.g. lower spares pipeline time and reduced I-level support equipment and training requirements). It also permits a phased initial support strategy that, among other things, addresses a long-standing concern of FMS customers that they purchased too many excess spares during the initial support phase of a new program. RIRO also benefits the USN in that it permits the recapitalization of funds into the navy working capital fund for more urgent requirements and helps reduce the NWCF cost recovery rate by increasing obligation authority.

***FMS Integrated Logistics Support Acquisition Manual***

The purpose of the *Foreign Military Sales Integrated Logistics Support Acquisition Manual* (ILSAM) is to provide a reference document for international customers that are planning to purchase an off-the-shelf weapon system under either an FMS case or direct commercial sales (DCS) contract. While the ILSAM was developed by LPIT members for customers that are purchasing U.S. Navy (USN) aviation weapon systems, the principals apply to the purchase of ship systems as well as other military Service-managed systems. The ILSAM is considered an essential tool for an FMS customer-manager assigned as a life cycle program manager (LCPM) and responsible for cost effective and responsive life cycle support.

The ILSAM does not address all aspects of procuring integrated logistics support. Rather, it focuses on selected logistics processes that impact operation and support costs which are estimated to comprise above 75 percent of a weapon system life cycle cost (LCC) if the weapon system is purchased off-the-shelf. Operation and support costs consists of all costs incurred by a user to field and sustain a weapon system including personnel, spare and repair parts, fuel, transportation, and maintenance. Operation and support costs are a sub-set of a weapon systems overall LCC that begins with the research and development phase of a weapon system's development and ends with the disposal phase. For example, the document assists a LCPM to develop cost and readiness goals that flow from an overall logistics strategy, independently validates a potential supplier's offer and forecast O&S cost, and prescribes a procurement strategy to reduce cost.

The ILSAM was tailored primarily for use by logistics managers as they plan, procure and manage the fielding of a new weapon system and the planning for follow-on support. It is both a management and working level tool. The ILSAM applies to all off-the-shelf weapon system procurements regardless of whether the weapon system is delivered from production or purchased from excess foreign government inventories.

## Reduced Initial/Life Cycle Support Costs for FMS Customers

Recent DoD directives such as DoD 5000.1 have promoted the adoption of innovative approaches to fielding new weapon systems and providing follow-on life cycle support through the use of competitive sourcing to select best-value providers from U.S. government, industry, or public-private partnerships. These approaches resulted in a streamlined logistics infrastructure, reduced logistics response cycle times, weapon system supply chains integrated with DoD and commercial logistics systems, and more funding for recapitalization and operational manning requirements.

Current DoD policy also promoted increased accountability throughout a weapon system's life-cycle through the adoption of innovative contracting concepts and new logistics metrics, such as customer wait time, which measures the impact of logistics directly on the warfighter. Through these innovative logistics approaches, program managers have dramatically improved logistics support for domestic weapon systems.

To improve supportability of newly procured weapon systems in the domestic and international markets (both commercial and military), prime aircraft manufacturers have begun offering hybrid support concepts which some call Enhanced Contractor Initial Support (ECIS) for supporting the introduction of new systems. ECIS combines aspects of traditional U.S. government support concepts with OEM maintenance, material support, in-service engineering, and training options.

ECIS specifically targets the front-loading issues by adding a unique discriminator - prime contractor upfront funding after initial operating capability that makes critical supply chain initiatives feasible. With assurances that ECIS will provide efficient follow-on support, the U.S. government, in collaboration with the prime contractor, can safely recommend this support concept to the FMS customer to reduce their initial support investment and ensure they acquire in-country maintenance capability on a phased basis as dictated by life cycle cost considerations.

What is unique about the ECIS approach is a contractor-managed dedicated supply chain (coupled with guaranteed performance metrics), contractor managed in-country warehouse, contractor technology insertion during repair, and contractor excess inventory rebate if initial spares do not achieve the contractor-forecasted cumulative annual stock turnover rate. The bottom line is that FMS logistics managers have a host of new concepts available to reduce initial and follow-on logistics support to FMS customers that meet the DoD direction to use competitive sourcing to select best-value providers from U.S. government, industry, or public-private partnerships.

## Conclusion

The Naval Aviation FMS LPIT continues to introduce new approaches to FMS logistics process improvement by meeting with our LPIT members, security assistance activities from other military Services, and domestic organizations. Meetings this past year introduced the opportunity for FMS countries to participate in domestic performance based logistics (PBL) and joint aviation technical data integration programs.

Performance-based logistics is a long term agreement where the provider (commercial, organic, or public-private partnership) is incentivized and empowered to meet customer oriented performance requirements (reliability, availability, etc.) in order to improve product support effectiveness while reducing total ownership costs. Typically, a contractor designs the solutions and performs an increased role in traditional government functions, e.g., supply support, repair,

repair management (best commercial practices), repair parts, wholesale sparing, PHS&T, etc. To pad is to optimize performance and total ownership costs.

If the FMS customer participates in the PBL contract, the USN has an obligation to provide a minimal level of technical data and access to parts no longer available in the DoD logistics system so a FMS customer can sustain a maintenance capability previously provided under government-to-government agreements. In addition, all PBL contracts will establish a process whereby FMS customers will be informed of contractor-developed obsolescence and reliability solutions so they can be incorporated in customer-owned components as they undergo depot maintenance.

JATDI is another new, innovative approach that is being discussed with FMS customers. JATDI is a domestic Web-based system that accesses digital data from a variety of sources to provide real-time, accurate data to facilitate organizational and intermediate level maintenance and/or depot maintenance operations. The benefits to the FMS customer are providing a consistent process for technical data access, a consistent cost structure and accessibility, a consistent process for technical information access, and consistent customer support between services. In addition, JATDI will fulfill customer requests for on-line access, reduce complaints about lack of access and pricing, improve life cycle support performance, and increase exposure to U.S. product support resources.

In summary, we have a hard working team that is continually striving to improve the way we do our FMS logistics business. Through our LPIT government partnerships with FMS customers and industry, we open new doors to enhance communication and logistics support for the international customers who purchase defense articles and services from the Naval Aviation Systems Team.

**About the Author**

Mr. Stephen N. Bernard is the NAVAIR Director of FMS Logistics. He graduated from U.S. Army Flight School in 1969, serving in the Republic of Vietnam and Germany. In 1975 he received a B.A. in Experimental Psychology, and an A.A.S. in Aviation Technology from Southern Illinois University. He holds the FAA A&P and Commercial Helicopter licenses. He served as a tech data and production manager at NADEP Cherry Point, North Carolina from 1975 through 1984. In 1981 he received an M.S. in Acquisition Logistics from the Air Force Institute of Technology as a Secretary of the Navy Management Fellow. From 1985 through 1991, Stephen was Assistant PM (Logistics) for the Navy's H-46 and F/A-18 (Kuwait) programs. Currently, he is Director of FMS Logistics at the Naval Air Systems Command.

# SECURITY ASSISTANCE COMMUNITY

## Achieving Security Cooperation Objectives Through The United States European Command Humanitarian and Civic Assistance Program

**By**

**Major Mario V. Garcia Jr., USA**
**United States European Command**

In 1997 the United States European Command (USEUCOM) consolidated three formerly disjointed Department of Defense (DoD) Humanitarian Assistance programs: Humanitarian and Civic Assistance (HCA), Humanitarian Assistance-Other (HA-O), and the Humanitarian Assistance Program-Excess Property (HAP-EP). These programs were established in the USEUCOM J4 and formed the Humanitarian Assistance (HA) Branch for the purpose of synchronizing activities and creating synergy among the programs.

Since the formation of the HA Branch the USEUCOM HA Programs have grown significantly in size and popularity with U.S. Ambassadors within the area of responsibility. The USEUCOM HCA program is one of the premiere UCOM security cooperation tools. The program implementation is strategically focused to meet the five DoD objectives:

- Shape the security environment and foster goodwill furthering U.S. national interests;
- Gain access and influence;
- Bolster the ability of developing countries to prepare and respond to disasters;
- Train U.S. Forces; and
- Demonstrate how a professional military operates with civil military cooperation.

**What is an HCA?**

During the concept development and planning phase warfighters and security assistance officers (SAOs) alike are unaware exactly of what HCA is. In the beginning HCA activities are conducted in conjunction with a planned exercise or operation. The HCA should never be considered the primary focus of the exercise, but rather as an add on to what is already planned.

The authority to conduct HCA activities is outlined in Title 10 USC Section 401. The HCA program provides U.S. forces unique training opportunities to enhance military occupational skills in remote austere environments. These activities not only improve the operational readiness of U.S. forces, but serve as a multipurpose security cooperation tool that achieves strategic and operational level objectives. HCA's allow U.S. forces to engage and conduct interoperability training with a variety of host nation agencies ranging from ministries, armed forces, and of course the ultimate beneficiaries, the civilian population.

In USEUCOM, typically HCA's include medical civic action plans (e.g. medical, dental, optometry, and veterinary), rudimentary construction to include non-revenue producing infrastructure projects such as sanitation/surface transport systems, and well drilling.

Humanitarian and civic assistance funding is programmed annually through the U.S. Army using 442 (Support To Other Nations) dollars. In the past three years the demand for HCA activities by components and exercise planners has tripled the USEUCOM program.

Europe (NAVEUR) conducted a WATC in Togo and Ghana providing critical medical care to thousands of people in the local population.

From a strategic perspective, the program serves as an excellent tool for security assistance officers to achieve the UCOM's theater security cooperation and country team objectives. Specifically, the HCA Program provides SAOs access and influence to locations and government officials that they would normally not interact with. The activity allows the SAOs to strengthen strategic partnerships thereby enhancing regional security cooperation goals. Furthermore, successful implementation of the program supports U.S. national interests and our objectives.

