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## THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT

Although there's lots of "great stuff" in this edition of the Journal, I'll forego my normal highlights and let you simply peruse the table of contents for items of interest to you.

DISAM is in the middle of an immense task contained within a DEPSECDEF High Priority Performance Goal, tracked up through OMB channels to ensure that at least 95% of the SC workforce has their appropriate level of DISAM security cooperation (SC) training by the end of fiscal year (FY) 2011. The interim goal for the end of FY2010 is appropriate training level for 80% of our workforce.

DISAM's Director of Research, Greg Sutton, has put together an article (immediately behind this page) which outlines much of the effort in terms of some of the source documentation, who we're in the process of attempting to measure, how we're measuring appropriate levels of training and applicable DISAM courseware, and DISAM capacity issues. I won't rehash those issues in this foreword, but I will encourage you to read that article – if you're a part of the SC workforce, it's important to you. I'll simply state here that virtually every effort of DISAM is focused on the immediate quantification of the workforce, realizing that with the growth of Operations and Maintenance (O&M) funded in addition to the FMS administratively funded SC and SA activities, there are many who may not even know that DISAM provides training applicable to them as well as the traditional education/training of that workforce. That is taking shape in the hiring of a number of additional faculty and staff (new billets within both the FMS Admin and O&M funding streams), facility expansion (we will grow in our current facility by approximately 25% likely in late FY2011/early FY2012), and curriculum emphasis – with anticipated changes in both the duration and coverage of the SCM-O (Overseas) Course which will also have curriculum implications on other courses and on-line opportunities.

I encourage all reading these words to take the 1-2 hours it takes to complete DISAM's new on-line SC Familiarization Course. In addition to it fulfilling the Level I SC training requirement, it is simply a good overview of SC and refresher for anyone who is involved in Security Cooperation.

I want to use this forum to update you on where we stand, and I'll continue to do so as we proceed each quarter via the Journal. We've had a massive data call input from the Geographic Combatant Commands (GCCs) to get a handle on Security Cooperation Officer (Overseas) training levels. We currently have data analyzed from NORTHCOM and PACOM with all or some data either pending submission to DISAM or pending DISAM validation from SOUTHCOM, AFRICOM, CENTCOM, and EUCOM. We have also analyzed data from some key constituencies within CONUS organizations who are also primary sources of DISAM's students (organizations such as AFSAC, DFAS-IN, and DSCA) – in an attempt to try to get a quick grasp of what may be lacking throughout the CONUS workforce. Note that the MILDEP IAs (SAF/IA, DASA DE&C, and Navy IPO) are working their data collections for their respective SC/SA related organizations. We anticipate their inputs by 31 March 2010. DISAM is pursuing other key organizations – OSD offices, the Joint Staff, and other Defense Agencies and Field Activities (such as DLA, NGA, DTSA, etc) as they are part of this effort/training requirement equation as well.

As of 10 March, as I put this entry together, of those organizations for which we have collected and validated data, we stand at an overall 70.67% trained to the level required. DISAM is tracking various segments/breakouts of that data, but this is the primary data point – and it is subject to change dramatically up or down almost daily as we flow more data into the mix. Another important note, much of this process is manually being done right now, but we have begun testing the electronic data base that will ultimately be used to maintain the information that will provide the basis for this metric. This system will marry up with DISAM's historic Student

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*Data Base which documents training achieved, currently with more than 77,000 entries, to ensure individuals are granted credit for the DISAM training they have received.*

*In addition to imparting quick hits of information, I hope this has sparked your interest in our effort. If you have not heard about it within/from your chain of command, hopefully and theoretically you will soon. Again, read Greg's article for more details! Thanks, as always for your support of DISAM!*



RONALD H. REYNOLDS  
*Commandant*

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# Security Cooperation Training Initiative

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## Training Our Security Cooperation Workforce For the Challenges of Today

By  
Gregory W. Sutton

**Director of Research, Defense Institute of Security Assistance Management**

By now, many of you may be well aware that the training of the Department of Defense's (DOD's) security cooperation and security assistance workforce has drawn attention at the highest levels of the U.S. Government (USG). A Memorandum from the Executive Office of the President, Office of Management and Budget (OMB), to all USG Departments and Agencies stated in part.

Over the next several months, OMB will work with Congress, interagency management councils, experts in Federal management policy, Federal employees, and other key stakeholders to craft a broad management and performance framework that will achieve near term priorities and overcome long standing management challenges. This effort will include addressing the high-priority performance goals discussed below and will help inform budget decisions.

DOD choose several high-priority performance goals, one of which included training of the security cooperation (SC) and security assistance (SA) work force. The goal is to ensure that 95% of that workforce achieves and maintains an appropriate level of training not later than September 30, 2011. We will measure, track, and report progress to OMB each calendar quarter. The Defense Security Cooperation Agency (DSCA) Director has established an intermediate goal of achieving the 95% goal for our overseas personnel by the end of this fiscal year – September 2010. DOD addressed the broader sense of the effort to OMB in their memorandum.

The ability to strengthen and expand alliances and partnerships is a key goal for achieving the objectives established by the Office of the Secretary of Defense (OSD) in the *2008 National Defense Strategy*, which is the point of departure for the ongoing *Quadrennial Defense Review*. An important element of strengthening partnerships is assisting other countries in improving their capabilities through U.S. Security Cooperation programs. The importance of strong partnerships has come into clearer focus in today's operational environment, where there is a highlighted need for trained personnel in U.S. Security Cooperation Organizations (SCO) located in each country abroad. SC, which includes DOD-administered SA programs, is an important tool of national security and foreign policy, and is an integral element of the DOD mission.

There are 107 SCOs worldwide, totaling approximately 670 personnel (U.S. military, U.S. civilian, and U.S.-hired foreign-service nationals) [editor's note: this number includes only those personnel directly funded by foreign military sales and foreign military financing (FMS/FMF) funds and by no means should be construed to be the total personnel involved overseas in SC/SA efforts]. Not all SCO personnel have received formal training in their SC duties and responsibilities. This often results in less than optimal and timely provision of assistance to partner countries. A priority for the Under Secretary of Defense for Policy [USD(P)] and the DSCA is increasing the

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training of SCO personnel. A well-qualified and responsive SC workforce is often the face of the USG in many countries, and the primary enabler of Combatant Command (COCOM) [Geographic Combatant Command (GCC)] Theater Campaign Plans. This memorandum continued by pointing out some of the intricacies and challenges of the environment.

Personnel assigned to SCOs belong to the respective GCC, and are staffed in accordance with the GCC Joint Tables of Distribution (JTD) and Joint Manning Documents (JMD). DSCA and the GCCs, working in concert with the Joint Chiefs of Staff J1 and the military departments (MILDEPs), are responsible for proper staffing of the SCOs. With the level of responsibility for SCO staffing cutting across four levels of command (i.e., GCC, Joint Staff, MILDEP, and OUSD(P)/DSCA), a unified effort to identify and designate those SCO positions requiring training will require work-intensive coordination.

Personnel staffing of SCOs can consist of U.S. military, U.S. DOD civilians, local national civilians (typically in high-skill, programmatic positions such as budget or training management) and local national contractors. This mix of nationalities, career status (military and civilian), and skill sets will make it difficult to determine and implement a standard training model for all.

There are no standard functional staffing models for SCOs because they are organized and tailored to meet the unique SA/SC objectives for the country in which they are assigned. Some positions devote full-time attention to SA; others have responsibilities divided between SA, SC, and other duties. This will limit the amount of standardization possible across the six GCCs with respect to resources and training. Some SCO positions are located in regions supported with one-year tours of duty; others are in multi-year tour regions. The need for formal training in support of a one-year billet will be more time-sensitive than that of a multi-year billet. SCOs and the billets of those assigned to SA positions are funded by Title 22 security assistance funds. Additionally, many SCOs also receive DOD-appropriated funds (Title 10) to resource billets and operations in support of DOD SC programs. This mixture of funding sources, in some cases present in the same SCO, will make the management of education programs more challenging.

OSD provided some basic taskings to be implemented by DSCA as part of the overall effort.

A *Mission Essential Task List* (METL) will be developed as part of the Director, DSCA's Global SCO Review [Editor's note: This effort had already been initiated]. This list will differentiate between Title 22 and Title 10 functions. Workload data will be gathered by way of a survey and analyzed. Recommendations for both constrained and unconstrained SCO staffing levels will be evaluated for both Title 22 and Title 10 billets. The Global SCO Review will also advise fundamental training requirements for new or adjusted billets. These requirements [highlighted in the *Global SCO Review*], coupled with GCC prescribed SCO training [requirements], will be incorporated into the DSCA [training metric] performance measure and used to evaluate progress.

In order to manage this broad and extensive effort, the Director, DSCA has tasked the Defense Institute of Security Assistance Management (DISAM) to develop an action plan to meet the DOD goals and provide for measurable milestones (metrics) to ensure we are making progress. VADM Wieringa, DSCA Director, has provided the Geographic Combatant Commands and Military Departments a Memorandum of 10 Nov 2009, *Request for Support for Security Cooperation Training Initiative*. That Memorandum is provided here in its entirety. To this end, the remainder of this article will discuss some of the key activities and measurements needed to ensure SC training success.



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 2202-5408

MEMORANDUM FOR COMMANDER, UNITED STATES NORTHERN COMMAND  
COMMANDER, UNITED STATES AFRICA COMMAND  
COMMANDER, UNITED STATES CENTRAL COMMAND  
COMMANDER, UNITED STATES EUROPEAN COMMAND  
COMMANDER, UNITED STATES SOUTHERN COMMAND  
COMMANDER, UNITED STATES PACIFIC COMMAND  
DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR  
INTERNATIONAL AFFAIRS (SAF/IA)  
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION (DASA-DEC)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
INTERNATIONAL PROGRAMS (NAVYIPO)

SUBJECT: Request for Support for Security Cooperation Training Initiative

Over the past decade Security Cooperation (SC) has grown significantly as a tool of our country to build partner capacity. Each of you and your commands has significant equity and objectives for SC around the globe. There has been tremendous growth in Title 10 and Title 22 efforts. From 1998 to 2009, our foreign military sales has grown from \$8.1 billion to \$38.1 billion, an increase of 476 percent. Likewise, Title 10 efforts, on programs like 1206 Train and Equip, have increased dramatically. Over the last two years, due to operations tempo, we have struggled to ensure our personnel in key SC billets had training prior to reporting for duty. The Deputy Secretary of Defense (DepSecDef) recognizes a need for improved training and has added improving SC education as one of his top high-performance goals for 2010 and 2011.

In support of this goal, DepSecDef directed the Defense Security Cooperation Agency to develop a plan to educate 95% of the SC workforce by the end of Fiscal Year (FY) 2011. This plan includes personnel assigned to the Military Departments, Combatant Commands, and Security Cooperation Offices (SCOs). My goal is to have all overseas based SC officers complete the minimum required training by the end of FY 2010.

I have designated Dr. Ron Reynolds, Defense Institute for Security Assistance Management (DISAM) Commandant, to lead this initiative. DISAM will work with you to identify training needs and will offer immediate online training. DISAM will add additional schoolhouse and mobile training teams as required.

Please provide your point of contact information to Ms. Jennifer Snyder, [Jennifer.snyder.ctr@disam.dsca.mil](mailto:jennifer.snyder.ctr@disam.dsca.mil); Gregory Sutton, [Gregory.sutton@disam.dsca.mil](mailto:Gregory.sutton@disam.dsca.mil); and Dr. Ron Reynolds, [Ronald.reynolds@disam.dsca.mil](mailto:Ronald.reynolds@disam.dsca.mil), no later than November 30, 2009. Please contact Dr. Reynolds, (937) 255-6538) with questions.

//SIGNED//

Jeffrey A. Wleringa  
Vice Admiral, USN  
Director

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## Who makes up the SC/SA Workforce, and How do We Measure Trained?

The DISAM action plan for achieving the DOD and DSCA goals is broken down into several manageable components. Those components are based on the answers to a few key questions:

- Who makes up the SC/SA workforce and where do they serve?
- What is the definition of trained?
- What are the capacities for training?
- How is the workforce motivated to achieve the training goals?

In previous documentation, the reader observed a number (~670) SCOs working within U.S. embassies and the GCC structures overseas. The number of additional personnel funded under Title 10, vs. Title 22, varies between occasional and daily involvement in either SC or SA activities, or both. The same holds true in the CONUS based MILDEPs and Agencies – DSCA via the FMS Administrative budget and in accordance with the *Financial Management Regulation* (DOD 7000.14R, Vol 15) - funds a substantial number of personnel involved in SC and SA activities utilizing both FMS administrative as well a operations and maintenance funding (O&M). As is the case in the SCOs, there are a number of other people with various sources of funding, who also perform some level of SC/SA activities. For example, a training organization within the Army, Navy, Air Force, etc which allows for international students to participate in course offerings will have an International Military Student Office tasked to interface and oversee the activities of the international students at that training facility regardless of the source of funding for their billet or primary duties.

Do these non- “FMS/FMF” funded personnel require training? Of course they do. While the level of training is the variable – not everyone requires an advanced degree in international relations - they most certainly need training at some level and should be counted as a part of the workforce. To establish not only the how many and where are they question, but also what level of training does the individual occupying a specific billet require; DISAM has developed a data collection tool and a training level matrix which has been or will be sent to all DOD organizations with SC or SA activities. The object is to go to the organizations themselves - those most knowledgeable - in both how many billets and personnel are involved in SC/SA, and what level of training each needs to effectively do their job. The data training guide matrix is shown below; however, within the next few months we hope to have a Security Assistance Network (SAN) based database where organizations will be able to enter data and updates directly, and training verification will occur via automated connection with the DISAM student training database. In the interim, organizations are filling in their position data, incumbents, and desired training level (along with a few other pieces of information). DISAM is then matching the desired training level of the position to the actual training accomplished, as documented in the DISAM student database, to determine any shortfalls, and further to identify what level of courses are most needed to reduce and eventually eliminate those shortfalls (to the 95% goal).

**Minimum Training Requirements Details Table**

<b>Training Level</b>	<b>Description</b>	<b>Details of Positions Needing Training</b>
0	None	Positions with no substantive SC/SA involvement. Examples: Maintenance, housekeeping, kitchen staff, drivers, administrative staff needing no SC/SA awareness.
1	SC Awareness (2-3 hour CBT) (Currently in development)	<p>Positions needing only an awareness of basic SC/SA terminology OR</p> <p>Positions which have only minimal contact with SC/SA programs but require an awareness of basic parameters of SC/SA programs and resources available for further training if needed. OR</p> <p>Senior Commanders and Staff Organizations indirectly responsible for SC/SA supervision. <b>Examples:</b> Staff managing small SC/non-SA programs, GCC Commanders, National Guard Adjutant Generals and primary joint staff officers, SC/SA office administrative staff, International Affairs staff not working SC/SA programs directly, GCC J-staff not working SC/SA issues, military teams not involving SC/SA Activities prior to deployment. Those teams deployed in support of an SC/SA activity should complete the requirement of training level 2, SC Orientation below.</p>
2	SC Orientation (12-24 hour CBT or 2-3 day course taught on-site at customer locations)	<p>Positions needing a basic understanding of SC/SA program terminology and processes, positions working non-SC/SA programs, or directly responsible for only some aspects of SC/SA, but for which extensive knowledge of SC/SA programs is not required. <b>Examples:</b> SC/non-SA program managers involved with the transfer of military articles and services (ACSA, 1206, etc.) GCC - country desk officers with no SC/SA oversight responsibilities; MIL SERVC IA Policy Organizations - entry-level assistants; MIL SVC/MILDEP SC/SA Organizations - support staff such as supply technicians, computer support staff, office managers, budget officers, personnel lists, etc. <b>Note:</b> IPSR Course may also be required but will not be reported as part of the SC/SA workforce education metric.</p>
3	SC entry-level course (SAM-C, SCM-O, SAM-TO, SAM-E, SPD)	<p>Positions working SC/SA programs involving the transfer of military articles and services directly or supervising that work. Normally individuals in CONUS organizations will complete the SAM-C course, or SAM-E or SAM-TO dependent upon grade and position/function. See the DISAM Catalog at: <a href="http://www.disam.dsca.mil">www.disam.dsca.mil</a>.</p> <p>For those deploying/assigned to overseas locations, DoDI 5132 January 9, 2009 required that all Security Cooperation Officers complete SCM-O or SCM-E. Course descriptions of these and all DISAM courses are available at: <a href="http://www.disam.dsca.mil">www.disam.dsca.mil</a>.</p> <p><b>Examples:</b> GCC desk officers, FMS program staff, Service International Policy Organization desk officers and program managers. SCO/SAO members, etc.</p>
4	SC Advanced Course (SAM-CF, CS, CR, CM, AT, and AR)	<p>Positions requiring advance understanding of SC/SA processes and policy. <b>Examples:</b> FMS case managers, FMS financial managers, SC training managers. <b>Note:</b> Because of limited training opportunities in 2010/2011, SC Advanced Courses will not be required to meet the SECDEF's 95% goal until after 2011.</p>

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Again to break this task down to manageable pieces, some might label a “work breakdown structure,” we have “time-phased” the organizations for data collection. As a visual presentation of that prioritization, we have a series of concentric circles where the organizations will be contacted and data requested in order of 1-5 with 1 being the first collected and 5 being the last collected. Our goal is to have all data collected and training achieved matched for all DOD SC/SA related organizations, regardless of funding source, by the end of FY 2010. A pretty big task when one considers the estimate of actual positions/incumbents will be in the area of 20,000. DSCA funds roughly 8,000 man-years of effort annually and many of those are personnel equivalents. For example, if four people in the office each do SC/SA projects as 25% of their daily tasks, DSCA may fully fund 1 person, i.e. 25% of the total of four people. What this means is that the ~ 8,000 man-years of effort that DSCA funds will equate to significantly more than 8000 people requiring training at some level.

### **Training Capacity?**

Over the last few years, primarily since September 11, 2001, the throughput of students at DISAM has steadily grown to over 4900 students for FY 2009. The Security Cooperation Management course (SCM-O) offerings have had such a tremendous rise in attendance over the last few years that they have exceeded a single classroom space (>65 students). DISAM has “split” the class into two simultaneous SCM-O courses to accommodate the requirements as well as enhance the learning environment. The attendant increase in instructor requirements has been met by “surging the course teaching load.” It appears this requirement is not abating, and given our “EWAG” – educated wild guess – that the results of our data collection will not diminish but increase that demand. Coupled with demands from our CONUS workforce customers (SAM-C, TO, E, CM, CS, CF, CR) and wait lists for those classes indicates surging the instructor force is no longer adequate to meet the needs of the community. DSCA has authorized the immediate hiring of an additional six DISAM faculty members and two staff positions. The actual mix of courses requiring additional offerings will be resultant of analysis of the training shortfall from our noted data collection effort. In the long run, DISAM/DSCA have embarked upon preliminary actions to increase classroom space, another limiting factor, but in the short run, other alternatives will be explored – off-campus training in courses that have not been traditionally offered in that mode, temporary use of Wright-Patterson facilities, off base facilities, etc. The bottom line is that DSCA and DISAM are putting in motion a number of initiatives to increase our student throughput capacity, but the specifics in terms of courses, locations, and a myriad of cost benefit considerations must be based upon the analysis of the “gaps” as indicated by our data collection.

One might consider that direction from the DepSecDef and the Director, DSCA would be “sufficient motivation” to achieve the training goals articulated, but as often is the case, the devil is in the details. On-going conflicts of substantial magnitude in the CENTCOM theatre (Afghanistan and Iraq); a natural disaster of yet unknown, but certainly tremendous impact in SOUTHCOM (Haiti); a new command establishing a foothold in an area replete with challenges - Africa Command, and the possibility for other “high priority taskings” around the globe could bear on these goals. VADM Wieringa has augmented and committed the current resources of DISAM to attaining these goals and we will continue to provide feedback to DSCA, DoD, and the Executive Office of the President, Office of Management and Budget (OMB) at regular, specified intervals.

### **Achieving the Goal**

We know where we are heading – our goal – 95% OCONUS SC/SA personnel trained at the desired level by the end of FY 10 and 95% of all SC/SA personnel trained to the appropriate level

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by the end of FY 11. But where is the origin of our graph which ends at the 95th percentile? That is what we are currently determining via the DISAM/DSCA data collection effort. Once that point is determined, the greatest efficiency and utilization of DISAM's expanded capabilities will be put to the task and a series of "task completions," measurements/metrics, and new and innovative approaches (e.g. better use of distance learning for the basic levels of training) will be established to map and measure our progress to goal achievement. Of utmost importance to this project, it is not simply the goal of 95% of the workforce being appropriately trained; it goes beyond that in maintaining 100% accountability of the workforce.

While this recent "visibility" has highlighted the goal of a well trained workforce, it has always been the goal of many organizations involved in SC/SA, examples are listed below:

- DSCA initiatives on International Affairs Certification, the Graduate Studies program – GMAP II
- MILDEPs long standing use of internship programs and MILDEP specific training activities
- GCC's efforts to ensure their personnel training which may have been missed in the pipeline of new assignments, i.e., mobile training teams, on-site training, local on the job training sessions

Motivation of these organizations and the personnel who dedicate their efforts on a daily basis is not a significant area of concern. The challenge is to be able to provide these "troops" the opportunity to complete the necessary level of training in a timely fashion – that is the challenge that DISAM and DSCA must meet. We will keep you posted!

### **About the Author**

Gregory W. Sutton is currently the Director of Research at the Defense Institute of Security Assistance Management. He has over twenty years experience in the SC/SA arena serving in a (then) SAO – the U.S. Military Training Mission, Saudi Arabia, and the Air Force ILCO (AFSAC), while on active duty as an Air Force Officer. As a contract FMS advisor, he was involved in several major international FMS system sales. He joined the faculty at DISAM in 1994 and was appointed Director of Research in 2003.



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# FEATURE ARTICLES

## The United States Naval Small Craft Instruction and Technical Training School

By

Francisco Melara

International Military Student Officer at the  
Naval Small Craft Instruction and Technical Training School



The Naval Small Craft Instruction and Technical Training School (NAVSCIATTS) traces its history to 1961 when a United States Coast Guard Mobile Training Team (MTT) was sent to the Panama Canal Zone following agreements made during the Alliance for Progress Conference in San José, Costa Rica. During this initial deployment, the United States Coast Guard (USCG) recognized the need for a permanent training facility. In May 1963, the USCG based the Small Craft Inspection and Training Team (SCIATT) at the United States Naval Station, Rodman, Panama.

In June 1969, SCIATT was transferred to the United States Navy, re-designated Small Craft Instruction and Technical Team, and placed under direction of United States Naval Station, Panama Canal as a department. At the time, NAVSCIATTS was one of three original Panama Canal Area Military Schools (PCAMS) whose mission was:

In conformance with the United States Security Assistance Program, [to] foster increased level of professionalism and readiness in the Naval and Coast Guard Forces of Latin America and Caribbean Island nations through formal courses of instruction and Mobile Training Teams in the operation of small craft including employment, maintenance, and logistic support.

With the school's success, continual training demands, and increasingly large enrollment, the school was eventually established informally as a naval shore activity on October 19, 1982. Chief of Naval Operations Note (OPNAVNOTE) 5450 009B2E3/314089 of October 29, 1982, officially established NAVSCIATTS as a shore activity on United States Naval Base, Panama, effective on October 19, 1982. NAVSCIATTS was assigned to Commander Training Command Atlantic Fleet, a



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functional command for the Chief of Naval Education and Training (CNET). Continued success and further expansion led to NAVSCIATTS official establishment as a Naval Shore Command on July 21, 1983, under President Reagan's directives to enhance United States security forces relationships in Latin America and the Caribbean. Commander Richard James Flanagan (United States Navy Retired) was its first Commanding Officer.

NAVSCIATTS remained a component of CNET until disestablished in January 1999.

(Chief of Naval Operations [CNO] LTR N09B22C/20 November 1998) as a result of the closure of Rodman Naval Station in the Republic of Panama (Torrijos-Carter Treaty). Naval Special Warfare (NSW) and United States Special Operations Command (USSOCOM or SOCOM) decided to take NAVSCIATTS as part of the "NSW Coastal and Riverine Training Center" concept leading to fiscal year (FY) 1999 Program Budget Decision (PBD) 715 signed 21 December 1998 that assigned USSOCOM the responsibility to establish and operate NAVSCIATTS and ultimately relocate the command to National Aeronautics and Space Administration's (NASA's) John C. Stennis Space Center in Mississippi. Possessing some of the finest riverine and littoral training areas in the world, Stennis Space Center provides an ideal training area for NAVSCIATTS.

NAVSCIATTS was re-established during a ceremony onboard the John C. Stennis Space Center, MC on October 1, 1999, and commissioned an Echelon IV shore command with Operation Control (OPCON) and Administrative Control (ADCON) through Commander Naval Special Warfare Center and Naval Special Warfare Command to USSOCOM (shifted C2 from under CNET). NAVSCIATTS' first day of classes was held on January 10, 2000. Only eight students from Southern Command (SOUTHCOM) graduated on Class 1-00.

In 2006, the Commander of United States Special Operations Command assigned NAVSCIATTS the following new mission:

NAVSCIATTS conducts Foreign Internal Defense (FID) in support of Combatant Commanders in accordance with Commander, United States Special Operations Command, priorities using Mobile Training Teams (MTTs) and in-residence training to prepare partner nation forces to conduct small craft operations in riverine or littoral environments.