**West Africa Medical Outreach Program**

**Ghana Detachment (NR Fleet Hospital Dallas)**

| Date | Village | Patients | Medical | Optical | Glasses | Dental | Extractions | Vaccinations | Pharmacy |
|---|---|---|---|---|---|---|---|---|---|
| 15-Apr | Agomeda | 522 | 263 | 1122 | 86 | 52 | 46 | 95 | 96 |
| 16-Apr | Dodowa | 555 | 290 | 155 | 128 | 56 | 46 | 54 | 89 |
| 17-Apr | Afienva | 823 | 452 | 197 | 169 | 104 | 64 | 70 | 131 |
| 18-Apr | Kodiabe | 867 | 463 | 201 | 161 | 121 | 94 | 82 | 136 |
| 19-Apr | Shai Hills (37th) | 382 | 169 | 154 | 104 | 34 | 12 | 25 | 25 |
| 20-Apr | Dodowa | 1191 | 641 | 197 | 139 | 162 | 32 | 191 | 348 |
| 22-Apr | Ayikuma | 770 | 420 | 206 | 138 | 94 | 86 | 50 | 144 |
| 23-Apr | Doryum | 1216 | 500 | 306 | 146 | 210 | 94 | 200 | 300 |
| **Total** | | **6326** | **3198** | **1528** | **1071** | **833** | **474** | **767** | **1269** |

**Togo Detachment (NR Fleet Hospital Minneapolis)**

| Date | Village | Patients | Medical | Optical | Glasses | Dental | Extractions | Vaccinations | Pharmacy |
|---|---|---|---|---|---|---|---|---|---|
| 16-Apr | Koveto | 774 | 262 | 117 | 100 | 26 | 15 | 369 | 310 |
| 17-Apr | Legbassito | 1097 | 309 | 171 | 139 | 30 | 30 | 587 | 455 |
| 18-Apr | Sagbato | 1096 | 318 | 121 | 113 | 33 | 40 | 624 | 483 |
| 19-Apr | Lilikope | 1199 | 403 | 124 | 120 | 42 | 30 | 630 | 611 |
| 21-Apr | Adetikope | 1216 | 349 | 177 | 157 | 25 | 22 | 665 | 703 |
| 22-Apr | Hompou | 1021 | 397 | 130 | 99 | 30 | 47 | 464 | 701 |
| 23-Apr | Aname | 1345 | 453 | 134 | 119 | 31 | 24 | 727 | 869 |
| 24-apr | Lokoe | 940 | 235 | 186 | 165 | 30 | 18 | 489 | 507 |
| **Total** | | **8688** | **2726** | **1160** | **1012** | **247** | **226** | **4555** | **4639** |
| **Grand Totals** | | **15014** | **5924** | **2688** | **2083** | **1080** | **700** | **5322** | **5908** |

## HCA Nominations

The submission of HCA nominations begins approximately 18 months prior to execution. Exercise planner's work with the HCA program manager to identify specific activities and locations. In USEUCOM many of the construction related HCA activities are conducted in concert with engineer related construction projects. Coordination with the host nation and local officials is critical during the early planning stages of construction and medical projects. Prior to the submission of a project all the details should be ironed out. For example, medical projects require written approval from Ministries of Health for vaccinations, surgical procedures, and

treatments. Since all HCA construction is rudimentary in nature, the host nation should approve the scope of work to ensure it does not conflict with building standards or restrictions.

The HCA Program Manager using the Humanitarian Assistance Program-Internet (HAP-I) website submits HCA nominations. The HAP-I is an unclassified interactive web-based system used for project nominations of all Title 10 HA Programs. The nominations are developed based on the concept of operations established by either planners from the component commands or executing U.S. military unit. As a minimum a nomination must contain specifics on the activity such as: location, name of exercise/operation, scope of work, training benefit to U.S. forces, number of participating forces, and cost. Once the nomination is inputted into the HAP-I system, an interagency review of the nomination is conducted. The interagency review historically has averaged 6-8 months before a project receives final approval from the Defense Security Cooperation Agency (DSCA). An exception to bypass the DoD HCA approval process is possible under the DeMinimus Clause in the USC. The DeMinimus Clause allows the HCA program manager to approve execution of projects under $10,000 without interagency review.

**USEUCOM HCA Program Way Ahead**

The consolidation of the three HA Programs in USEUCOM has unquestionably had a profound impact on both U.S. national interests and our strategic partners throughout the area of responsibility. Specifically since fiscal year 2001, the number of HCA activities in USEUCOM has more than tripled. Consolidation of the HA programs in the command has not only improved the synchronization of activities, but created synergy among the programs. At the conclusion of a HCA construction project(s) we now outfit the facility (e.g., medical clinic, orphanage, school . . . etc.) with excess property from our HAP-EP program. The integration of other resources to the exercise benefits all concerned, more importantly it serves as an excellent example of what good civil-military cooperation relationships can achieve when working together.

As we enter the post September 11, 2001, “New World Order”, we are establishing new strategic partnerships and more opportunities are presenting themselves. The HCA program is a tool that can be used by tacticians and SAOs alike. In most decisive combat operations Phase IV of every plan represents the post-hostilities or stability and support operation phase. These activities normally coincide with skills that are trained and conducted during HCA events. In USEUCOM, our experiences in Southeastern Europe have reinforced the importance of training U.S. forces through HCA type activities while performing stability forces (SFOR) in Bosnia and Kosovo forces (KFOR) missions. In Kosovo, Task Force Eagle conducts weekly medical exercises throughout their sector which have resulted in greater access and influence with local government officials, in addition to the added benefit of keeping up collective and individual medical skills. The expansion of USEUCOM’s area of responsibility, new partnerships with the New Independent States, and service/component funding constraints will most likely result in a steady growth of the USEUCOM HCA program in the future.

**Conclusion**

The HCA Program is a highly effective tool that can be used to accomplish strategic, operational, and tactical objectives. Component and unit commanders have been increasingly using the additional funding source available through the program to offset training and operational costs. Similarly, the program serves as an outstanding security cooperation tool for SAOs and country teams to achieve their goals and objectives. Most importantly it supports the Unified Command’s theater security cooperation plan, the *U.S. National Security Strategy*, and achieves positive quality of life results in the host nation. The contribution of the program on the war on terrorism has been significant with activities ranging from the Caspian Sea to Sub-Saharan

Africa. In the end, the best security cooperation tools are U.S. forces on the ground serving in the capacity of warrior-humanitarians maintaining regional stability.

**About the Author**

Major Mario V. Garcia Jr., is a Logistics Operations Officer working in the Headquarters United States European Command (International Division), Logistics and Security Assistance Directorate, Humanitarian Assistance Branch. MAJ Garcia is an Army Quartermaster Officer who has served in numerous command and staff billets in 3d Infantry Division, 82d Airborne Division, and 1st Corps Support Command (Airborne). He is a graduate of the U.S. Army Command & General Staff College and the U.S. Naval Command and Staff College. Major Garcia is a distinguished military graduate of the University of South Florida and holds an M.S.A. from Central Michigan University in human resource management and an M.A. in national security and strategic studies from the U.S. Naval War College.

# Security Cooperation in a Post September 11, 2001 World: The Defense Security Cooperation Agency Worldwide Conference

**By**

**Lieutenant Dana J. Clay, USN**
**Defense Institute of Security Assistance Management**

In this issue of the *DISAM Journal*, we have provided several of the speeches that were given at the Defense Security Cooperation Agency Worldwide Conference in October, 2002. In addition, many of the presentations can be viewed on the Defense Security Cooperation Agency's (DSCA) website at www.dsca.mil. The following is a summary of the events of the conference.

Lieutenant General Tome H. Walters, Jr., USAF, Director of the Defense Security Cooperation Agency (DSCA) opened the annual Security Cooperation Conference to an audience of over 300 people representing the United States government, U.S. industry, media representatives and international customers from over thirty countries. He recognized that the past year has been especially busy for the security cooperation community. He offered that the Secretary of Defense has been using security cooperation as one of a larger set of tools to fight the war on terrorism. An example of this is the expanded list of countries the United States is partnering with (India, Pakistan, the Central Asian Republics, and Afghanistan). Security Cooperation has been recognized by Congress as an important tool of the war on terrorism, as is evidenced by the increase in foreign military financing from $3.6 billion in 2002 to $4.1 billion in 2003. Lieutenant General Walters also acknowledged that there have been some challenges in the past year, including speeding up processes that were not designed for speed. However, the Security Cooperation community has made significant progress in speeding up those processes in part because of the cooperation between those in the Defense Department and those at State Department, in particular the Political Military Affairs Department. Lieutenant General Walters also mentioned that enough progress had been made on the initiatives revealed at the 2001 conference that *Defense News* published a positive editorial on those changes. He then went on to outline the vision for the next year, including continuous improvement through business process reengineering, driving down the number of open cases, introduction of the web-based Portal system, continued development of the Case Execution Management Information System (CEMIS) and the use of performance-based management. Lieutenant General Walters thanked all those in the Security Cooperation community for their continued hard work.

Fred Beauchamp and Glenn Lazarus, both from DSCA, followed Lieutenant General Walters. They gave an update on the transition from reinvention to continuous business process reengineering. They discussed the use of Team International among the three military services as well as the impact of new changes to the Defense Federal Acquisition Regulation to the security cooperation community. They also announced that Singapore will be the first country to sign up for the Stand-By Letter of Credit announced at last year's conference. Beauchamp also reminded attendees that the *Customer Guide to U.S. Security Assistance Programs*, which also contains the Letter of Request Guide, can be viewed on the DSCA website. Beauchamp also provided an update on the workforce initiatives. Lazarus continued the discussion of the transition to business process reengineering by stating that DSCA has examined 151 business processes and identified 45 issues to examine. The goal is to look at them one or two at a time to avoid undue strain on resources.

Freda Lodge from DSCA and Tom Sippel from DSADC followed with an update on the CEMIS and Security Cooperation Portal. CEMIS is on schedule and is being developed in accordance with the formal acquisition process as described in DODD 5000.1 and 5000.2. The Security Cooperation Portal is being tested and will provide users with a tri-service view. It is expected to be deployed in four phases, with each phase providing more functionality. It is expected that user registration will begin in January 2003. Information will be provided to users as to the procedures.

Steve Harris from DSCA then discussed the current effort on the re-write of the *Security Assistance Management Manual*. The new SAMM will more readily identify what is law, what is policy, and what is done for standardization purposes. It is also expected to use more tables and matrices for a more user friendly format. The draft was sent out in November for coordination and it is expected that the new SAMM will be published in the beginning of May 2003.