On September 19, 2008, the Secretary of Defense (SECDEF) designated USSOCOM the Joint Proponent for Security Force Assistance; and two months later, on December 19, 2008, Naval Special Warfare Command (NAVSPECWARCOM) shifted NAVSCIATTS from Naval Special Warfare Center (NAVSPECWARCEN) to Naval Special Warfare Group-4 (NSWG-4) as its SFA component.

October 1, 2009, marked the close of NSWG-4's first ever Maritime Security Force Assistance Symposium and commemoration of NAVSCIATTS establishment ceremony under USSOCOM October 1, 1999. NAVSCIATTS' success over the last decade has resulted in the school expanding from its SOUTHCOM focus to every other Geographic Combatant Command (GCC) area of operation. NAVSCIATTS has enjoyed a 200 percent increase in countries attending NAVSCIATTS, 375 percent increase in student throughput, and 150 percent increase in Mobile Training Teams (METs).

It has been a long journey; but teamwork, hard work, and perseverance have paid off. We have accomplished more than we ever imagined, stated Mr. Felix Arrieta, Director of Mobile Training Teams and one of NAVSCIATTS' original members integral in the school's transition from Panama to Mississippi.

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Under NSWG-4, the next decade promises improved coordination and increased growth to meet USSOCOM and GCC requirements globally.

**About the Author**

Mr. Francisco Melara is a former United States Marine. He holds a bachelor's degree in Foreign Languages and a master's degree in Foreign Language Education from the University of Southern Mississippi. He is currently the International Military Student Officer (IMSO) at NAVSCIATTS where he has been working since 2003.

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# **Naval Special Warfare Group 4 Assumes Command of the United States Naval Small Craft Instruction and Technical Training School**

**By  
Naval Special Warfare Group 4 Public Affairs**

Commander, Naval Special Warfare Group 4 (NSWG-4) Captain Chuck Wolf has accepted control of a fourth subordinate command, Naval Small Craft Instruction and Technical Training School (NAVSCIATTS), on Stennis Space Center, Mississippi, from the Naval Special Warfare Center (NSWC).

NAVSCIATTS' mission is to provide partner nation security forces with the highest level of riverine and coastal craft operations and maintenance technical training. The change in structure aligns the operational expertise of the Naval Special Warfare Combatant-craft Crewmen with the NAVSCIATTS schoolhouse. This will ensure the very latest techniques and procedures are being taught in addition to allowing closer engagement opportunities with friendly countries.

NAVSCIATTS has been conducting security force assistance since 1963 to prepare partner nation forces to conduct small craft operations in riverine and littoral environments, as well as develop and sustain professional and personal relationships.

The reason NAVSCIATTS exists is to provide technical training to our partner nation security force students, not only to improve their individual technical skills, but also to enhance the readiness of select maritime security forces within key partner nations, said NAVSCIATTS Commanding Officer Commander Bill Mahoney.

This mission is closely aligned with the Navy's maritime strategy of increasing security and alliances in waterways across the globe. With this waterborne mission, it is a natural evolution for NAVSCIATTS to fall under NSWG-4, United States Special Operations Command's (SOCOM) maritime mobility component.

This is phase zero of the Navy's maritime strategy: pre-conflict capacity building. NAVSCIATTS provides us with the initial contact with a potential ally or partner nation force and helps set the stage for training with nations around the world, said Wolf.

Trust and cooperation cannot be surged; and our relationships with partner nations must include improving regional and cultural expertise through expanded training, education, and exchange initiatives, he added. The defense of all countries against common threats to security, whether civil conflict, social instability, humanitarian crises, arms, drug, or human trafficking, territorial disputes, piracy, or terrorism, is best achieved through improved cooperation, strong coalitions, and regional partnerships that provide for our collective security. This training and relationship building begins with training programs exemplified by NAVSCIATTS.

Additionally, NAVSCIATTS conducts security force assistance missions in support of Geographic Combatant Commanders (GCCs) in accordance with SOCOM priorities using in-resident courses and Mobile Training Teams (MTT) to prepare partner nation security forces to conduct small craft operations in riverine or littoral environments within their own countries.

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The goal of an MTT is to teach both how to operate and maintain the craft used by the partner nation in their own environment and often includes establishing a logistics chain from the ground up. These are skills that the Special Warfare Combatant-craft Crewman (SWCC) instructors are specifically trained for as SOCOM's premier maritime experts.

Wolf would like to use NAVSCIATTS to shape Naval Special Warfare's combatant-craft global impact through partner nation capability assessments. He envisions a cohesive strategy for developing partner nation maritime capabilities that will be formulated by engaging with the Department of State, United States embassies, and their military advisory and assistance groups abroad.

Wolf is enlisting the Naval Post Graduate School to send teams of interdisciplinary subject matter experts to designated countries to determine specific and reliable maritime security forces the government should work with, what their current capabilities are, and what their capabilities could become.

There will be a closer lashing-up of Naval Special Warfare (NSW) maritime components with partner nations we should be and are currently working with, said Wolf.

NAVSCIATTS in-resident training is an effective first step of United States Government development of partner nation forces, focusing on teaching independent maintenance, limited planning, and the basics of combined operations. This initial training often leads to MTT deployments and more advanced training.

NAVSCIATTS in-resident training pipeline is crucial to the overall security force assistance concept, said Mahoney. In fact, most countries use our NAVSCIATTS in-resident training as their respective nation's qualification courses. After completing core in-resident and several iterations of train-the-trainer instructor development courses, the follow-on MTTs help partner nations to develop and sustain programs to operate independently on their own to effectively provide both internal and external security of their territorial waters.

After a period of sustained interoperability, the unit will ideally become more involved with the United States, specifically with special operations forces, and develop their own training capabilities.

Continual and persistent engagement with specific units and key partner nations through additional and advanced training, regional exercises, follow-on MTTs, and combined operations will ultimately improve their overall readiness. It is in our mutual interest to improve security through enhanced interoperability, improved alliances, and increased cooperative security, said Mahoney.

Mahoney predicts that the shift in control of his command to NSWG-4 will improve security force assistance efforts to build select maritime security force capacities within key partner nations.

NSWG-4 will be better positioned to improve coordination with Naval Special Warfare units and theater special operations commands to ensure that Security Assistance Officers (SAOs) send partner nation military students to NAVSCIATTS from nations aligned with SOCOM priorities. It is in everyone's interest to more effectively concentrate United States efforts on building select maritime security force capabilities, said Mahoney.

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In an ongoing effort to both continually improve the training provided to partner nation forces as well as sustain their reputation among its customers, NAVSCIATTS' schoolhouse instructor cadre seeks out and learns from best practices among similar Department of Defense (DOD) training programs including from the Western Hemisphere Institute for Security Cooperation (WHINSEC), the Inter-American Air Forces Academy, and equivalent Navy Expeditionary Combat Command (NECC) and Coast Guard courses.

For example, this year NAVSCIATTS water-based students will participate in a joint training exercise with WHINSEC's students undergoing land-based training. The maritime students will insert and extract the ground students during a final exercise to demonstrate that the scenario works, as well as the combined training.

Mahoney believes that synergies like these are critical as United States Government and DOD efforts increasingly shift from direct toward indirect methods. This indirect focus has been NAVSCIATTS' focus since its days as a start-up Coast Guard training team in Panama in 1961.

NAVSCIATTS is distinct from other commands with similar missions because the school exclusively trains international students. The cadre is full-time instructors; and the command is adjacent to Special Boat Team 22 (SBT-22), SOCOM's premier riverine command, allowing the instructors to easily draw upon a wealth of knowledge from the SWCC who operate at SBT-22.

Another benefit to NAVSCIATTS' location is the ease of access to the Pearl River, which provides some of the finest riverine and coastal training environments in the world.

NECC and the Coast Guard offer similar training; but their equivalent courses are not as long, as in-depth, or facilitated by a dedicated full-time instructor force, focused solely on training international students.

Despite our relatively small size, our NAVSCIATTS master training specialist SWCC cadre provides unmatched professional knowledge and expansive institutional experience unmatched in the military, said Mahoney. Our sustained competitive advantage within the maritime security force assistance arena is the result not of one single aspect of our command, but rather a mix of internal excellence through a culture of teamwork, a sterling reputation among our customers, and external stewardship from both NSW and SOCOM leadership over our 48 year history.

NAVSCIATTS' instructor force of less than thirty is comprised of full-time, bilingual, master training specialists, including SWCC, government employees, civilian contractors, and Navy engineers. The instructors are highly qualified, said Mahoney; their sole job is to effectively train international security forces on the operations and maintenance of small craft as well as sustain those relations for future United States Government engagement.

The instructor cadre teaches partner nation maritime forces how to protect their own waterways through courses offered at the schoolhouse in Mississippi. Nine courses are offered in both Spanish and English and cover such topics as patrol craft familiarization, outboard motor maintenance, mission planning, navigation, weapons training, rules of engagement, laws of armed conflict, and how a military law justice system functions in accomplishing military objectives.

All instructors are United States citizens, but many are originally from countries such as Brazil, Colombia, El Salvador, and Panama. This cadre has trained more than 6,000 international students from more than 55 countries in the past 48 years.

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There simply is no other command in existence with the capacity to train partner nation students in small craft operations like NAVSCIATTS, said Mahoney.

The dynamic command that exists today started with somewhat humble beginnings in 1961, as a Coast Guard military training team deployed to the Panama Canal Zone to train the local military on small craft operations. In the midst of the deployment, the team recognized the need for sustained training and based a Coast Guard Small Craft Inspection and Training Team (SCIATT) at the United States Naval Station, Rodman, Panama, in 1963.

Although the ultimate goal of the schoolhouse is further reaching than a typical learning institution, it is still a schoolhouse with students and instructors who need the occasional break from the routine. When the students at the schoolhouse are not training, they make use of the nearby gym, soccer field, basketball and volleyball courts, barbecue areas, or internet lounge.

Under the International Military Education and Training (IMET) program, NAVSCIATTS today supports a robust Field Studies Program (FSP) designed to ensure students return to their respective countries with a greater understanding of United States business, military, and government cultures. As part of the FSP and in conjunction with the Navy International Programs Office, NAVSCIATTS coordinates educational trips to local businesses and civic activities in Mississippi, Louisiana, and Alabama.

Students have the opportunity to learn about their classmates' cultures too; during each course students are asked to share a cultural presentation about their home country. This provides opportunities to cultivate relationships with foreign countries, as well as develop and sustain professional and personal relationships, in order to provide the United States with both access and influence in partner nations.

The relationships forged at this small command in Southern Mississippi will last a lifetime and will put a human face on very important decisions made in the future that will impact maritime security on a global scale, said Wolf.

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## Courses Available to Naval Small Craft Instruction and Technical Training School Customers

[The following are courses offered by NAVSCIATTS. To find out more, visit our web site: [www.navsoc.socom.mil/NAVSCIATTS](http://www.navsoc.socom.mil/NAVSCIATTS)]

### Course Title: Patrol Craft Officer Coastal

#### Objective



To provide the student with specialized training in the employment and operation of patrol craft in littoral/coastal environments.

#### Length and Scope

The course will consist of nine weeks of comprehensive classroom and underway small craft coastal operations instruction utilizing 42 foot patrol boats equipped with diesel engines. The training includes standard operating procedures to conduct day and night tactical waterborne craft operations utilizing onboard electronics, night vision, global positioning system (GPS), and radar systems. Additional topics include introduction to computerized navigation, navigation rules, aids to navigation, plotting, piloting, dead reckoning, over the horizon navigation (day and night), principles of communications, weapons safety and employment, rules of engagement, mission planning, maritime interdiction operations, insertions and extractions, board and search, close air support, and a final Field Training Exercise (FTX) in combination with the Patrol Officer Communications course.

### Course Title: Patrol Craft Officer

#### Objective

To provide students the specialized training necessary to safely and effectively plan and execute patrol craft operations in riverine and littoral environments.

#### Length and Scope

This nine week course consists of instruction in patrol craft familiarization, mission planning, navigation in riverine and littoral environments, intercepts, seamanship, the use of GPS, grid maps, radar and night vision equipment, basic communications, principals of board and search, patrol formations, weapons training, patrol craft movement and formations during daylight and night time hours, insertion and extraction of forces, and immediate action drills. A final riverine and littoral field training exercise is conducted in conjunction with the Patrol Officer's Communication course to ensure that all students have accomplished course objectives.



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## Course Title: Outboard Motor Maintenance and Overhaul

### Objective

To provide the student the training required to maintain and overhaul outboard motors.

### Length and Scope



This eight week course consists of engineering fundamentals, shop safety, precision measuring and special tools, lubricants and cleaning agents, internal combustion theory, electrical and fuel systems, preventive maintenance and troubleshooting, gear case, and power head overhaul. Practical application techniques train the student to reference the manufacturer's technical manual utilizing Bombardier 150HP fuel-injected outboard motors as training aids.

## Course Title: Patrol Craft Propulsion System Overhaul and Maintenance

### Objective

To provide the student with the training necessary to extend the service lifecycle of small craft diesel engines.