A discussion on security cooperation performance measures was then given by Fred Beauchamp. He stressed that the purpose of these measures was to keep senior management informed, not to analyze the information. The security cooperation deputies forum focuses on three core functions (development, execution, and closure) and looks at two to three metrics within each, include the time involved in processing an LOA from LOR receipt to offer, supply discrepancy reports over 1 year old, shipped/delivery not reported, payment schedule variance, deliveries vs. schedules, and open supply complete cases.

Leon Yates from DSCA then gave a presentation on the Golden Sentry program for end-use monitoring. Yates emphasized that this was not a new program, but rather a new emphasis on an old requirement that has been in existence since 1996. The goal is to have final roles and responsibilities outlined by end of 2002.

Day 1 of the conference was closed by Lieutenant General Walters who thanked everyone for coming. He stated that security cooperation occupies a different niche in than it did a year ago and that what the community does has a significant impact and has been elevated in importance for national security strategy.

Day 2 of the conference started with Dean Borgman, President Sikorsky Aircraft Corporation. Borgman's comments concentrated on the importance of security cooperation to U.S. industry. He cited the increase in global trade and the effect it has had on U.S. industry. Borgman also noted that DSCA's assistance in security cooperation efforts has helped keep companies, including his, alive. He also stressed the importance of keeping U.S. industry competitive in the global market for not only economic, but also national security reasons. His remarks also included concerns regarding increasing partnership between U.S. companies and foreign companies and the desire of foreign companies to gain a share of the U.S. defense market. Borgman's speech can be read in its entirety at the DSCA web site www.dsca.mil.

His Excellency Shaikh Khalifa Bin Ali Al-Khalifa, the Ambassador of the Kingdom of Bahrain followed Borgman. His Excellency gave a brief history of his island nation, including its relationship with the United States that dates back to the early 1900s with the first mission hospital in the Arabian Gulf region. He also outlined his nation's relationship with the United States with regards to Security Cooperation. He emphasized that for his nation, the Foreign Military Sales program is the best way to meet their requirements. He also stressed that the Security Assistance Officers are a vital link to U.S. organizations and that their work is much appreciated. His Excellency also outlined his nation's role in the Global War on Terrorism. He concluded his remarks by stressing that the United States and Bahrain must maintain a strong relationship because there are benefits to both, but they must work carefully to address the challenges both face in the post September 11$^{th}$, 2001 world.

The next speaker of the day was the Honorable Michael Wynne, Deputy Under Secretary of Defense for Acquisition and Technology. Secretary Wynne's remarks centered on globalization and the transfer of technology. He pointed out that the world is changing and that it is necessary to enter into conflicts with coalition partners who are capable of working with the United States. This interoperability focuses not just on equipment, but also command and control procedures and rules of engagement. With regards to technology transfer, there is a move to make the process more transparent. The Defense Department is currently reviewing the United States Munitions List to determine if some things can be removed. He also stated that there is a push to minimize the time spent in reviewing license requests, but he stressed that those requests must be clear in what they want. Wynne also foresees more opportunities for U.S. defense industry as allies increase their defense spending.

The Honorable Richard Armitage, Deputy Secretary of State, was the lunch speaker. Armitage stressed the importance of international cooperation for U.S. security and the role the Department of State plays in building international cooperation. This cooperation has always been important, but is even more so in the current war against terrorism and the disarming of Iraq. In order to make it easier to build international cooperation, the Secretary of State has realized the importance and devoted resources to reform. Of particular interest to the security cooperation community is the modernization of defense trade controls. Armitage presented a couple of improvements that have recently been made in the licensing process, including Global Project Authorization, review of munitions list, and an update to the organization and management structure. Please see page 113 of this *Journal* for Armitage's complete comments.

Peter Verga, Special Assistant to the Secretary of Defense for Homeland Security, started the afternoon with a perspective on Homeland Security. He explained the Department of Defense will be a front-line player under three categories: extraordinary circumstances (something that requires unique DoD capabilities), emergency response (to augment civil authorities), and temporary/limited in scope (assist or train local authorities for a specific event). Verga also discussed the role of the new unified command, NORTHCOM, in homeland defense.

Michael Nurse, Associate Deputy Minister of Government Services and Public Works of the Government of Canada, followed Peter Verga with perspectives of a friend and ally. Nurse pointed out that there is a strong foundation of cooperation between the United States and Canada and is a model for the world. He also discussed the Controlled Goods Program, which deals with some exemptions from ITAR requirements for certain goods exported to Canada. Nurse's comments also included a discussion of the importance of the FMS program to Canada's defense program. He also pointed out the involvement of Canada in reforming the FMS program.

Brigadier General Jeffrey J. Schloesser, USA, Chief, War on Terrorism Strategic Planning Cell, J-5, The Joint Staff followed Minister Nurse with an Operation Enduring Freedom update. BGEN Schloesser began with a brief description of the threat followed by an description of the strategic objectives (put the Taliban out of business, run down al Qaeda and other terrorists, and prevent regimes that sponsor terrorists from threatening United States and friends). BGEN Schloesser stressed that in order to run down terrorists it takes an international effort. To this end, 70 nations have given their support to Operation Enduring Freedom with 59 providing support in the way of forces, resources, access, etc. He also stressed that Security Cooperation has played a vital role by being an important tool. He mentioned the lifting of sanctions against India and Pakistan in exchange for their assistance in Operation Enduring Freedom. BGEN Schloesser also stressed that this effort is for the long term and it is important to help coalition partners be able to help themselves to reduce terrorism in their own countries.

Captain T.L. McCreary, USN, Special Assistant for Public Affairs, Office of the Chairman of the Joint Chief of Staff then gave a presentation on the war on terrorism from the public affairs

perspective. One of the biggest challenges is being transparent in actions in order to garner support, but at the same time protecting information in order to protect forces. Another challenge is to get all government elements to speak with one voice.

Lieutenant General Walters concluded the conference with a reminder to all that a tough year had passed, but there was still a challenging one ahead. He thanked all that had moved to accomplish tasks that normally took over a year to complete for getting them done in three months. He emphasized that he knew the process was not designed for speed, but everyone had adapted well. Lieutenant General Walters also stressed the importance security cooperation is to the National Security Strategy. He expects all programs will grow in the years to come. He pointed out that both the Secretary of Defense and the Secretary of State are both staunch supporters of the International Military Education Training program. It is expected that the demand for Security Cooperation will continue to be high and that some less important tasks will have to be shed and processes streamlined even more in order to meet the demand. Lieutenant General Walters also thanked everyone for attending the conference (489 total over the two days) because it showed that the issues were important.

The conference ended with attendees feeling accomplishments had been made and that their contribution to the National Security Strategy had been recognized. They also left knowing that there were still challenges ahead, but they had the support of the security cooperation community and the challenges would be met.

**About the Author**

Lieutenant Dana J. Clay is a U.S. Navy surface warfare officer and has been assigned to the Defense Institute of Security Assistance Management since 2000. In addition to being an Assistant Professor of Security Assistance Management, she is also the anti-terrorism/force protection functional coordinator. She holds a Bachelor of Science degree from the U.S. Merchant Marine Academy and is working on a Masters in Business Administration from the University of Phoenix.

# Security Cooperation in a Post September 11, 2001 World

**By**

**Richard L. Armitage**
**United States Deputy Secretary of State**

[The following ar remarks delivered to the Defense Security Cooperation Agency Conference, Alexandria, Virginia, October 17, 2002.]

I am no particular stranger to security cooperation. In fact, as we were discussing out in the hall, I am starting to feel my age — I go back to the days of Howie Fish. I do not know how many of you remember General Fish. [inaudible] and Jim Ahmann, Phil Gast and Charlie Brown, [inaudible] and Glenn Rudd. People like Herb Morris [inaudible]. I must say, pulling those names out of the back of my mind today is an exercise in making people guess my age.

I suspect, sir, however, that the business has changed somewhat since I served as Assistant Secretary of Defense. If nothing else, your agency has gone through several name changes. But some things do not really change. International cooperation has long been the cornerstone to our security architecture and that has rarely been more apparent than in this post September 11, 2001 world.

The Department of State, of course, is in the business of international cooperation. That is our stock in trade. Today, we need the specialized skills and well-honed talents of our workforce not just in order to engage in statecraft, but also to play a more direct role in facing the immediate and urgent threats to our security. Because if we are to prevail in the war against terrorism and in disarming – or if necessary, destroying – the regime in Iraq, we will, as a nation, find it necessary to rely on collaboration with other nations. So there can be little question that the Department of State is playing a central role in safeguarding our immediate interests and there should be no question that the Department of State is up to playing such a part. That means our people must have the training and the tools they need to face these 21st century challenges, which is why Secretary Powell and I have made management reform a top priority. And that includes the area that concern all of you most directly, our administration of the defense trade.

As I suggested, we would not be gaining ground in the war against terrorism without effective multilateral collaboration. After all, this war had international implications from the outset. Consider that al Qaeda, the network of al Qaeda, had active cells hidden in the dark corners of some sixty countries and that the citizens of more than ninety nations perished on September 11th. It is fitting, then, that we swiftly saw an international agenda for countering terrorism and this agenda was unprecedented in its scope and in its scale. In the days after the attacks on September 11, 2001, the Department of State was instrumental in coordinating this concerted response. At the highest levels of statecraft, this led to the most comprehensive anti-terrorism measure ever adopted by the United Nations, *United Nations Security Council Resolution 1373*, as well as similar conventions and measures from a full range of regional organizations, from the Organization of American States to Association of Southeast Asian Nations.

But we also used our diplomatic muscle to pull together an extensive coalition to implement the letter and spirit of this resolution. Indeed, most nations in the world continue to contribute something to this war consistent with their capabilities. Many nations are receiving some kind of assistance, according to their needs.

More than 180 nations are part of the coalition to fight terrorism. Twenty-five nations are engaged in military operations and 132 have signed the *International Convention To Suppress Terrorism Financing*. One hundred thirty-six have contributed some other concrete assistance, running the gamut from humanitarian supplies to the use of airspace and base access rights.

This international cooperation has produced many victories. Some are well known, but most are more discreet and nearly daily. Of course, we also continue to face challenges, as we were reminded by the killing of a U.S. Marine in Kuwait and the horrific bombing in Bali over the weekend, which cost so many of our Australian friends their youth. So many families were devastated by that horrible attack. I think it is obvious that this is not going to be an easy fight. It will take time and determination to prevail but we should not allow the recent violence to detract from our overall and ongoing success in this war.

Now, ladies and gentlemen, I realize it is somewhat reassuring to talk about armies clashing in decisive battles, where there are clear winners and losers, but what we are engaged in today is no less effective and far less lethal for our own forces. Beyond just routing the Taliban and al Qaeda out of Afghanistan, we are actually building the permanent capacity to counter terrorism all around the world. So this means not just freezing and seizing financial assets, but giving our partners in other nations the tools and skills to permanently destroy and disrupt the money trails that keep the terrorists in business. We have seen a string of high-profile arrests in dozens of nations. In recent weeks alone, we have seen the capture in Karachi by Pakistani officials of a key figure in the September 11, 2001 attacks the indictment in Germany of the guiding light of the Hamburg cell where Mohammad Atta finalized his plans, and the detention in Singapore of 21 more members of the Jemaah Islamiyah, who were planning attacks against American targets in southeast Asia. And who we suspect may have played a role in this recent attack in Bali. But we are also working with local law enforcement officials around the world to provide the training and the technical skills to make a long-term improvement in their ability to prevent such criminal activity in the first place.

Perhaps the most visible of our victories to date, and one of our most visible long-term investments in countering terrorism, is the redemption of Afghanistan. Do not forget that it was little more than a year ago that al Qaeda and the Taliban held such terrible sway over the lives of twenty-three million people, and despite ongoing unrest and ongoing challenges, that is simply no longer the case today. Today, President Karzai presides over a representative government. Roads are being built and houses reconstructed. Women are back at work and children are back in school. And in the ultimate vote of confidence, more than 2.5 million refugees have returned home from hiding places across the region, the largest refugee repatriation in modern history.

Of course, with that repatriation, it is obvious that the needs continue to be overwhelming, including for basic necessities such as food, water and shelter. And while the United States has committed significant funds, the fact is that the only hope of meeting these needs on the scale required is the collective will of the international community, the international community which committed $4.5 billion to reconstruction in Afghanistan last January in Tokyo.

Such international collaboration will continue to be critical to our war against al Qaeda and other terrorist organizations, but it will also be critical to dealing with the situation in Iraq. I do not believe I need to spend much time convincing the people in this room that Saddam Hussein and his collection of nuclear, chemical and biological weapons and intentions present a clear and imminent danger, not just to the people and interests of this nation but to his neighbors and all nations. We do still have to convince our friends and allies, however, as well as a few nations that are perhaps somewhat less than friendly, and we continue these efforts daily.

Their reluctance is understandable. No one wants to go to war. But no responsible nation can afford to shrink from battles that must be fought, no matter how much we wish to avoid conflict. And this is inescapable: every day we add to the decade-long delay in disarming Iraq is one day closer to a catastrophe.

A military operation itself, going into Iraq to take out this regime, is certainly something we would be capable of handling on our own, should the President so decide. But I doubt that Saddam Hussein will go down without a fight and his sordid past suggests that he does not exactly fight fair. He has a long history of extraordinary brutality, when he thinks he can get away with it. This includes the mistreatment of his own Iraqi people, political opponents and even ordinary people have been rounded up and jailed, beaten and burnt with cigarettes or electric shocks, executed or made to disappear, his attacks on his neighbors; and his use of chemical weapons against his enemies and on his own people. Clearly, we are going to need a coalition of like-minded nations that is today fighting together against terrorism if we are to prevent the nightmare scenarios that Iraq could visit on the world.

But consider, too, that if it does come to war, this will not be a fight that can be won solely on a battlefield. This is a fight that must also be won in the aftermath. There must be change in Iraq, but the international community needs to come together to shape and realize that change, to rebuild an Iraq with a vibrant middle class and a viable government, one that respects human dignity and the rule of law. Iraq is a nation too long in the shadow of repression and with too many fractious pieces to pull together easily or to pull together overnight. It is incumbent on us to collaborate with other nations in reaching a more stable, a more peaceful and a more prosperous Iraq. And indeed, I believe that the lines of communication and habits of collaboration we have developed in defeating al Qaeda and the Taliban, as well as in reconstructing Afghanistan, will be essential to this effort, as will the untiring work of my colleagues at the Department of State.

Now, I realize that most of you here today have extensive business with the defense and intelligence agencies, Perhaps some of you are a little less familiar with operations at the Department of State, beyond the fact that we regulate your export business. But I want to clarify that while we are very focused on building and maintaining the international effort to counter terrorism and the proliferation of weapons of mass destruction, we are also engaged in cooling the hotspots all over the world where U.S. interests are at stake from Israel and Palestine to India and Pakistan, from North Korea to Colombia to Kosovo. Moreover, our routine, day-to-day business is nothing less than the construction of positive relationships with the rest of the world. As Secretary Powell puts it, our people at the Department of State are the first line of offense for our nation.

In such a world, we simply can't afford to defer basic improvements to our way of doing business. And indeed, Secretary Powell has given a great deal of attention and resources to reform. We have concentrated on adopting best business practices and improving our human capital, upgrading our facilities and our financial management, and bringing our information technologies up to 21st Century standards. We have been extraordinarily fortunate in this effort in that we have found a very willing partner in both houses of the U.S. Congress.

A key target of this agenda for modernization has been defense trade controls. I recognize that our licensing of the defense trade has attracted more than a little color commentary over the years and I suspect [inaudible]. And when he took office, Assistant Secretary Bloomfield was greeted by a tower of reports and papers recommending change. For Linc and the Secretary, that was a clear warning sign that we needed to pay some serious attention to this area.

And indeed, today, we are paying attention. The Department of State's role in defense trade controls is an important element of U.S. foreign and security policy. At the same time, defense

industrial cooperation has become increasingly complex and technologically sophisticated and it has required an increasingly skilled workforce. We have worked to improve our recruitment, our retention and our quality for life of our staff and in the process we have begun to transform the defense licensing function itself. We are making fundamental changes, and everything is on the table: our policy; our processes; our technology; and our management structure.

Many of you are aware that last week President Bush called for a comprehensive policy review of defense trade controls, and while it is premature to draw any conclusions about the result of this review, we will look at everything, and it is reasonable to expect that changes will result. I know the possibility of change pleases some people and upsets others who might prefer the status quo. But defense trade is an important element of our foreign policy and we want to be sure that our approach to defense export controls is in tune with our overall security goals. Indeed, President Bush's *National Security Strategy* calls on us to "transform America's national security institutions to meet the challenges and opportunities of the 21st Century." That is exactly what we are going to do.

We have already been making a number of improvements in our licensing process in advance of the policy review. And I want to report to you today on some of the developments you can expect to see in the coming days and the coming months as we move forward. I also want to recognize my colleague from the Department of Defense and former business partner, Assistant Secretary Linc Bloomfield's leadership, since he is the who has been charged by Secretary Powell to develop an effective defense trade licensing process, one that clearly reflects the President's foreign policy objectives.

You may be aware that Secretary Powell has made e-government a top priority. In the most general sense, this means making sure that every one of our employees has a good computer with classified and Internet access. But at a more specific level, this means that we are close to offering you fully electronic licensing for defense exports. And soon, you can expect to see the rollout of our 6-month pilot program involving industry.

While I am sure this innovation will help modernize the way we process licenses, that is not all we are doing. As most of you are doubtless well aware, on September 4th, we notified a major portion of the Joint Strike Fighter program to Congress. What some of you may not realize is that this was the first-ever use of the Global Project Authorization. While the GPA concept has been on the books since the summer of 2000, we worked very hard with our colleagues at the Department of Defense to make it a reality. What this means is that a project that would have taken 110 separate technical agreements spread out across forty U.S. exporters and 200 defense companies in several countries was consolidated into a single package, thanks to the spirit of cooperation exercised by so many good people at the Department of State and the Department of Defense.

We are also involved in the ongoing review of the munitions list, which is ahead-of-schedule. We have knocked out five categories already, we are about to publish two more, and we are now turning our attention to Category Eight which is aircraft and aircraft parts. While we will continue to take security and law enforcement concerns for aircraft parts exports very seriously, we plan to cut some of the red tape that is now tying up legitimate exports of aircraft parts by increasing the dollar maximum for this trade tenfold. While now any export over $500 requires a license, we are going to increase that limit to $5,000, with a limit of 12 exports per year.

All of these improvements will, of course, benefit our security cooperation with friends and with allies, but we continue to seek out other steps that will more directly benefit such collaboration, such as the possibility of bilateral ITAR exemption agreements with Australia and the United Kingdom. Both of these nations have recently made substantial progress in promoting

export controls and protecting sensitive defense items and technologies and I believe our negotiations with each are close to fruition.

Finally, we are not stopping at policy and process reform. In the coming months, we also plan to update our organization and our management structure. As I noted, the defense trade has grown tremendously in recent years, both in quantity and in the level of sophistication. In turn, the Department of State has needed a growing team of well-trained people in order to meet the demand. So today, the Office of Defense Trade Controls alone has over 100 highly skilled staff, which makes it larger than some of our bureaus at the Department of State run at the Assistant Secretary level. It is fitting, therefore, that we add another high-level official to the Bureau of Political Military Affairs, after I consult with Congress. We're going to give Linc Bloomfield a total of three Deputy Assistant Secretaries in program management. This will allow Linc to put a Deputy Assistant Secretary in charge of the Office of Defense Trade Controls in the near future, raising the stature of the office so that it will be on par with its policy counterparts at DoD, the National Security Council and the Department of Commerce.

We are going to continue to pursue improvements in our process, workforce and in our management and will provide the President our best judgments on how to align defense trade controls with his foreign and defense policy. These are difficult times. We must make the most of our opportunities to improve our international cooperation.

On the 12th of September this year, President Bush presented the world with a stark choice. He said: "We must choose between a world of fear and a world of progress. We cannot stand by and do nothing while dangers gather. We must stand up for our security, and for the permanent rights and the hopes of mankind." Today, the choices are clear, if not always easy. And for the Department of State, in the end, our mission is quite simple: to continue tirelessly in our daily business of building beneficial relations with the rest of the world, of reaching together for a common vision of stability, respect for human dignity, and realized hopes for societies everywhere, and to stand up for our security wherever it is threatened in cooperation with a community of like-minded nations.