### Length and Scope

This eight week course consists of detailed instruction in the 6V92 TA Detroit Diesel engine specifications and characteristics, operating principles, lubrication, cooling, and air and fuel systems. Training includes a complete overhaul including disassembly, troubleshooting, inspection, cleaning, repair, tune-up and reassembly of the 6V92 TA Detroit Diesel engine, twin disc transmission maintenance, service, and practical application techniques. In addition, students will learn tools and their uses, precision measuring instruments, and shop safety. The principles learned here will apply to all diesel engines.



## Course Title: Patrol Craft Hull Maintenance



### Objective

To provide the student the basic training required to perform structural repairs and preventative maintenance to steel, aluminum, fiberglass, and inflatable hull small craft at the apprentice level.

### Length and Scope

This eight week course consists of instruction in hand tools, oxyacetylene cutting and welding techniques, shielded metal arc welding and aluminum gas metal arc welding in various positions, and fiberglass and Zodiac

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inflatable boat repair. Practical applications of techniques are employed in all areas of instruction to accomplish course objectives.

**Course Title: Patrol Craft Weapons Maintenance**

**Objective**

To provide the student with basic training required to repair and perform routine preventative maintenance on patrol craft and crew member weapons systems.

**Length and Scope**

This four week course consists of instruction in various individual small arms and patrol craft mounted weapons to include the M9, M1911A1, and P-226 pistols; the MK13, M-14, M16, M24, Galil, and AD-47 rifles; Mossberg 500A1 shotgun; M79, M203, and MK19 MOD3 40MM grenade launchers; the M240B, M249, M-60E, and M2 HB .50 machine guns; and weapon and ammunition fundamentals. Practical application techniques include malfunction analysis, disassembly, inspection, cleaning, and troubleshooting on all weapons to accomplish course objectives.



**Course Title: Patrol Officer's Communications Course**

**Objective**

To provide the student with the required instruction and field training to plan and conduct communications.

**Length and Scope**



This five week course consists of communication theory; programming and operation of High Frequency (HF), Very High Frequency (VHF), and Ultra High Frequency (UHF) communication equipment; and ancillary information required of communicators. Course modules will include frequency prediction, antenna selection and construction, data communications, troubleshooting, field hints, GPS equipment, and communications operations planning. Practical application will test skills learned and

includes conducting short, medium, and long range communication drills in diverse terrain and locations. Students will participate in a series of Final Training Exercises (FTX) integrated with the NAVSCIATTS Patrol Craft Officer course.

**Course Title: Combat Lifesaver Course**

**Objective**

To provide selected non-medical students specialized unclassified training in advanced lifesaving skills and measures.

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**Length and Scope**

This two week course is designed to provide the student with advanced lifesaving skills to include hemorrhage control, maintaining casualty airway, managing penetrating chest injuries, shock casualties, treating heat, burn casualties, the application of splinting techniques, and the assessment and evacuation of casualties. Training will be accomplished through a combination of classroom and practical application exercises.

**Course Title: Instructor Development Course****Objective**

To provide the student the personal skills required to conduct formal training in a classroom or lab environment.

**Length and Scope**

This two week course consists of planning learning objectives, development of lesson topic guides, methods and techniques of instruction, and effective classroom communication.

**Course Title: Rule of Law and Disciplined Military Operations****Objective**

To provide the student with instruction on the rule of law, its impact on human rights, and how these considerations fit into planning and conducting military operations.

**Length and Scope**

This one week course includes considerations of such fundamental concerns as rules of engagement, laws of armed conflict, and the role of a military justice system in accomplishing military objectives.

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# Meeting the Demand for Maritime Special Operations Forces Capability

By  
**Jeff McKaughan**  
Special Operations Technology Editor  
for the United States Naval Small Craft Instruction  
and Technical Training School

[The following is a question and answer interview with Captain Charles Wolf, United States Navy, Commander, Naval Special Warfare Group 4 (NSWG-4). The interview originally appeared in *Special Operations Technology* (SOTECH) online, November/December 2009, [www.special-operations-technology.com](http://www.special-operations-technology.com).]

**Question:** Good afternoon, Captain. Could we start with an overview of Naval Special Warfare Group 4? Does it look basically the same as it did a year ago, and are you expecting any growth in the near term?

**Answer:** Naval Special Warfare Group 4 is at about 1,400 man end strength, which includes capacity for 700 Special Warfare Combatant-craft Crewmen (SWCC). The rest would be staff and enablers. In fact, I have a heavy enabler staff when you look at the maintenance and support that it takes to manage these vessels. The ratio is much like the one found in an aviation squadron.

As far as growth is concerned, the Special Operations Forces (SOF) community will see an increase across the board in the 3-5 percent range; and that will eventually trickle down to us. As Admiral Olson [Admiral Eric Olson, Commander of Special Operations Command (USSOCOM or SOCOM)] and Lieutenant General Kearney [Lieutenant General Frank Kearney, USSOCOM Deputy Commander] have been putting out in testimony, we really should not expect and plan on anything more than about 5 percent overall.

We have always said that people are more important than machinery, and it takes time to grow SOF. That is certainly true of the time it takes to grow SWCC. When all is said and done, 3 percent is probably what we can assume in growth.

**Question:** And how about the organization itself?

**Answer:** We actually have not changed much in regards to the special boat teams. The most significant addition, of course, is Naval Small Craft Instruction and Technical Training School (NAVSCIATTS) down at the John C. Stennis Space Center, Mississippi, co-located with my Special Boat Team 22.

NAVSCIATTS is a schoolhouse that is primarily responsible for teaching foreign military partners small boat seamanship, handling, maintenance, logistics, sustainment, etc. We are advancing it into patrol officer courses of instruction where they will learn how to operate as a task-organized unit instead of individual skills. This will teach the students to start putting everything together collectively and be able to conduct exercises before taking those skills back to their home country.

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If you look at USSOCOM's new role in security force assistance and as a synchronizer for security force assistance, what we are doing is an increasingly important function in more regions for the Command overall, and more specifically for Naval Special Warfare.

Right now I am in a number of regions including east Africa and in particular Kenya, which is probably one of the more mature locations. We have been in country there for more than four years. Interestingly, in Kenya it is not just the military we are working with but a number of different agencies including Kenyan wildlife, fisheries, and their near shore police. We definitely work with a combination of military, law enforcement, and department of interior agencies.

Kenya has a fairly small coastline, but they have keen awareness of their natural resources both along the coast and the interior. They are also interested in flexing their regional influence. To their north there are the ungoverned spaces of Somalia, and to the south the Tanzanians are an important ally. They want to be able to demonstrate their capability to take care of themselves and their mission.

This is important as Kenya has become a very key strategic ally.

**Question:** What about Africa's west coast?

**Answer:** On the west coast of Africa, we are working with Cameroon, which is probably not as mature of a relationship as we have with Kenya; but Cameroon represents a key geographic location on the west coast of Africa.

The importance is more than geographic but can easily be seen that way by looking at the north-south lines of commerce and the economic potential of Cameroon, including oil and the foreign allies to the north like Nigeria and to the south Equatorial Guinea.

You can also look at what the UK and French are doing in the region. Right now we are seeing a request for maritime security assistance along that whole western coast of Africa from Sierra Leone transiting all the way down to Equatorial Guinea. There is a lot of instability there.

The countries we are working with throughout that area are really coming along in their own capacity, and they are asking for more support. That is where NAVSCIATTS will play an important role.

**Question:** Does the United States go out and look to offer our services and skills, or do we wait for the host country to approach us with a request for assistance?

**Answer:** It comes from both a chicken and the egg kind of thing: Which comes first the United States or the foreign partner? We can go into a country and tell them what we have available as far as training options, or the foreign partners come to the United States and realize the kinds of things we can provide.

For example, in the Kenyan relationship, since we have been in there for a while and we have been exposed to each other, it is easier to work together and see the strengths and weaknesses. As they improve their skills, they are asking for more. They want to know where they can get better skills, better training, and better capabilities.

What we have tried to do is take what we are teaching overseas and make that an in-residence course here and take it to the next level where they learn more of the

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maintenance, sustainment, etc., where the partner nation can attend these courses almost year-round we now train 49 weeks a year.

And we have also put much of this in electronic format where they can actually go to a web site and find out what courses we offer. There are now twenty-four participating countries in the program. It is absolutely amazing what NAVSCIATTS has gone through in the last ten years—in fact it just celebrated its 10-year anniversary under Naval Special Warfare (NSW) in September [2009] with a Global Maritime Security Force Assistance Symposium, attended by eleven key partner nations. The week-long opportunity strengthened both bilateral and multilateral ties that are essential in building regional stability.

**Question:** Does the same model that works in Africa work elsewhere?

**Answer:** If you look at the model for northern South America, the Colombia model, the ability to partner with a dedicated nation with a dedicated force on a reoccurring basis, you can see the good things it has done for Colombia.

We identified a special forces' partner down there some thirty years ago, and they have developed a really capable military in the region.

That is due, in part, to a constant United States military access, placement, and reoccurring contact.

We are also looking to use the same model in the Pacific. As we look at, and work with, the Philippines, Bangladesh, Sri Lanka, for example, we see real opportunities. The Pacific partners, notably the Australians, Singaporeans, Malaysians, and Indonesians, have been key allies; and we work hard at maintaining those great relationships.

**Question:** NAVSCIATTS has a heavy emphasis on boat operator/maintainer training. Does it also get into tactical skills and tactical employment methodologies, or is that left for another time and place?

**Answer:** We have not really focused on that. We primarily teach non-tactical courses.

Now what we are looking at doing is a patrol officers course, I mentioned, which will give a foreign military representative a more comprehensive feel for how to conduct operations. But we are not necessarily looking at creating a United States-like capability. We want to give them the over-the-horizon small craft operations similar to what we do with our small boats.

Some of the foreign military sales include boats, including the 85-foot Mark V (MK V) Special Operations Craft (SOC). Additionally, the Coast Guard and Naval Sea Systems Command (NAVSEA) are selling boats overseas; and what I am trying to do is buy that same craft that my partners are operating and teach our people how to work them and then pass that along to our foreign partners. When you buy a boat from us, you get a warranty, a limited training package; and what we want to do is continue that warranty and training package for the long term.

It does not just stop at the boat either. We also want to work with their prime movers, their simulators, and so on. We are looking to the future to the possibility of expanding the simulation capabilities at Stennis both for our own United States personnel and my foreign residents. If I can teach a guy in a simulator before I put

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them on the water, it is far less maintenance and cost on boats. Many times I have used the parachuting-wind tunnel adage, every hour, every minute you spend in a wind tunnel, you are that much more confident when you go out and actually jump.

We are looking at teaching a combination of maintenance, the craft itself; but it will be on-water operations primarily from the law enforcement perspective limited non-risk boarding, enforcing fishery zones, enforcing tariff zones, etc.

**Question:** What does the school mean for the students?

**Answer:** The path the school is on is a definite win-win for both Group 4 and the students that pass through.

It is a win for Group 4 in that it is exposing me to an entirely new course of operations. When SOCOM took on the Special Forces Association (SFA) mission, we had already begun moving in that direction. It seemed like the natural progression. I wanted pre-hostility involvement with our partners. If we can prevent war, it is far less costly in manpower and resources than to become involved in a conflict.

We have been so focused on the land war in the United States Central Command (CENTCOM) arena that we have not been able to be as involved with many of our foreign maritime allies as we had in the past. NAVSCIATTS has been able to reverse that. We have had incredible demand from United States ambassadors and foreign representatives alike asking for maritime security assistance. It has forced us to look at new ways to utilize funding. International education and training money was not something we were used to dealing with, but we are getting very fluent with [it] now.

In the past NAVSCIATTS did not have the capacity they had the experience and the expertise to train. I am now partnering them up with my special boat crewmen from the special boat teams, meaning they are getting both a master training specialist and the capacity so I can engage in more countries, more frequently as opposed to the less frequent, more episodic engagements that were common in the past. The old, infrequent posture just was not working.

For the students, I do not think it has really changed all that much in what they see in the curriculum, which has always been good. What has changed is that in the past the courses were smaller and less frequent. I think we will be in a position to change that. I hope to be able to bump up class size a little bit and possibly up frequency of courses.

Now that Bill Mahoney [NAVSCIATTS Commander] has my attention, he is able to push me things that I can act on.

**Question:** Development of the Special Warfare Combatant-craft Crewman has progressed steadily over the past decade from a transient-type assignment to a fully rated position with its own career path and training. Has this made it easier to attract and retain the professional operators that you need? What else are you doing to make sure you keep standards high and meet your manning levels?

**Answer:** The fully rated position of the SWCC is probably the one of the most significant changes we have made personnel-wise within the community in a number of years.

To take and eliminate that transient mindset is fabulous. When we train partner nations, we stress a closed-loop group of people that we will work with on a reoccurring

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basis because you get more professionalism from them in the long term. They view themselves as long-term professionals, and they recruit similar-minded people to have around them.

And that is the same thing we have done here with the SWCC. I can now look out this window and watch these guys on a daily basis as they operate to and from the piers here and see the results. I remember one day when they had one of their first classes out teaching new guys fairly simple seamanship—teaching guys to bring a boat up alongside the pier, throwing the line up around a bollard and securing it, and transferring equipment. You think of that as being very basic; but when I watched five boats come in and every single boat did it the exact same way, I said to myself that they have standardized and professionalized from the simplest skill sets to the more complex. They have become the professional mariners that we were always looking for.

And that is not to say that the transients prior were not professional, but these guys have become the master mariners.

We are able to keep them longer, even though they may move from shore to sea billets, from riverine detachments to off-shore detachments; but they look at what they do as a profession. I hope that when a guy does twenty years working in this community, he leaves with the accreditations that prove to the civilian community that he is that master mariner.

The same holds true for our maintenance teams that they have developed the long-term skills that translate anywhere he goes.

As far as retaining the people, we have. I think that the professionalism has contributed significantly to our numbers. If you recall, when you talked to Evin [Captain Evin Thompson, formerly Commander of Naval Special Warfare Group 4, SOTECH 5.4 2007], he was probably 150—maybe even 200—people short of his end-strength numbers. I am less than 100 short of those same numbers right now; and given my current recruiting and accession numbers, I should be able to fill that in less than a year to a year and half.

I am also retaining the guys. Now for a number of years, we have been drawing special pay; and that has been a contributing factor for retention. Those bonuses are all gone now. The retention pay, reenlistment bonuses for the most part are gone; and still our numbers are up.

Some may think that people would start leaving for a variety of factors, but they are not. And I think that is because we have afforded them a professional pipeline that they are proud of and is satisfying to them and their families.

**Question:** I would like to touch on three pieces of technology that are important to SWCCs and Naval Special Warfare. The first is the development of the combatant craft family—heavy, medium, and light. Could you tell me a little bit about what you are looking for in the boats, and what they will be able to do for the naval special warrior? Do you hope for some degree of commonality?

**Answer:** The current SOF surface mobility plan is a plan that was validated in the 1980s by USSOCOM. We looked around the world at the range of operations that Naval Special Warfare was conducting, and we saw that we could not do it with one platform.

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Starting with the smallest vessels, you have the combatant craft light, which are my rubber boats, my jet skis, etc. These are my very small craft that move individuals or small squads to and from their area of employment.

The next step is the combatant craft medium, which is in the 40- to 45-foot class and are really my workhorses.

The MK V SOC is a combatant craft heavy and falls in the 85-foot category. Finally, and still part of the combatant craft heavy, are the Military Sealift Command (MSC)/mother-ship class, which are the commercially available or larger MSC vessels and Navy gray hulls.

So you have this family of vessels that allows you to operate across the range of military operations in the maritime domain. It allows us to operate in peacetime, the in between pre- and post-hostilities period, as well as during hostilities. The [challenge] we have is that these vessels have all been around for quite a while, many pushing fifteen years and many reaching the end of their service lives.

The first of the vessels that we have chosen to replace is the combatant craft medium Mark I (MK I), which will be a replacement for the Rigid Hull Inflatable Boat (RHIB).

This will be a vessel that I am saying will be in the 40- to 45-foot range. Depending on what industry can come up with, it could be open, semi-enclosed, or enclosed; but the idea is to take everything that industry has developed over the years and put as much of it into the design as possible. When we built the original RHIB, we were just getting into Global Positioning System (GPS). It seems like we have had GPS forever, but it is really only been about fifteen years. Those boats were really not built to incorporate the new navigation technology. It was not built to include shock mitigation through hull shape and seats—all of that came afterward. Some of these technologies have since been incorporated but through aftermarket add-ons and fixes. So what has happened is that I have taken a boat that was never designed to do most of the things it is currently doing and is forced, through aftermarket add-ons, to be more capable. I think we are at the very end of what can be done, even with aftermarket add-ons, to keep the boats effective in the current battlespace.

The encouraging piece to this is that industry has responded incredibly well. Last January [2009] we held an industry day; and later, in June at the Multi Agency Craft Conference, it was amazing to see what industry brought to the table as far as platforms and capabilities.

Industry has made it clear that they can build the boat I want. They can make it lighter. They can make it faster. They can make it go farther with more people and equipment. It can have the expanded bandwidth I need for internet and communications on the move. It can have remote weapon systems. It can be less visible. I was able to give them my vision, and they have come back saying they can do that and more.

Once we get through that one, I have to then look at the MK V. That boat is an aging platform as well and at the end of its service life. I have to look at having to extend it sometime into the future.

I am paying very close attention to what the Navy is doing with their Landing Platform Docks (LPDs) and the Littoral Combat Ship (LCS) vessels and working with them to

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make sure those platforms can accommodate SOF surface platforms whether they be the combatant craft medium MK I or smaller.

In the future, we may be able to replace the MK V either with a new vessel or a totally new capability. LCS as a mother ship, for example, gives me that type of capability partnered up with my combatant craft medium MK I.

Now if we want to look at scenarios like denied access where, for political reasons or some other benign circumstances, I can not go in somewhere looking as aggressive; then I have the MSC vessels. They have [proven] themselves incredibly useful. You can look at their use in the Philippines and some of the things we have done in Africa. Here I am able to operate military platforms off of a non-military platform—basically a contracted non-military platform. This has been a really good partnership because I can lease those vessels when I need them without the overhead of development, and I do not have the overhead of sustainment when the mission is over—I hire them when I need them, and I can tailor their capabilities to my mission needs.

We are seeing that . . . in the MSC realm that they are very willing to make those adjustments to meet my needs.

These are very good partnerships. Considering how small technology has become, how expeditionary Naval Special Warfare and the Navy itself has gotten, I can move components around from platform to platform far more easily than I could in the past.

A ground-based communications station required a whole bunch of power and space requirements; and now, with a satellite radio, that really is almost man-portable—a small amount of space to work out of and a few computer terminals, I am good to go. The tools I have to work with today are fabulous.

**Question:** The second technology is the integrated combat and bridge systems—basically the electronic brains of the boat. What are the key elements that would do your operators the most good?

**Answer:** The electronic brains of the boat were really initially just the communications including both classified and unclassified lines. What we have done is expanded that; and now when you look at our systems, we look at improved strike, communications, and electronics to support that. We look at satellite communications (SATCOM) and other systems for communications on the move and small technologically advanced conformal antennas that are not these huge appendages. We are looking at unmanned vehicles. We look at improved intelligence, surveillance, and reconnaissance (ISR) through both the infrared and day/night capability that we have on our camera balls—much of which was developed for fixed and rotary wing assets.

We are also working to seamlessly integrate ISR information from a variety of platforms and have a fairly robust capability to download video and communications from about five different types of fixed wing platforms.

If you take the integrated bridge and the electronic keel, which integrates all of the different sensors that go to support your unmanned vehicles, your ISR platforms, navigation inputs, it draws in your camera ball, your SATCOM, your current operational picture; it works with all of your communications; and it ties all of these separate pieces all together into a single system.

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The integrated display has chart and navigation plotters that afford my operators maximum flexibility in driving these boats in the safest way possible with as much situational awareness available.

It also looks at what the engines are doing. In the past, we have always fixed something regardless of whether it was broken. You fix something that is on a 200-hour repair cycle every 200 hours whether it needs it or not! What we are trying to do is break that fix-it-when-it-is-not-broken cycle and fix it only when it needs it. The electronic keel—the boat’s backbone—will tell me when it needs to be done. We have made huge gains in our ground vehicles with this same kind of predictive analysis, and I want to leverage that into my boats. And there are some unique challenges in the maritime environment, but we are getting much closer and some huge end-result-type gains.

**Question:** Last, the human factor technology that needs to be built into the boats, where are your major focuses?

**Answer:** I currently have two focuses on the human performance side of things.

There is human performance itself, which is the physiological; and there are the human factors, which are the technological aspects. We are partnered up with Bill Shepherd, USSOCOM’s Science and Technology Adviser to Admiral [Eric] Olson; and he is working with the international community, mainly the Brits and the Aussies who have some of the more advanced testing capabilities and looking at the technologies to test shock. We know intuitively that our guys are getting beat up in the boats, but we have not been able to quantify it.

For example, the Marines used a system in their ground mobility vehicles to test shock to the head of the vehicle occupants. I am trying to install those same kinds of things in our boats. We want to demonstrate that over the course of a crewman’s lifetime, he is going to sustain a certain amount of abuse in our platforms.

From that, then we look at how we can mitigate that. Part of that is shock which is vertical—a solution might be chairs that lean backwards and forward against the longitudinal acceleration. But the worst shock is the side hit—in a quarter inch sea where with each side hit your neck is jerked violently. A possible solution would be [a] side strike airbag that limits the contortion of the neck to the left or right. We have to figure out a way to do that in the boat.

There is one company out there that is right now working on a system that is really an integrated bridge that combines sea ride and ride quality including throttle and tabular responses that take into account all of the changing dynamics of the water surface—and trying to impart that into the throttles and wheel to make the boat ride as smooth as possible.

You also look at hull design—take for example a Deep Vee or a multihull, which might have foils attached—which I am not fond of because I am not a fan of appendages. The hull shape may change; or there may be a floating cockpit within the vessel, which are just some of the examples of what is possible and will factor into the design of the boat and what the technology can bring to the human factors aspect of the boat.

We have to figure out what is happening to the individual and then figure out through systems how to minimize the negative issues.

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The other part of it is the human performance piece, and it comes down to preventing the injury through preventive physiotherapy to keep guys from getting hurt. What we know is that knees, hips, the lower back, and neck all take severe wear and tear out on the boats. So we are looking at what we can do to strengthen those areas.

We have brought in specialists in physical therapy who have identified those key locations that are prone to injury and are utilizing training advances to the operator to make sure they [are] working to strengthen those key areas and make them as strong as possible.

**Question:** How much integration has there been to accommodate the use of unmanned, including aerial and surface, platforms from your boats?

**Answer:** Unmanned platforms have more than proven their weight in gold. If you look at what we have done in Iraq and Afghanistan with unmanned platforms, they have been incredible force multipliers.

It took quite a while to transition to that—from manned to unmanned. The Air Force has always been manned, the Navy has always been manned, and so on; so when we said we wanted to take the man out of the platform, it took some time for people to embrace. Now we are proving the value every day. With lower risk, we can get more payload into a smaller platform since we are not as worried about survivability.

I am trying to do the same with the platforms that are going to service us off the boats—they have to be small enough that I can transport them. They also have to be valuable enough, meaning the airtime and the payload capability to be useful. Ideally it also has an armed capability. It can not take the man out of the process, but it can take them out of the seat. This way we can fly this thing against hostile targets and see what's actually going on at a location. It becomes our eyes and ears farther out than we would risk a manned platform.

But it is really hard for me to launch and recover a fixed wing platform from a small surface combatant. So what we are really looking hard at are rotary wing unmanned ISR capabilities—something maybe in the 9-foot diameter range. Basically I need a helicopter, but one that is really small and gives me maybe three or four hours of on-station time.

We are also working with surface platforms. One in particular, the SeaFox, is a 7-meter RHIB—about the 25-foot class—which offers some very interesting capabilities. The hull shape was a little squirrely, so it did not perform probably as good as it could have. But the concept was sound. This unmanned platform can be used in all weather scenarios. It not only takes the operator out of the environment; it extends that operational capability. Irrespective of the weather conditions, I can use it for bridge or coastal defenses, harbor patrols, and security, possibly for adversary interdiction, up alongside a platform that may have an adversary onboard during maritime interdiction. This can be my forward eyes and ears, come alongside with a loudspeaker and a camera and see what is going on. The biggest challenge has been how to get something out here that is unmanned, has the dwell time, and can do all of those things. I think we are going to see more and more opportunity as more in industry develop their own solutions either as whole platforms or parts for the platforms.

Something else they would be great at is range security. Normally we have to have left and right manned flanks and patrol boats. The unmanned vessel can do that for you.

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We also have unmanned subsurface vessels as well. Those are used primarily to look at hydrographics and boat channels mainly to decide before you commit boats whether the water is deep enough.

All of this is great, but you have to have the mother ship to operate off of. The concept all looks really good sitting in the compound; but then trying to lay it all out and then try and put it on your platform, it becomes a challenge to make it all fit. We have to figure out how to integrate the operator's station onboard your platform—whether it is [an] RHIB, MK V, or other surface vessel. How do we incorporate the ground-based station, how do you incorporate transport of the system to and from where we need it—these are all huge issues that we are dealing with daily.

While these may be limitations, they are certainly not prohibitive.

**Question:** Is the SeaFox just a Naval Special Warfare program, or is the larger Navy involved?

**Answer:** It is actually a Navy program, and they just asked me to employ it for [a] while. So we did for about a year. We shared it with Joint Expeditionary Base Little Creek Fort Storey to check it out in a force protection role here as well. We have actually just recently had a conversation with a company about taking an even larger platform and making it unmanned. So we are looking at it as taking a manned platform and giving ourselves the option of being reconfigured and going unmanned.