# Performance Based Costing

**By**

**Dr. Bobby Davis**
**Florida A and M University in Tallahassee, Florida**

## Introduction

In a Winter 2001-02 *DISAM Journal* article, Volume 24 No. 2, pp 57-64, Lieutenant General Tome H. Walters, Jr., Director, Defense Security Cooperation Agency, indicated that several financial management initiatives are presently underway in the security cooperation community that will move us in the direction of a government that works better and is more efficient costs less. Among these are Performance Based Budgeting (PBB) and Performance Based Costing (PBC). In the above *DISAM Journal* article, Lt Gen Walters addressed the details of PBB. This article complements that discussion, and focuses on PBC and its implementation.

This article focuses on PBC and its implementation. Since the time of that article, the PBB process has been extended to include all claimants of the foreign military sales (FMS) administrative budget, including the military departments (MILDEPs) and defense agencies, as well as the foreign military financing (FMF) administrative budget. Similarly, the budgetary details of the overseas security assistance organizations (SAOs) will be incorporated in the PBB data, via download from the Security Assistance Automatic Resource Management System (SAARMS).

Used in the context of the security cooperation community, PBC is synonymous with Activity Based Costing (ABC) as an approach to management and costs that is gaining popularity in both the private and public sectors. PBC also includes the use of performance measures as a way of assessing accomplishments in keeping with the *1992 Government Performance and Results Act* (GPRA) and the *2001 President's Management Agenda*. The essence of PBC is that it establishes a relationship between the three main parts of an organization's business processes: resources, activities and outputs (See Figure 1).

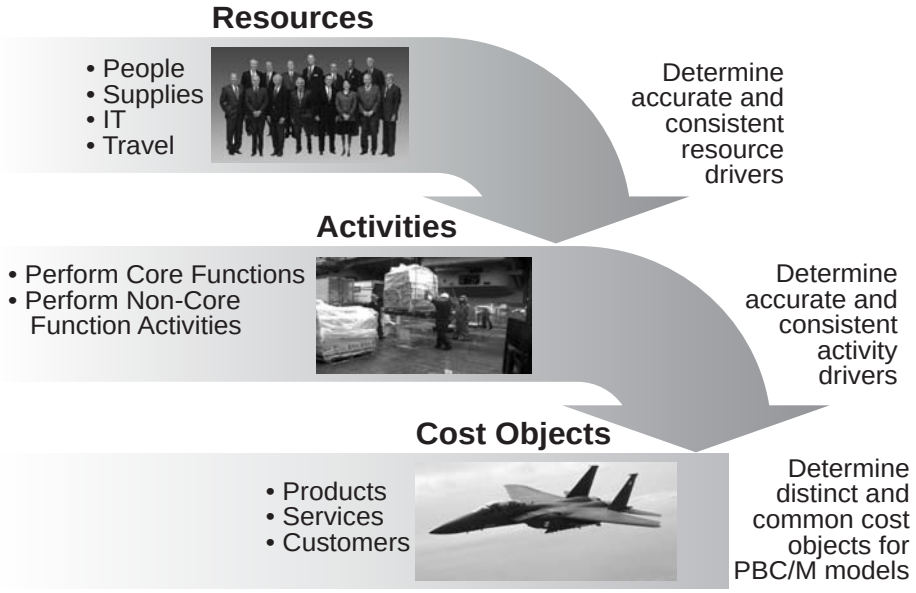


**Figure 1 Overview of PBC**

Figure 1 indicates that PBC is a cost allocation methodology that identifies and analyzes costs associated with an organization's activities and links these costs to products, services, customers, and other cost objects based on their consumption of those activities. It is a principal tenet of PBC that resources, such as labor, funding, and material are used or consumed by an organization's key activities. The costs of performing these activities are then assigned to specific outputs or cost objects. Cost objects are the products and services and sometimes the customers of an organization. Costs are assigned to objects based on how they are consumed.

PBC provides a more dynamic way of viewing and assessing an organization's costs. The focus is on the activities that an organization performs, rather than on the discrete costs elements that make up these activities. Figure 2 highlights this more dynamic, a focused way of viewing costs in the context of activity.

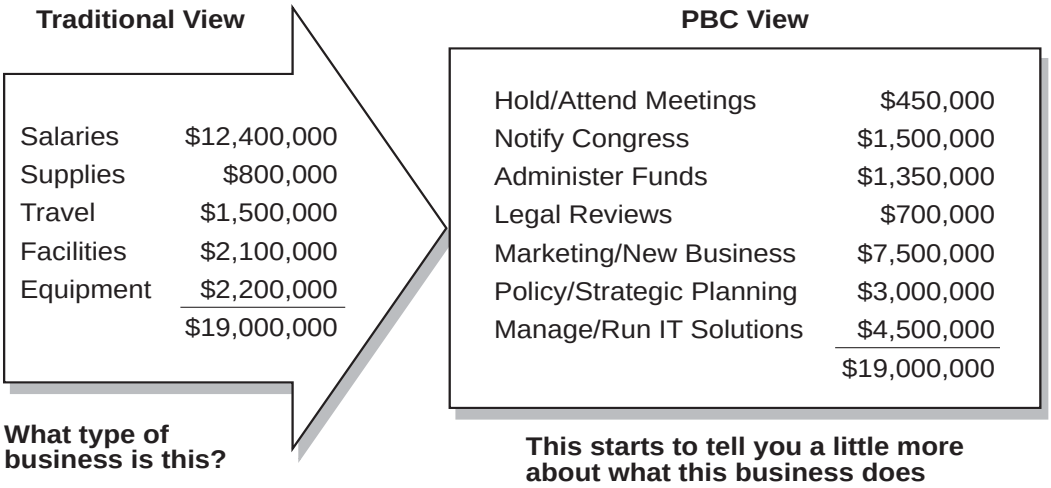


**Figure 2**

Similarly, PBC traces costs to cost objects according to the activities performed to produce them. If the costs appear to be high or in some way out-of-line, PBC allows us to understand which activities are driving this cost. In this way, it provides a framework for analysis and management decision-making.

The uses of PBC are both strategic and tactical. It is the natural complement to Performance Based Budgeting. PBC provides an important source of information regarding business-sustaining activities and removes much of the distortion in costs that is usually inherent in conventional unit-based costing systems.

## Activity Based Costing in the Public Sector

The Bush Administration has placed considerable emphasis on understanding the costs of government, and, particularly, on assessing the results that come from these costs. Additionally, the President's Management Agenda highlights the integration of budgets and performance. Among the factors underlying this integration is a clear appreciation of the costs associated with performing specific missions and functions.

Along these same lines, most public sector organizations are facing intense pressure to do more with less. This has proven to be a tremendous challenge that often requires:

- Determining the true costs of services;
- Implementing process improvements;

- Determining make vs buy outsourcing decisions; and
- Aligning activities to mission and strategic planning

It appears that many of the case studies examined agreed that activity based costing, a private sector financial management tool, is the best solution to address these challenges.

Activity based costing (ABC) has been intermittently applied by federal agencies over the last decade. Several researchers agree that activity-based costing targets a chronic weakness in Federal financial systems. These systems are good at tracking how agencies spend their budgets, but do not show the full cost of activities and programs. However, ABC captures these costs by apportioning spending across an agency's programs. Many of the public sector proponents of ABC view it as a financial management tool for solving federal management problems.

The early 1990s witnessed the use of ABC in the public sector. The Internal Revenue Service (early 1900s) and the General Services Administration (1997 and 1998) were the first to conduct ABC pilot tests. The Patent and Trademark Office (PTO) was the first agency to deploy ABC agency-wide. It was used to persuade Congress to change patent and trademark fees in 1999. By showing the cost of achieving a unit of output given certain levels of labor inputs, ABC provided an empirical basis for raising or lowering fees.

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**PBC Project Security Cooperation**

The DSCA and the MILDEPs are engaged in a PBC project within FMS administrative funded organizations. This effort, called performance based costing, supports the DSCA implementation of a performance based budgeting system. The overall objective of the PBC project is to provide an accurate and thorough cost infrastructure of the security cooperation community to support the new performance based budgeting (PBB) process by providing costs of core functions, processes, and MILDEP products/services, which will ultimately be used to better justify budgets, provide management with improved cost data, and to act as the foundation for future strategic needs.

PBC is designed to provide decision-makers at all levels in the security cooperation community with sufficient cost and programmatic information to manage their organizations. Additionally, PBC will help managers better understand macro-level aspects of the security cooperation business, such as the costs structure underlying the FMS administrative rate, the FMF administrative budget and the appropriate level of the annual FMS administrative ceiling.

The need to better understand the costs of conducting the security cooperation operations has been a major concern for a long time. Specific objectives of the PBC effort include, but are not limited to the following:

- To be able to calculate total costs and cost by core function(s) for each country program, as well as other cost objects;

- To compare costs for similar processes across MILDEPS, training commands and military headquarters;

- To calculate cost for each core function to compare the PBB FMS administrative budget and the FMF administrative budget to actual costs;

- To highlight costs in total and by program for all non-FMS functions; and

- To provide cost data to each MILDEP for the purposes of allocating the FMS Administrative budget and the FMF administrative budget.

PBC will provide the optimum method for gathering and understanding these costs. It will assign resource costs to activities based on the use of resources, and assigns activity costs to products based on the use of activities.

These activity costs are rolled up to the six FMS core functions at various organizational levels. Furthermore, the PBC program will show the costs of core business functions to better justify the FMS administrative budget inputs and lead to a better understanding of the costs in support of the security cooperation program. Figure 3 highlights the core function approach being used in both PBC and PBB.