I think people will be more apt to use it if they know that there is a safety observer onboard during the testing, especially if the system is armed.

**Question:** Assuming a good portion of your Command is deployed, how do you keep training levels at their peak? Do you have dedicated simulators for boat operators and gunners?

**Answer:** Right now, unfortunately, we are not using simulators. It is something that we are starting to get some ground swell behind as I identify simulation systems that may be utilized in a maritime environment.

As we start getting our hands around the requirements and define them more precisely, I am going to come out and say this is exactly what I need. Right now what I am doing is whenever a visitor who is interested in what they can do to help me, I tell them I need to invest in some simulators. We have some simulators where I can train ground-based systems—weapons, driving, and others—and I need to bring that to the maritime guys.

We have been at a number of science and technology demonstrations and have seen some simulator systems that with some modifications could suit many of my needs. For example, I need to show an entire bridge display that allows an individual to practice bringing a boat in alongside a pier, allows them to do all of the navigation plotting, allows them to run formations with multiple boat platforms, etc. What I need is to take it to the next level and incorporate weapons systems on it so I can get more training without spending more on ammunition.

To keep the standards up, what we did was, under Evin Thompson, we looked at it doctrinally. A detachment (DET) needs to be about this big—and took any of the excess capacity we could—really focusing on those senior enlisted guys—those E7s, those E8s, and the warrant officers—and said that part of your progression is that after you have gone through the tactical pieces you will go into the training departments and give back to the community. These guys are really starting to pay dividends. Guys

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who have three, four, or five deployments, many in the combat zone, are now working in the training departments passing on what they know and have learned.

Across the Command I have tried to standardize the training whether it is through conferences, instructions, video teleconferences (VTCs), and constant dialogue to standardize the training and through Command level oversight supervise that training to make sure they're meeting the very high standards that have been set. This is an ongoing process to first off, standardize the training, second ensure that we've got the right expertise teaching the training, and third follow up on that training.

There is a final aspect to training, and that is the foreign partnerships. If you look at training, and again using Africa as an example where the Brits and French are also training partner nations that we will someday most likely train with, what I would like to do is to also standardize the international curriculum.

The Western or coalition partners that are teaching small craft instruction are all doing basically the same thing. And it would be very easy for me to go into a partner nation and take them to the next step so I would not have to start back at square one. A common training standard would go a long way to helping all of us, our coalition partners and the host nation, if we were all training the same basic courses in the same basic way.

There is a similar problem even here in the United States, where, for example, the Marines might teach a group something one way, while the Navy teaches it a different way, and we might take a different route as well. If we could standardize even some of that, it would be an improvement. I mean navigation is pretty similar around the world, so let's make sure we all teach it the same way.

There are about 24 partner nations that we work with in maritime security right now. Of those 24, if I could just get to a similar level of training, a similar level of tactics, techniques, and procedures employment, it would improve our training capabilities and their capabilities.

**Question:** Anything you would like to add?

**Answer:** I am incredibly proud of where Naval Special Warfare has gone and very proud of where the SWCC community has gone. As a Sea, Air, Land—United States Navy military special forces team member (SEAL) who drove boats in the SEAL community, for me to come in and see what has been done within the SWCC community and the professionalism of the community reflects how far we have come in a short period of time.

I think that it is only going to get better. The Commanders that I have are phenomenal. The fact that we brought NAVSCIATTS in underneath us is going to open up venues that we have not even considered yet. It has already opened up venues with the Coast Guard and with NAVSEA.

I am seeing that as we stood up Navy Expeditionary Combat Command (NECC), the riverine group, and the maritime security teams, we are developing standard partnerships of nonstandard relationships.

Down in the Caribbean, I supported the Stiletto, which is an advanced technology demonstrator platform. SOUTHCOM needed a combatant craft heavy, and I could

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not give them one. But I could give them a crew. So they came up with a boat, and I partnered with the Army and the Coast Guard to do interdiction operations.

It is encouraging when you look at what Congress has done with funding programs such as the Sea Lion, which is another advanced technologies demonstrator with a really high-end platform. I am going to have two of them in the next year or so. This is an incredible amount of capability that somebody else has afforded me. It has not necessarily gone through the formal programmatic. What I am looking at is the flexibility and partnerships that flexibility gives me. There is SOCOM money, Navy money, DOD money; and I am trying to take advantage of it at every point possible.

The other aspect is that I have seen the demand signal increase fairly significantly. When you look at what my total capacity is and what the world is looking for, they are looking at about one-third more than I have. So I have to look at vessels, I have to look at personnel, and I have to look at how I can solve the security requirements where we need to be engaged. The answer is having other people involved. So I have a vested interest in talking to Tony Kruger over at NECC Navy Riverine Group and making sure that we are partnered up. Even if a mission is not totally his or mine, at some point they will overlap; and we know where his responsibilities end and mine start. We will probably be bringing them along with us in Africa and the Philippines. NECC, in fact, may be the ones that eventually inherit the training mission.

We are also doing the same thing with the Coast Guard. That is a force that we have not worked with extensively but are trying to partner with them more.

The relationships between NSWG-4, Department of State (DOS), interagency organizations, Coast Guard, and conventional Navy continue to grow exponentially; and the stability built there will only serve to support progress in ensuring maritime security.

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# **Naval Small Craft Instruction and Technical Training School Global Maritime Security Symposium Builds Relationships**

**By  
Chief Mass Communication Specialist Kathryn Whittenberger  
Naval Special Warfare Group 4 Public Affairs**

The Naval Small Craft Instruction and Technical Training School (NAVSCIATTS) hosted Naval Special Warfare Group 4's Global Maritime Security Force Assistance Symposium September 28 through October 1, 2009.

More than 125 attendees representing eleven partner nations and more than thirty Department of Defense, Department of State, interagency, and academic organizations assembled to discuss common efforts to develop regional maritime training centers throughout the world.

The symposium was a huge success, said NAVSCIATTS Commanding Officer Commander Bill Mahoney. This was a unique opportunity to bring together partner nation and whole of government organizations to discuss how each plays a role in supporting common efforts to overcome maritime security challenges. By the end of the symposium, our partners were discussing how they could work together with their regional partners as well as leverage myriad United States agencies support to substantively improve maritime stability in their region. Not only was this symposium an unequivocal success, but we are already looking forward to hosting next year's Maritime Building Partner Capacity Symposium as security force assistance continues to gain momentum.

Conference highlights included briefs from participating countries, regional working groups, and evening social activities in New Orleans. The final day concluded with a key note guest speaker and ceremony commemorating both the 10-year anniversary of NAVSCIATTS' establishment ceremony on Stennis Space Center under United States Special Operations Command (SOCOM) and recent operational command shift under Naval Special Warfare Group 4.

This symposium exceeded my expectations. It is all well and good for Americans to talk about what's going on in other areas of the world, but hearing it directly from our partners brings our insight into regional challenges to a whole new level, said Commander, Naval Special Warfare Group 4 Captain Chuck Wolf, who oversees the three Special Boat teams and NAVSCIATTS. Every localized action has regional effect. This symposium is allowing us to begin to leverage those actions to build stability.

James Q. Roberts, the symposium guest speaker and Principal Director of the Special Operations and Combating Terrorism Office in the Office of the Secretary of Defense, described the evolution of special operations and the vital role partner nations play in governing their maritime commons that builds credibility for both the United States and the partner nation.

Partner nation capacity building means helping friends help themselves, and SOCOM is heavily invested in making this happen, said Roberts. We provide the capabilities for you all to control your littoral waterways and enable legitimate commerce . . . Our greatest challenge is maintaining maritime domain awareness. Our credibility is tied to differentiating between legitimate and illegitimate traffic.

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Roberts reminded the audience, made up of personnel from the United States, Cameroon, Kenya, Lithuania, Uzbekistan, Brazil, Poland, Croatia, Republic of the Philippines, Indonesia, Colombia, and Nigeria, that the command hosting the symposium played an important role in building ties that can enable regions to vastly increase maritime awareness.

This school is a particularly interesting piece — seeking to train the trainer, said Roberts. This expands the training exponentially at a very reasonable price.

Roberts closed by encouraging everyone in attendance to network and stay in contact and to not hesitate to reach out and ask for help by building a community of interest.

Next year's symposium on building partner capacity will develop based on successes of this first year's event, said Mahoney. We will continue to listen to our partners and cater to their requests by expanding the list of organizations in attendance and developing coordinated maritime engagement plans by country and region.

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## **Building Partner Capacity**

**By**

**James Q. Roberts**

**Principal Director Special Operations and Combating Terrorism**

[The following are excerpts from a keynote speech delivered 1 October 2009 at Naval Small Craft Instruction and Technical Training School (NAVSCIATTS).]

I came from an office in the office of the Secretary of Defense. For the partner nations, that is our ministry of defense in the Pentagon. The office that I am in was created in 1989 by our parliament because our parliament recognized that the normal military services would not care about the special operations community and each time we have a war we would build a large special operations community and each time the war was over we would cut it, cut it, cut it back until it was almost gone. And congress recognized this parliament recognized this, and they passed a law that had three main pieces to it.

The first piece was the creation of the United States Special Operations Command (SOCOM), which eventually ended up at Tampa, Florida. Somebody told me last night, there was even some noise about bringing it here which would have been fine too so, Special Operations Command.

The second thing congress did, in order to give special operations some independence, was they gave it its own money; and we call this money in the Pentagon Major Force Program-Eleven (MFP-11), so that the special operations community could buy the things that it needed in order to have equipment and training that was necessary, recognizing that it is different from other military forces.

The third thing that the law did is it created our office and the office of the Secretary of Defense. Since then until now, we have added a very senior Assistant Secretary whose responsibility it is to work closely with SOCOM, to protect SOCOM and the special operations community from the winds of change that often blow after the wars end. I have worked in this office on-and-off for twenty years; I have seen it change tremendously. Most of the time, I have spent in the same office that I am in now.

We are the office for Special Operations and Combating Terrorism, and inside that office we have three or four subordinate components. We have a counter-terrorism shop that works in the interagency to gain approvals for counter-terrorist operations around the world to be conducted for the most part by special operations commands' members; so we spend a lot of time with the intelligence community, with the Department of State, with the office of the Secretary of Defense, the National Security Staff, and the President's advisors getting approvals to do various missions around the globe. We have another part of the office that is dedicated just to special operations and irregular warfare and irregular warfare is a growing business in Washington, as you can well imagine. We have a third part of the office, a group of which met here yesterday, I believe, or was funded by our office, we have an office for the Counterterrorism Fellowship Program. This is \$35 million a year to assist partners with developing counter-terrorism education and training capabilities, and there was a curriculum group here yesterday that was working on new curriculum for NAVSCIATTS that I believe that was funded by that group. And finally, we have a technology support office that spends several hundred-million dollars a year looking at technologies to try to improve special operations capabilities, combating terrorism capabilities, which includes the offense, defense and the consequence management. And

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so, from our office, we have a pretty good view of the issues that operate at the macro-level, the large interagency and international level.

Now we also manage Joint Specialized Exercise Training Teams (JSETTs), which many of you have participated on or which have come to your countries to work with your Special Operations Forces (SOF); and we have the 1206 Program, which is \$350 million a year for grant assistance that buys equipment and training for partners. So you can see that they heavily engage in the partnership capacity building process.

Now partnership capacity building means helping friends help themselves, and so that is a very important trust of what we do. Now the concept of building partnership capacity or helping friends help themselves is based on the following idea. All of us, all of the nations represented here, have sovereign land territory and sovereign waters that they are responsible for. If the world could make the size of the footprints of governments match the size of the footprint of sovereignty, then there would be no more empty space. We know that bad, malign, non-state, active networks live in the empty spaces, you understand empty spaces, space where there are no governments, we have lots of empty spaces around the world. Some of you live very close to the empty spaces, most recently, the empty space in Somalia, and our Kenya colleague lives right next door and has to live with the challenges that come out of the empty space in Somalia. In Afghanistan and Pakistan, we clearly have a Fatvah and other regions that are empty space. So the idea would be that if we can increase partner capabilities for governments to the extent that everybody could control their land, sea, and air territories; then it would be a government's choice to support a non-state actor network, a criminal enterprise, in their country; and then we could use state-crafts to push on that nation to stop supporting whichever movement it might be. Some would be narcotics-trafficking organizations; some could be children-trafficking organizations or people-trafficking organizations, terrorist organizations, and the like—many honoring systems in all of these clandestine, illegal, non-state actor tribes. So that is the basic concept that underpins the idea of building partnership tasking.

If we build a net of governments, meaning a network of interagency, international military, and law enforcement capabilities, and we put this net in the sea, that net will catch all fish. So it will catch terrorists; it will catch traffickers; it will catch people trafficking in oil; it will catch drug-runners; it will catch people-traffickers. And so the idea would be that we build partnership capacity across government agencies to build a net.