**Figure 3 Core Functions**

| FMS Administration Core Functions | Definition |
|---|---|
| **Pre-Letter of Request (LOR)** | Efforts expended prior to receipt of a LOR, includes responding to inquiries, pre-requirements determination, developing a Total Package Approach (TPA), if required or specifying the mix of FMS and Direct Commercial Sales (DCS) under a hybrid approach. |
| **Case Development** | Efforts required to process customer request, gather, develop and integrate price and availability data for preparation of a Letter of Offer and Acceptance (LOA). These efforts continue from receipt of a customer's LOR through case preparation, staffing, and customer acceptance. |
| **Case Execution** | Overall coordination to initiate case implementation efforts required to conduct and execute case management, security assistance, team management, technical, logistical, and financial support, and the contractual efforts under acquisition and contracting. |
| **Case Closure** | All actions required to perform logistical reconciliation, financial reconciliation, certify line, and case closure. |
| **Other Security Cooperation** | All efforts involved in the administration and management of special programs and projects associated with Security Cooperation requirements, particularly, the non-FMS Security Cooperation programs authorized under the Foreign Assistance Act, such as International Military Education and Training (IMET), the Foreign Military Financing (FMF) program, the grant Excess Defense Articles (EDA) program, and Direct Commercial Sales. |
| **Business Sustaining** | Efforts required in providing automation/information technology, training, resource management and personnel management that cannot be traced directly to one of the other five core functions or specific cost objectives. |

As background to the PBC effort, initial assessments were done in the September 2000 thru February 2001 time period of the existing costing infrastructure in DSCA and the military departments. The overall purpose of the assessments was to establish an appropriate cost system for DSCA and the MILDEPs to support PBB in the future. However, the following three specific objectives of the assessments were identified:

- To show the organizational complexity of each entity;
- To show their existing cost model capability; and
- To show the role that cost data played in the budgetary process.

Based on the assessments and other information, "to-be cost" models, and an overall architecture of the PBC system were developed. This overall architecture as exhibited in Figure 4 provides for a diverse number of models at the activity level while still rolling up to a corporate model. Following a series of briefings to the MILDEPS and to the DSCA leadership, a decision was made to move towards these costs models. Figure 4 provides a high level schema of the PBC corporate model for a diverse number of models at the activity level while still rolling up to a corporate.

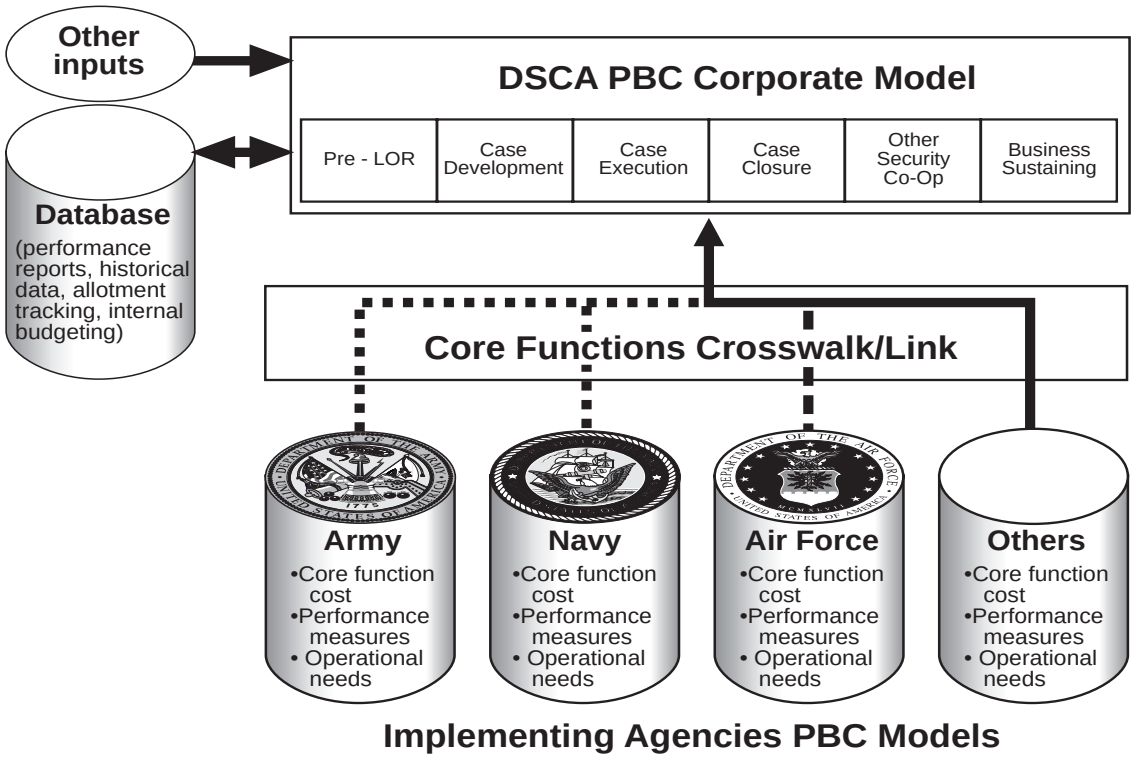


**Figure 4 PBC Corporate Model**

The development of the PBC project entails a number of critical planning, technical and process-related steps. Five distinct technical tasks, occurring in two phases, were identified. These tasks are delineated in Figure 5. Figure 5 shows an integrated and robust cost system that includes PBC models at the MILDEPs and others level linked to a corporate model that will reside at DSCA

Additionally, Figure 6 shows the scope of the PBC project. The creation of the Corporate model includes, DSCA headquarters, DSADC, DISAM, DIALS, DLO and the MILDEPs.

The five distinct tasks are as follows:

- Design costing infrastructure;
- Complete detailed planning;
- Create static ABC models;
- Migrate ABC models to PBC; and
- Mature PBC to PBB.

Two of the tasks, design costing infrastructure and complete detailed planning, occurred during Phase 1 of the project. The three remaining tasks, Phase II, are currently in progress.

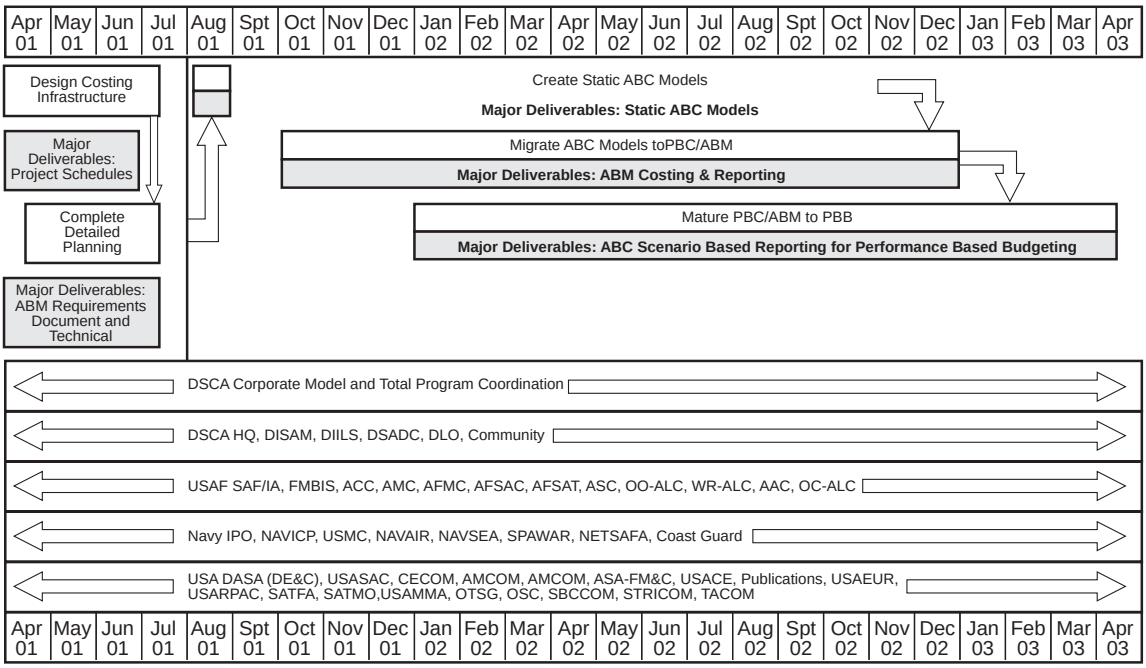


**Figure 5 PBC Project Schedule**

## DSCA

| | |
|---|---|
| DSCA-HQ | Crystal City, Virginia |
| DISAM | WPAFB, Dayton, Ohio |
| DSADC | Mechanicsburg, Pennsylvania |
| DLO | Denver, Colorado |
| DIALS | Newport, Rhode Island |

## Army

| | |
|---|---|
| DASA (DE&C) | Arlington, Virginia |
| SAS-FM&C | Arlington, Virginia |
| USACE | Washington, D.C. |
| Publications | Washington, D.C. |
| USAREUR | Germany |
| USARPAC | Fort Shafter, Hawaii |
| TRADOC | |
| SATFA | Fort Monroe, Virginia |
| SATMO | Fort Bragg, North Carolina |
| OTSG | |
| MEDCOM | Fort Sam Houston, Texas |
| USAMMA | Fort Detrick, Maryland |
| USASAC | Alexandria, Virginia and New Cumberland, Pennsylvania |
| AMCOM | Huntsville, Alabama |
| CECOM | Fort Monmouth, New Jersey |
| OSC | Rock Island, Illinois |
| SBCCOM | Rock Island, Illinois |
| STRICOM | Orlando, Florida |
| TACOM | Warren, Michigan |

## Navy

| | |
|---|---|
| Navy IPO | Washington, D.C. |
| NAVAIR | Pax river, Maryland |
| NAVSEA | Crystal city, Virginia |
| SPAWAR | San Diego, California |
| NETSAFA | Pensacola, Florida |
| USMC | Quantico, Virginia |
| NAVICP | Philadelphia, Pennsylvania |
| NALC | Mechanicsburg, Pennsylvania |
| Coast Guard | Washington, D.C. |

## Air Force

| | |
|---|---|
| SAF | |
| SAF/IA | Rosslyn, Virginia |
| SAF/FM | Washington, D.C. |
| AFMC | |
| AFMC HQ | WPAFB, Dayton, Ohio |
| AFSAC | WPAFB, Dayton, Ohio |
| OO-ALC | Hill AFB, Odgen, Utah |
| OO-ALC | Tinker AFB, Oklahoma |
| WR-ALC | Robbins AFB, Georgia |
| AAC | Eglin AFB, Florida |
| SAC | WPAFB, Dayton, Ohio |
| ESC | Hanscom AFB, Massacheusetts |
| SMC | Los Angeles AFB, California |
| ACC | Langley AFB, Virginia |
| AMC | Scott AFB, Illnois |
| AFSAT | Randolph AFB, Texas |

**Figure 6 Agencies Being Modeled**

The creation of static PBC models is important because it begins the development of a static or non-automated PBC model. Since some of the MILDEPs already have models, this stage was comprised of refining existing models. The objective of this task was to develop a static model for the organizations participating in the PBC project that conforms to the structure as developed in Phase I, meets the needs of the Corporate Model, and provides operational use to the MILDEPs and the DSCA. Figure 6 shows the various agencies that are being modeled. Each agency is currently in varying stages of development.