The net, right now, everybody is focused on terrorism, and rightfully so. But terrorism is just one of the fish that the net would catch. And so building the net is very important, and that is what we are doing here. We are providing capabilities for you all to govern your littoral coastlines, your inland waterways, in a way that you can enable legitimate commerce and legitimate movement on the waters and stop illegal movement on the waters and under the waters.

We have seen this semi-submersible problem coming out of Colombia and out of the west coast and out of the Pacific. There have been other activities where semi-submersibles have been used, so we are trying to build this net of governments that we can use to catch all fish.

Coastal and maritime capabilities are crucially important in this effort. Maybe you have been watching the media; and you are depressed about the problems between India and Pakistan with the Pakistani, I do not want to say sponsored, but the Pakistani used-to-be-supported terrorist group that did the attacks at Mumbai and how did they do the attacks in Mumbai, how did they get to Mumbai? Anybody know? Small boats. The reason they used small boats is because India's land of governance

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is pretty good. They have border controls; they have a line of control; and their land border is robust. But the terrorist group knew that their sea wall was not so robust, and so they came down the coast like any group of traffickers and went at it our way and conducted their attack.

We have plenty of indications that they will probably do the same kind of attack again. The seacoast provides you with an open area where, particularly at night, it is very difficult to control entry. That has always been the case; it will always be the case. But you all are the eyes, the ears, and the tools that can help close that vulnerability. A key to doing this is not only the tactical capabilities that you have learned here in this school's teachings, but most importantly we have to figure out maritime domain awareness. This means the ability to watch an entire domain, an entire space at sea, preferably internationally and follow threats or unknown vessels as they move across this space. So one of the things that my office is trying to do is, in certain regions, develop a regional approach to maritime domain awareness because the challenge for us all is to be able to choose between the legitimate traffic and the illegitimate traffic. Just as the Colombian quote said every time we stop a legitimate trafficker, we lose some credibility every time we stop [an] illegitimate trafficker, we gain some credibility. But differentiating is difficult and particularly in zones where there is an international water in between three or four territorial waters you can see that this problem gets complex. So we have been looking at that quite a bit in our office.

Why does the United States prefer to do this with partners instead of doing it ourselves? The United States probably has the military capability to do a lot of this by ourselves. But we do not want to, and there are good reasons why we do not want to. But first I will tell you why we want the partners to do it. We want the partners to do it because you have an absolutely perfect[ly] legal basis for your actions. You are a sovereign state; you have laws; you have an international set of waters; and you have not only the right—you have the responsibility to police those waters. And so when you police them, you do that job inside international law and inside local law. And that is much better than a United States unilateral action because it is very difficult to determine our legal authorities to do that. Second, you bring to the problem all of the regional and cultural understanding; and understanding the regional and cultural dynamics is critically important to this kind of work. You know these things from your history and your culture and your education and the region. We usually do not, and often we get it wrong. And then we have to move backward and try to fix things. So from a regional and cultural standpoint—much better you [than] us. Thirdly, an action by you against an illegal, non-state, active trafficking organization is completely accepted by your own population. You are doing a job that they expected you to do, and that improves the legitimacy of the government and improves the credibility of your capabilities. And, when you do it, you are strengthening the legitimacy and the sovereignty of your host nation government. So these are the factors why we would like to see the partners do these operations.

The reasons the United States should not do them are as follows: if we do it, we are actually undermining the legitimacy and the sovereignty of your nation. Even if you invite us to do it, we are still undermining it. It decreases the sense of sovereignty and legitimacy inside your own population. It moves the responsibility from you to us. That should not happen. It is your responsibility to govern your territory, and this school and our enterprise seeks to give you the capabilities to do that. But, if we do the intervention, we have relieved you of that responsibility and relieved you of the responsibility that goes with it. The United States would be immediately blamed for an invasion or for being a regional, a global hegemony, a country that does not care about the rule of law and the rest of it. And most importantly, if we do it instead of you doing it, the terrorist, the insurgents, the drug-runners can say, "See the government is not capable; they have to rely on the Americans." They

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are corrupt; they are not good; and it actually improves their propaganda against your government and against us. So it is very important that we develop the capabilities that we are doing here, and I wanted to give you this kind of over-arching political framework so that you could see why the United States is so interested in doing it this way.

It is true that we are a generous nation, but it is also true that we have recognized that having you do this work on your own behalf with systems from us is ten times better than us doing the work directly. And so you are seeing a big change in the thinking in the Pentagon [and] in the thinking in Washington along these lines.

There may be time where we will want to do an operation together. There may be times where we will provide what we call the enablers so perhaps some of the intelligence, perhaps some of the long-range transportation, perhaps some of the long-range communications; but when it comes to the actual combat action, the preferable choice is always that the partner nations should do it. And so there are places in the world where we are working on a variety of operations and concepts like this; but in most cases, in all cases, we are looking for the partners to be at the very front of the operation.

This school is a particularly interesting piece of the partnership capacity building family because this school is seeking to train the trainer; and I call this partnership capacity building with a bounce, meaning that if we train one person and that person goes back and works on a special boat, we have one person trained. But if we train the schoolhouse, if we work with the schoolhouse from Colombia or Kenya, then that schoolhouse goes home and trains hundreds of other people in these same capabilities and this is a model that we need to use more frequently because it expands the training method tremendously at a very reasonable cost.

There is a saying in assistance language:

If you give a man a fish, you feed him for a day; if you teach a man to fish . . . you feed him for life.

This school is teaching people to fish and teaching schools to teach fishing is a very important factor.

This also expands the impact of the partnership capacity effort because now you have the most important criteria for the training apparatus. The partner nation's school owns their school. So they have ownership; and they have political buy-in that makes this not a United States enterprise, but a Colombian enterprise, a Filipino enterprise, a Kenyan enterprise, an Indonesian enterprise, and the like. Ownership of the school and what is being taught is extremely important. Secondly, it gives you pride and pride in being able to build your own military and law enforcement capabilities [is] extremely important.

- It is important on a national basis
- It is important on a regional basis
- It is important for your interaction with your parliament to get money and support
- It is important everywhere
- It also gives the enterprise duration

If the United States gives a country some boats and some training in 2006 and we do not go back and there is no ownership, by 2008 or 2009, the training has gone—the boat is in disrepair, and in

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[many] ways we may have wasted our money. But if you own the school and you are invested, you will figure out a way to work with this—the sustaining, the training, and the boats. Finally, in the end you can become self-sufficient which is, of course, the goal. And if you are self-sufficient, the United States only has to work with you once in awhile. And our goal, our hope is that you will become a regional teacher because you understand the regional aspects of what’s going on far better than we do. Understanding the trafficking and the waters between the Philippines, Malaysia, and Indonesia—those three countries understand the legal traffickers and the illegal traffickers in that huge piece of water way better than the United States will ever understand it. So that is another one of our goals.

And with that I would just like to close. I applaud all of the partners for their efforts here. I do hope that we will have another symposium like this next year, either here or in a partner nation. I would encourage you when you leave to keep in contact with the fellow students that you have here, both locally and on a regional basis. Last night I talked with the leadership here for a little bit about figuring out how to do an internet-based network community of interest so that all of us could communicate from time to time in the future, so that, as a new curriculum is developed, we could put it on the web site, you could teach it. My goal is to take this process and build a community of interest focused on riverine and littoral maritime government’s capabilities and expand that outward, and I very much appreciate the fact that you have come here. We look forward to continuing to interface with you; and we hope that as we build this enterprise we will expand that footprint of government out so that we can do a much better job of [keeping] intricate and non-state active traffickers out, of all kinds, that operate in these waters. With that, it [has] been a great pleasure to be here with you today and last night; and I think we need to celebrate the 10th anniversary.

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# LEGISLATION AND POLICY

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## Presidential Determination on Major Illicit Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2010

[The following is from a memorandum for the Secretary of State released by the White House Office of the Press Secretary, September 15, 2009.]

### Presidential Determination No. 2009-30

Pursuant to section 706(1) of the *Foreign Relations Authorization Act* (FRAA), Fiscal Year (FY) 2003 (Public Law 107-228), I hereby identify the following countries as major drug transit or major illicit drug producing countries:

Afghanistan	The Bahamas	Bolivia	Brazil
Burma	Colombia	Dominican Republic	Ecuador
Guatemala	Haiti	India	Jamaica
Laos	Mexico	Nigeria	Pakistan
Panama	Paraguay	Peru	Venezuela

A country's presence on the Majors List is not necessarily an adverse reflection of its government's counternarcotics efforts or level of cooperation with the United States. Consistent with the statutory definition of a major drug transit or drug producing country set forth in section 481(e)(2) and (5) of the *Foreign Assistance Act of 1961*, (FAA) as amended, one of the reasons that major drug transit or illicit drug producing countries are placed on the list is the combination of geographic, commercial, and economic factors that allow drugs to transit or be produced despite the concerned government's most assiduous enforcement measures.

Pursuant to section 706(2)(A) of the FRAA, I hereby designate Bolivia, Burma, and Venezuela as countries that have failed demonstrably during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. Attached to [the full] report are justifications for the determinations on Bolivia, Burma, and Venezuela, as required by section 706(2)(B).

I have also determined, in accordance with provisions of section 706(3)(A) of the FRAA, that support for programs to aid Venezuela's democratic institutions and continued support for bilateral programs in Bolivia are vital to the national interests of the United States.

Afghanistan continues to be the world's largest producer of opium poppy and a major source of heroin. The Government of Afghanistan, under the leadership of President Karzai and key governors in the provinces, has demonstrated its ongoing commitment to combating narcotics and has made notable improvements in this regard over the past year.

The connection between opium production, the resulting narcotics trade, corruption, and the insurgency continues to grow more evident in Afghanistan. Poppy cultivation remains largely confined to five contiguous provinces in the south where security problems greatly impede counternarcotics efforts, and nearly all significant poppy cultivation occurs in insecure areas with

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active insurgent elements. Counternarcotics efforts have shown greater impact where security exists, where public information messages can be conveyed, alternative development delivered, interdiction performed, and justice carried out. While the Government of Afghanistan made some progress during the past year, the country must dedicate far greater political will and programmatic effort to combat opium trafficking and production nationwide.

Pakistan is a major transit country for opiates and hashish for markets around the world, as well as for precursor chemicals moving into neighboring Afghanistan where they are used for processing heroin. Opium poppy cultivation in Pakistan is also a primary concern.

In 2008 and 2009, religious extremist groups controlled major portions of the Federally Administered Tribal Areas, where most of Pakistan's poppy is grown. These extremist groups also pushed into settled areas of the country's Northwest Frontier Province, such as the Peshawar Valley and the Swat Valley. The Government of Pakistan was compelled to divert manpower and equipment resources from poppy eradication efforts to contest these incursions.

The joint Narcotics Affairs Section and Pakistan's Narcotics Control Cell indicated that 1,909 hectares of poppy were cultivated in 2008 (approximately one percent of the cultivation in Afghanistan). This is down from the 2,315 hectares cultivated in 2007. In 2007, when the insurgent problem was not as widespread, 614 hectares were eradicated, bringing harvested poppy down to 1,701 hectares. During 2008, there were significant narcotics and precursor chemical seizures in Pakistan. United States counternarcotics and border security assistance programs continue to build the counternarcotics capacity of law enforcement agencies, especially in Baluchistan and along the Makran coast.

As Mexico and Colombia continue to apply pressure on drug traffickers, the countries of Central America are increasingly targeted for trafficking, which is creating serious challenges for the region. In 2008, approximately 42 percent of the cocaine destined for the United States transited Central America directly from South America. Often unimpeded due to the region's limited capabilities and resources, traffickers use land routes and Central America's coastal waters for illegal drug movements. The Merida Initiative, which provides Central American countries \$165 million for FY 2008 and FY 2009, offers the opportunity to boost the capabilities of the region's rule of law institutions and promote greater regional law enforcement cooperation.

Within the Central America region, Guatemala has been listed as a major drug transit country since 1990. Guatemala continues to be challenged by increasing violence related to narcotics trafficking. Corruption and inadequate law enforcement efforts contributed to low interdiction levels during the past several years. The United States continues to support the Government of Guatemala to improve its counternarcotics efforts.

In Honduras, drug traffickers have capitalized on the country's lack of resources, corruption, and ungoverned spaces. Despite the current political instability, Honduran security forces have been conducting counternarcotic operations and have already seized more illegal drugs than in all of 2008. Honduras has also agreed to a bilateral integrated strategy with the United States to strengthen the operational counternarcotics capabilities of its security and law enforcement forces.