Migrating ABC models includes taking the static ABC model to an active or live state by developing automated feeds/links to update the resources (i.e., personnel names and salaries) by interfacing between the appropriate legacy system and the ABC model and developing methods to update the resource drivers (i.e., percent of time spent on or against activities by resources).

The final task of Phase II, mature PBC to PBB, entails using the PBC model to support the new PBB process, and to assist in organizational decision-making. Additionally, this phase is very important because it is concerned with maintaining the model and using the system for cost based scenario development to support PBB.

Finally, Figure 6 shows the various agencies that are being modeled and the overall scope of the PBC project. Each agency is currently in varying stages of development.

**Summary**

The rapidly changing and complex world of security cooperation requires a thorough and accurate system of capturing costs, justifying budgets, as well as providing managers with solid decision support data. As security cooperation relies more on hybrid and commercial vehicles, the structure and fabric of the FMS case is continuing to become more varied and tailored to specific customer and/or regional needs. Along with the difficulty of pricing and tracking costs in this new environment, the need to justify even the traditional base and mix of services has been requested by various constituents. To this end, DSCA and the MILDEPs embarked on the task of assessing the current ability of the FMS community to develop and report accurate cost information for the FMS core functions, as well as to devise an optimum FMS costing system. The results of this assessment indicated that PBC was the optimum costing system.

**About the Authors**

Dr. Bobby Davis is an Associate Professor of Marketing, School of Business and Industry at Florida A&M University in Tallahassee, Florida. He is presently serving as a Summer Faculty Fellow in the Office of the Secretary of Defense's Minority Institutions Program, working with the Resource Management Division, Office of the Comptroller, Defense Security Cooperation Agency.

# EDUCATION AND TRAINING

## The Defense Institute of Security Assistance Management Mobile Education and Training Team Visits the Netherlands

**By**

**Lieutenant Colonel Bill Rimpo, USAF**
**Defense Institute of Security Assistance Management**

Since the beginning of fiscal year 2002, the Defense Institute of Security Assistance Management (DISAM) has sent thirteen mobile education teams (METs) to numerous countries around the world. On September 9, 2002 DISAM completed its fourteenth MET in the Netherlands and concluded an intense period of instruction on September 20, 2002. Classes were conducted at the Koningshof European Training and Education Center in Veldhoven. The DISAM team consisted of Dr Craig Brandt, Lieutenant Colonel Rimpo, Mr. Tom Selden, Ms. Joanne Hawkins, and John Clelan, and was assisted by Ms. Lisa Johnson, from the Air Force Security Assistance Center (AFSAC). The group conducted two simultaneous Foreign Purchaser Executive Courses followed by separate tailored logistics and finance courses for the Royal Netherlands Air Force (RNLAF). Ms. Patti Vocke (DISAM) accompanied the team and provided superb administrative support.

**Netherlands Colonel, Chief of the Acquisition Department of the RNLAF, opened the class with a presentation on the dutch use of the FMS system.**

Colonel Jan Raats, Chief of the Acquisition Department of the RNLAF opened the courses with a presentation stressing the importance of foreign military sales (FMS) to the Netherlands. He gave the Dutch view of the challenges of dealing through the FMS system pointing out how the different outlooks of the U.S. and the Netherlands guide the actions of each country. He made it clear to the students that they should take knowledge gained from their attendance at the course and apply their knowledge in their daily duties.

On September 11, at 0846 New York time, the senior officer in the class, Colonel Bert van Slooten, RNLAF, offered moving remarks on the meaning of the terrorist attacks on the World Trade Center, New York, to both the U.S. and the Netherlands. The hotel also displayed its own recognition of this fateful date by lowering the American flag in front of the hotel to half mast.

At the conclusion of an action packed first week, it was DISAM's pleasure to have the Foreign Purchasers Executive Course graduation ceremony presided over by Ed Visser, Director Control of the Royal Netherlands Air Force. Visser highlighted the changes taking place in the Netherlands, especially in the finance arena. He emphasized the special nature of this MET and the close relationship between the Dutch Air Force and DISAM in preparing the goals for the tailored instruction in logistics and finance for the second week.

**Two students at work on the logistics exercise.**

Week two proved to be just as successful as week one. A pre-deployment meeting between the Dutch and the DISAM team laid the groundwork for the tailored courses of the second week. The RNLAF requested detailed information on FMS logistics and finance, including a block of instruction on the many financial systems in place in the Air Force and DoD and how they interact to control and account for expenditures of Dutch funds. Ms. Lisa Johnson, from AFSAC, accompanied the DISAM team as a special guest lecturer to discuss the complexities of the Air Force financial systems. Ms. Johnson proved to be a valuable addition to the team; this was a win-win solution for AFSAC, DISAM, and most importantly the students.

Our Dutch hosts kept the students busy by conducting special classes following DISAM's instruction. Visser's graduation remarks set the stage for the Dutch instruction, "FMS principals are leading" but "we have our own laws and legislation" which have to be considered. Dutch instructors presented the RNLAF perspective on FMS stressing the importance of active management of each case.

**Adding up the scores to see who won the international kegeling match.**

The tailored logistics and finance courses were on the mark, providing the detailed information requested by the RNLAF. Exercises tailored for the Dutch provided effective reinforcement for the material covered in class.

Air Commodore Gerard Meijer, Commander, RNLAF Logistics Center, Woensdrecht presided over the graduation ceremonies for the combined courses of the second week. Air Commodore Meijer reiterated the need for proactive management of the Dutch FMS cases.

Not only was the MET successful in achieving the educational goals, but the team also had many opportunities to interact with the students. Two social events and a kegeling match provided relief from the intense instruction the students received while providing a measure of comic relief

in our attempt to master the difficult art of kegeling. Special thanks go to Mr Wim Meijlink, Mr Rob Choufoer and the rest of the Dutch working group. Their assistance and proactive involvement guaranteed a successful Netherlands MET.

**About the Author**

Lieutenant Colonel Bill Rimpo is an Assistant Professor of Security Assistance Management at the Defense Institute of Security Assistance Management. He is the deputy director of Academic Support. He graduated from the Air Force Institute of Technology with a M.S. in logistics management in 1986. He served in a variety of operations and maintenance positions in the inter continental ballistic missile career field as well as logistics plans in Air Force Materiel Command and Defense Logistics Agency.

# The Czech Republic Welcomes the Defense Institute of Security Assistance Management Mobile Education Team

In Prague, Czech Republic, from October 7-11, 2002, the Defense Institute of Security Assistance Management (DISAM) taught a one-week Foreign Purchasers Class. In addition to twenty Czech students, the Ministry of Defense had also invited neighboring countries to participate in the course, and five students from the Republic of Slovakia and two from Slovenia also attended the course. The DISAM team included Frank Campanell, Bob Hanseman, Craig Brandt and MSgt Todd Osborne, USAF. The course was opened by Ing. Jindřich Ploch, National Armaments Director of the Ministry of Defense, who also hosted the class social in the Officers' Club on the first evening of the class. His remarks centered on the Czech Republic's admission to North Atlantic Treaty Organization and how its new responsibilities would require closer ties to the U.S. security assistance programs.

**DISAM instructor and Czech Ministry of Defense.**

**Translators did an excellent job of rendering the intracies of FMS into Czech.**

**The class was able to follow the lectures in either English or in Czech.**

**The class included a delegation of officials from the Republic of Slovakia.**

**Deputy Director of the Department of Armaments and United States Air Force Colonel, Chief,**

**Office of Defense Cooperation Prague were the graduation speakers.**

Jan Vrbík and Olga Houšková of the Armaments Directorate were the hosts for the class and for the DISAM team. They worked closely with Jana Hierschová, IMET coordinator for ODC Prague, to insure that the class went smoothly and that all the needs of the students were met. Through the efforts of these individuals, the class went off without a hitch.

At the graduation ceremony, Lt Col Timothy Ondracek, Chief, Office of Defense Cooperation Prague and Ing. Milan Bajtoš, Deputy Director of the Department of Armaments, were the featured speakers. Both commented on the value of the class in assisting the Ministry of Defense to procure material and training from the United States.

# Defense Institute of Security Assistance Management Training Initiatives for International Customers

**By**

**Dr. Mark T. Ahles**
**Defense Institute of Security Assistance Management**

DISAM has been conducting courses for our international partners for over twenty years. The material presented in these courses range from broad, introductory topics to focused, advanced information. Traditionally, DISAM has offered three options for introductory training to our international partners:

- Resident training at DISAM, Wright-Patterson Air Force Base, Ohio which have focused on an introductory cradle-to-grave review of all security assistance programs with an emphasis on foreign military sales (FMS).

- Mobile education teams (METs) training at a customer's location which have offered a curriculum similar to the resident course with flexibility to focusing training on specific security assistance subjects of interest to the students.

- To review U.S. programs in a specific U.S. military regional Unified Command.

Advanced security assistance training, however, has been limited to mobile education team (MET) training on specific subjects of interest. These METs typically are taught to 30-40 students from one interested nation. Occasionally, a group of geographically neighboring nations with similar training needs would request a regional MET on advanced topics of interest. DISAM has never regularly scheduled such advanced training as part of our normally offered courses.

Last spring, the Foreign Procurement Group (FPG) visited DISAM. (The Foreign Procurement Group is a Washington, D.C. based organization consisting of foreign procurement personnel responsible for managing their nation's security assistance programs.) While applauding DISAM's current introductory course (SAM-F), they had three specific requests for additional training to foreign customers.

First, the FPG asked that DISAM consider offering a regionally focused one week security assistance overview course. Such a course would not offer the detailed information presented in SAM-F, but would add background on U.S. security cooperation efforts in a specific region. Attendance would be focused on mid to senior level procurement personnel with an interest in a short course covering the basic processes of the FMS system.

The second FPG request concerned a need for advanced FMS training. A number of FPG members had previously received advanced training METs. These countries had a continuing need for a small number of students to continue to receive such training, but could not regularly amass the thirty students required for a DISAM MET. Other FPG members had interest in such training, but never would need more than 2-3 students trained in a given year

The final request was for on-line training to introduce new personnel to the security assistance process.

Based upon these requests, DISAM is testing the curriculum changes discussed in the remainder of this article.

**DISAM International Courses to Be Offered in Germany during July 2004 Security Assistance Management - Foreign Purchaser Orientation (SAM-OF, MASL D262706, 80 ECL required)**

The course is designed to meet the educational requirements of mid to senior level security assistance partners who do not need the in-depth coverage of the SAM-F course.

This course has three objectives:

- To provide a brief overview of the entire security assistance management system to include legislation, policy, planning and programming, finance, transportation, logistics, and training management.

- To provide an understanding of the FMS process in comparison to direct commercial sales with the U.S. defense industry.

- To review U.S. programs in a specific U.S. military regional unified command.

The overview will prove very beneficial to managers of personnel who perform the technical and administrative details associated with security assistance.

SAM-OF is intended to be offered only once each year. The course will be held regionally, to increase the possibility that nearby senior officials will be able to attend. Course costs will vary due to changing class size and location, but should be approximately $500-$1000 (or $1000-$2000 if including lodging).

**Security Assistance Management – Advanced International Logistics (SAM-IL, MASL D251302, 80 ECL required)**

This course is designed to provide overseas personnel who are directly involved in or concerned with foreign military sales (FMS) requisitions and materiel movement with a comprehensive understanding and application of the policies, procedures, systems and actions necessary to move FMS materiel from its initial requisition to its shipment to the customer's final destination. The objective is to understand the functions of key organizations involved in materiel distribution, to include the International Logistics Control Organizations (ILCOs), Defense Logistics Agency (DLA), contractors and freight forwarders. Students will understand the proper procedures for submitting requisitions, how to read delivery documents, and other important FMS logistical documents.

Previous attendance at SAM-F and at least six months of security assistance experience is highly encouraged. Previous completion of SAM-F, SAM-OF, or SAM-OC is required.

SAM-IL is intended to be offered only once each year. The course will be held regionally following SAM-OF and concurrent with SAM-IF and SAM-IT. Course costs will vary due to changing class size and location, but should be approximately $500-$1000 (or $1000-$2000 if including lodging).

**Security Assistance Management – Advanced International Finance (SAM-IF, MASL D256013, 80 ECL required)**

The international financial management course is designed to provide overseas personnel who are directly involved in or concerned with foreign military sales a comprehensive understanding of pricing, funds management, and billing. The course will also cover the

application of the policies, methods, systems, and actions necessary for the effective overseas financial management of foreign military sales (FMS) cases – emphasizing the understanding of critical financial documents.

Previous attendance at SAM-F and at least six months of security assistance experience is highly encouraged. Previous completion of SAM-F, SAM-OF, or SAM-OC is required.

SAM-IF is intended to be offered only once each year. The course will be held regionally following SAM-OF and concurrent with SAM-IL and SAM-IT. Course costs will vary due to changing class size and location, but should be approximately $500-$1000 (or $1000-$2000 if including lodging).

**Security Assistance Management Course - International Training Management (SAM-IT, MASL D262707, 80 ECL required).**

This course is designed for international training managers representing international purchaser/recipient countries and international organizations. It provides students an opportunity to study the currently available automated systems that support the security assistance training program. The course provides an overview of management of the U.S. international training program and a functional use of the International Security Assistance Network, the International Training Management System, and the various internet web sites that provide management information for international training managers. General course objectives are threefold:

- To increase student understanding of the overall management of training acquired through the U.S. security assistance program

- To improve student knowledge of the automated training management systems to enhance communications between purchaser/recipient country training managers and their U.S. supporting agencies, thereby enhancing the overall efficiency of security assistance training program management.

SAM-IT is also taught in residence at DISAM four times each year following each SAM-F residence course

Previous attendance at SAM-F and at least six months of security assistance experience is highly encouraged. Previous completion of SAM-F, SAM-OF, or SAM-OC is required.

The course will be held regionally following SAM-OF and concurrent with SAM-IL and SAM-IF. Course costs will vary due to changing class size and location, but should be approximately $500-$1000 (or $1000-$2000 if including lodging).

**Summer 2003 Course Details**

These courses will be prototyped in summer 2003 near Garmisch, Germany:

**Orientation Course (SAM-OF)**
30-40 students 14-18 July 2003 (arrive 13 July, depart 19 July)
**Advanced Logistics (SAM-IL)**
10-20 students 21-24 July 2003 (arrive 20 July, depart 25 July)
**Advanced Finance (SAM-IF)**
10-20 students 21-24 July 2003 (arrive 20 July, depart 25 July)
**Advanced Training (SAM-IT)**
5-10 students 21-23 July 2003 (arrive 20 July, depart 24 July)

The SAM-IL, SAM-IF, and SAM-IT courses are intended for graduates of SAM-F residence or MET courses. Students may, however, enroll in SAM-OF 14-18 July 2003 and remain for the follow-on logistics, finance, or training management course.

Quotas for these courses are scheduled through the country managers at AFSAT. A request should be directed to the Air Force Security Assistance Training (AFSAT/TO), 315 J Street West, Randolph Air Force Base, Texas 78150-4354. The following information should be included: number of students for each course as applicable (SAM-OF, SAM-IL, SAM-IF, and SAM-IT), funding method (IMET or specific FMS/FMF Case), and waiver requests if needed (IMET, ECL, etc).

Lodging will be reserved by DISAM for each student at the training location (Eibsee Hotel: http://www.eibsee-hotel.de). Lodging costs and working lunches will be included in the tuition for these courses.

Although these courses will be emphasizing security assistance in the EUCOM region, attendance is open to interested participants as appropriate from any security assistance customer. DISAM plans to offer these same courses in the PACOM region (tentatively in Honolulu, Hawaii) during July 2004.

Limited seats are available to U.S. security assistance personnel who wish to accompany their host nation students to the SAM-IF, SAM-IL, SAM-IT course. Contact DISAM and your Unified Command Training Manager for SAO (including FSN) approval to attend this training.

**DISAM On-Line Training Now Available to Foreign Purchasers**

The final FPG request, offering of DISAM's internet based Orientation Course to foreign customers, has now been approved.

DISAM introduced an on-line course, first offered to U.S. government personnel only, in January of 2002. (Please see the *DISAM Journal* Winter 2001-2002 article "Security Assistance Training Now On-Line", by Gary Taphorn and Richard Rempes. http://disam.osd.mil/journals/Journal_Index/v.24_2/taphorn.pdf). With the graduation of our 100th student in January, the DISAM Commandant has decided that the course is now ready to share with our foreign partners.

**Security Assistance Management Course - Orientation (SAM-OC, MASLID D178258, 80 ECL required. Offered as Computer Based Training On-Line; 30 hours estimated).**

SAM-OC is an entry-level course in security assistance, designed primarily for personnel who are new to the security assistance field, or who perform security assistance duties on a part-time basis. It provides an overview of the full range of security assistance activities, to include legislation, policy, foreign military sales process, logistics, finance, and training management. As computer based training, it offers the advantage of immediate training for employees as soon as they are assigned to a security assistance position, rather than waiting for the next scheduled DISAM resident course. Graduates of SAM-OC who require more training in the course of their security assistance duties should be scheduled for the two-week SAM-F course, or other follow-on instruction. This course is also ideal as a refresher for personnel who are returning to security assistance. For most personnel, it should not be considered a suitable substitute for initial DISAM security assistance education, but can always be used as a precursor to SAM-F. The familiarization with basic terms and concepts of security assistance and cooperation will ultimately be very beneficial to the student when subsequently attending the resident course.

Foreign purchasers may request participation via the Air Force Security Assistance Training Squadron (AFSAT/TO), 315 J Street West, Randolph Air Force Base, TX 78150-4354. The following information should be included: number of students for SAM-CO, funding method (IMET or specific FMS/FMF Case), and waiver requests if needed (IMET, ECL, etc). Once funding is approved, DISAM will contact the requesting organization and provide login/password instructions. Final pricing is not available, but will be approximately $400-$800.

**Conclusion**

DISAM would like to thank the FPG, in particular Dr Jennifer Stewart (current chairperson) and Werner Kaelin (past chairperson) for their efforts to work with DISAM on curriculum improvements. Based on initial reaction, these courses will be very well attended and should promote increased knowledge and efficiency in both the U.S. and our partner's security assistance workforce.

**About the Author**

Dr. Mark T. Ahles is the Director of the Directorate of International Studies for the Defense Institute of Security Assistance Management. He has previously worked at the National Security Agency, Air Force Logistics Command, and the Air Force Security Assistance Center. Dr. Ahles holds a Ph.D. in Computer and Information Science/Political Science from the Union Institute and University of Cincinnati, Ohio. He holds a reserve commission of Lieutenant Colonel in the Ohio Army National Guard where he serves as State Chemical Officer.

# *RESEARCH AND CONSULTATION*

Is there a security assistance procedure, requirement and/or program guidance which is (or has been) presenting a significant problem in accomplishing your security assistance function? If so, DISAM would like to know about it. If you have a specific question, we will try to get you an answer. If it is a suggestion in an area worthy of additional research, we will submit it for such research. If it is a problem you have already solved, we would also like to hear about it. In all of the above cases, DISAM will use your inputs to maintain a current "real world" curriculum and work with you in improving security assistance management.

Please submit pertinent questions and/or comments by completing the remainder of this sheet and returning it to:

DISAM/DR
Building 52, 2475 K Street
Wright-Patterson AFB, Ohio 45433-7641

Data Facsimile Number: DSN 986-4685 or
Commercial: (937) 656-4685
Internet: research@disam.dsca.mil.

1. Question/Comment: (Continue on reverse side of this page if required.)
_____
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2. Any Pertinent References/Sources:
_____
_____

3. Contact Information:_____
Name _____
Address _____
Telephone Number _____
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4. Additional Background Information: _____
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