Panama is a major drug transit country that seized 51 metric tons of cocaine in 2008 while working in partnership with the United States. El Salvador is not a primary transit country; but in 2008 the Salvadoran government seized 1.4 metric tons of cocaine, 300 kilograms of marijuana, and nine kilograms of heroin. El Salvador may see an increase in drug activity corresponding with rising drug trafficking levels in the eastern Pacific. The United States is increasingly concerned

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with the large amount of drugs trafficked through Costa Rica and Nicaragua. Interdiction efforts in these two countries in 2008 resulted in the seizure of 21.7 and 19.5 metric tons of cocaine seizures, respectively.

The trafficking of South American cocaine through Nigeria and other West African countries en route to Europe continues. Though the cocaine does not come to the United States, the proceeds of the trafficking flow back to the same organizations that move cocaine to the United States, reinforcing their financial strength. Drug trafficking is a destabilizing force in the region and undermines good governance. Initially focused on Guinea and Guinea-Bissau, drug trafficking is now a serious issue facing nearly all West African countries. There is limited capacity in many West African law enforcement and judicial sectors to investigate and prosecute the organizers of cocaine trafficking. Despite this, there have been some important counternarcotics victories, most notably in the arrest and successful prosecution of traffickers in Sierra Leone.

Nigeria, which remains a significant transit point for narcotics destined for the United States, made demonstrable progress in 2008 by combating narcotics through increased budgetary support of key counternarcotics and corruption agencies; continued evaluation of suspicious transaction reports; and acceptable progress in the arrests of drug kingpins, with one kingpin arrested in 2008 and another in early 2009. Drug seizures were down slightly from a high in 2007. However, this development is likely attributable to a decrease in the use of Nigeria's international airports as a transshipment point after the successful deployment of narcotics scanning machines by the Nigerian Drug Law Enforcement Agency (NDLEA). At the same time, there was little progress in reform to expedite Nigerian extradition procedures or to amend its *Money Laundering Act* to bring it in line with international standards. Cooperation between the NDLEA and United States law enforcement agencies remains robust.

International donors and organizations are working to assist West African governments in their counternarcotics efforts. The United States supports these efforts to preserve and protect stability and positive growth in this region.

The United States continues to maintain a strong and productive law enforcement relationship with Canada. Both countries are making significant efforts to disrupt the two-way flow of drugs, bulk currency, and other contraband. Canada remains a significant producer of MDMA (ecstasy) and high-potency marijuana that is trafficked to the United States. While Canada's passage of several additional regulations in recent years has reduced the large scale diversion and smuggling of bulk precursor chemicals across the border, the increasing diversion of these chemicals to the production of methamphetamine within Canada could lead to greater methamphetamine availability in the United States. The frequent mixing of methamphetamine and other illegal drugs into pills that are marketed as MDMA by Canada-based criminal groups poses a particularly significant public health risk in the United States. The United States Government is appreciative of Canada's efforts to address these and other drug-related challenges, including through bilateral initiatives and multilateral forums.

The Government of India maintains a credible record of regulating its licit opium grown for the production of pharmaceutical products through licensed opium farmers and monitoring of poppy cultivation sites. Diversion of licit opium crops into illegal markets continues despite India's determined efforts to control such activity. Illicit opium poppy production has also been observed in certain areas of the country, such as West Bengal and the State of Uttaranchal. Enforcement agencies continue to eradicate illicit opium poppy crops although the actual number of hectares destroyed has

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declined in recent years. Indian authorities have made marked efforts to control the illicit drug trade as opium and heroin smuggled from Afghanistan and Pakistan enters India across the India-Pakistan border and is trafficked to destinations outside of India.

Indian authorities continue to pursue precursor chemical trafficking organizations operating in the country and to cooperate with international law enforcement counterparts to interdict the flow of narcotics. The Government of India has made noteworthy international efforts to target the misuse of internet pharmacies for trafficking controlled and non-controlled pharmaceuticals. Law enforcement undertakings in this area have resulted in numerous arrests and asset seizures in both the United States and India.

//Signed//

Barrack H. Obama  
President of the United States of America

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## **Presidential Determination with Respect to Foreign Governments’ Efforts Regarding Trafficking in Persons**

[The following is from a memorandum for the Secretary of State released by the White House Office of the Press Secretary, September 14, 2009.]

### **Presidential Determination No. 2009-29**

Consistent with section 110 of the *Trafficking Victims Protection Act of 2000* (Division A of Public Law 106-386), as amended, (the “Act”), I hereby:

- Make the determination provided in section 110(d)(1)(A)(i) of the Act, with respect to Burma, the Democratic People’s Republic of North Korea (DPRK), and Zimbabwe, not to provide certain funding for those countries’ governments for fiscal year 2010, until such government complies with the minimum standards or makes significant efforts to bring itself into compliance, as may be determined by the Secretary of State in a report to the Congress pursuant to section 110(b) of the Act;
- Make the determination provided in section 110(d)(1)(A)(ii) of the Act, with respect to Cuba, Eritrea, Fiji, Iran, and Syria, not to provide certain funding for those countries’ governments for fiscal year 2010, until such government complies with the minimum standards or makes significant efforts to bring itself into compliance, as may be determined by the Secretary of State in a report to the Congress pursuant to section 110(b) of the Act;
- Make the determination provided in section 110(d)(3) of the Act, concerning the determination of the Secretary of State with respect to Swaziland;
- Determine, consistent with section 110(d)(4) of the Act, with respect to Chad, Kuwait, Malaysia, Mauritania, Niger, Papua New Guinea, Saudi Arabia, and Sudan, that provision to these countries’ governments of all programs, projects, or activities of assistance described in sections 110(d)(1)(A)(i) and 110(d)(1)(B) of the Act would promote the purposes of the Act or is otherwise in the national interest of the United States;
- Determine, consistent with section 110(d)(4) of the Act, with respect to Burma, that a partial waiver to allow funding for programs described in section 110(d)(1)(A)(i) of the Act to combat infectious disease would promote the purposes of the Act or is otherwise in the national interest of the United States;
- Determine, consistent with section 110(d)(4) of the Act, with respect to Eritrea, that a partial waiver to allow funding for participation by government officials and employees in educational and cultural exchange programs described in section 110(d)(1)(A)(ii) of the Act would promote the purposes of the Act or is otherwise in the national interest of the United States;
- Determine, consistent with section 110(d)(4) of the Act, with respect to Fiji, that a partial waiver to allow funding for participation by government officials and employees in educational and cultural exchange programs described in section 110(d)(1)(A)(ii) of the Act would promote the purposes of the Act or is otherwise in the national interest of the United States;
- Determine, consistent with section 110(d)(4) of the Act, with respect to Iran, that a partial waiver to allow funding for participation by government officials and employees in educational and cultural exchange programs described in section 110(d)(1)(A)(ii) of the

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Act would promote the purposes of the Act or is otherwise in the national interest of the United States;

- Determine, consistent with section 110(d)(4) of the Act, with respect to Syria, that a partial waiver to allow funding for participation by government officials and employees in educational and cultural exchange programs described in section 110(d)(1)(A)(ii) of the Act would promote the purposes of the Act or is otherwise in the national interest of the United States;
- Determine, consistent with section 110(d)(4) of the Act, with respect to Zimbabwe, that a partial waiver to allow funding for programs described in section 110(d)(1)(A)(i) of the Act for assistance for victims of trafficking in persons or to combat such trafficking, the promotion of health, good governance, education, agriculture, poverty reduction, livelihoods, or family planning, or which would have a significant adverse effect on vulnerable populations if suspended, would promote the purposes of the Act or is otherwise in the national interest of the United States;
- Determine, consistent with section 110(d)(4) of the Act, that assistance to Eritrea, Fiji, and Zimbabwe, described in section 110(d)(1)(B) of the Act:
  - (1) Is a regional program, project, or activity under which the total benefit to Eritrea, Fiji, or Zimbabwe does not exceed 10 percent of the total value of such program, project, or activity;
  - (2) Has as its primary objective the addressing of basic human needs, as defined by the Department of the Treasury with respect to other, existing legislative mandates concerning United States participation in the multilateral development banks
  - (3) Is complementary to or has similar policy objectives to programs being implemented bilaterally by the United States Government; or
  - (4) Has as its primary objective the improvement of the country's legal system, including in areas that impact the country's ability to investigate and prosecute trafficking cases or otherwise improve implementation of a country's anti-trafficking policy, regulations, or legislation;
  - (5) Is engaging a government, international organization, or civil society organization and seeks as its primary objective(s) to:
    - (a) Increase efforts to investigate and prosecute trafficking in persons crimes;
    - (b) Increase protection for victims of trafficking through better screening, identification, rescue/removal, aftercare (shelter, counseling), training, and reintegration; or
    - (c) Expand prevention efforts through education and awareness campaigns highlighting the dangers of trafficking or training and economic empowerment of populations clearly at risk of falling victim to trafficking would promote the purposes of the Act or is otherwise in the national interest of the United States.

The certification required by section 110(e) of the Act is provided herewith.

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# Executive Order 13526 of December 29, 2009

## Classified National Security Information

[The following is the introductory portion of the titled “Executive Order” as published in the *Federal Register*, Vol. 75, No. 2, Tuesday, January 5, 2010, Title 3. The full text is available at: <http://edocket.access.gpo.gov/2010/pdf/E9-31418.pdf>]

**The President**  
**Executive Order 13526 of December 29, 2009**  
**Classified National Security Information**

This order prescribes a uniform system for classifying, safeguarding, and declassifying national security information, including information relating to defense against transnational terrorism. Our democratic principles require that the American people be informed of the activities of their Government.

Our Nation’s progress depends on the free flow of information both within the Government and to the American people. Nevertheless, throughout our history, the national defense has required that certain information be maintained in confidence in order to protect our citizens, our democratic institutions, our homeland security, and our interactions with foreign nations.

Protecting information critical to our Nation’s security and demonstrating our commitment to open Government through accurate and accountable application of classification standards and routine, secure, and effective declassification are equally important priorities.

NOW, THEREFORE, I, BARACK OBAMA, by the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

**PART 1 – ORIGINAL CLASSIFICATION**

Section 1.1. Classification Standards.

- (a) Information may be originally classified under the terms of this order only if all of the following conditions are met:
  - (1) an original classification authority is classifying the information;
  - (2) the information is owned by, produced by or for, or is under the control of the United States Government;
  - (3) the information falls within one or more of the categories of information listed in section 1.4 of this order; and
  - (4) the original classification authority determines that the unauthorized disclosure of the information reasonably could be expected to result in damage to the national security, which includes defense against transnational terrorism, and the original classification authority is able to identify or describe the damage.
- (b) If there is significant doubt about the need to classify information, it shall not be classified. This provision does not:
  - (1) amplify or modify the substantive criteria or procedures for classification;
  - or
  - (2) create any substantive or procedural rights subject to judicial review.
- (c) Classified information shall not be declassified automatically as a result of any unauthorized disclosure of identical or similar information.

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- (d) The unauthorized disclosure of foreign government information is presumed to cause damage to the national security.

**Sec. 1.2. Classification Levels**

- (a) Information may be classified at one of the following three levels:
  - (1) "Top Secret" shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause exceptionally grave damage to the national security that the original classification authority is able to identify or describe.
  - (2) "Secret" shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause serious damage to the national security that the original classification authority is able to identify or describe.
  - (3) "Confidential" shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause damage to the national security that the original classification authority is able to identify or describe.
- (b) Except as otherwise provided by statute, no other terms shall be used to identify United States classified information.
- (c) If there is significant doubt about the appropriate level of classification, it shall be classified at the lower level.

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## Senate Committee Aims to Overhaul Foreign Assistance

[The following article appeared on the *Defense Security Cooperation Agency Newsletter*, November 20, 2009.]

The Senate Foreign Relations Committee approved a measure that would make changes to foreign assistance programs, including the United States Agency for International Development (USAID), on Tuesday by a vote of 15-3.

The bill's aim is to modernize and rebuild foreign assistance. It would do this by:

- Establishing a council in the executive branch to research and evaluate foreign assistance. The president would appoint a director to oversee this council. The bill would authorize \$255 million over six years for the council's operation.
- Establishing an assistant administrator for policy and strategic planning, within USAID, and a bureau that would develop policy and long-term strategy, evaluate program effectiveness and establish resource and workforce allocation criteria.
- Directing the administrator of USAID to formulate a strategy to promote development to reduce global poverty. It also would set up a rotation for Foreign Service and civil service officers to go to other agencies, governments or international organizations.
- Directing the president to require all federal departments and agencies to make publicly available on their web sites comprehensive and accessible information about United States foreign assistance on a program-by-program and country-by-country basis.
- Under a Senator Kerry substitute amendment, directing the executive branch council to coordinate the release of information on the funding levels of all federal foreign assistance programs, directing the USAID administrator to provide language training for Foreign Service officers and contractors and implementing new financial disclosure requirements for certain foreign assistance recipients.

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# **United States Arms Sales: Agreements with and Deliveries to Major Clients, 2001-2008**

**By**  
**Richard F. Grimmett**  
**Specialist in International Security, December 2, 2009**  
**Congressional Research Service**

[The following are excerpts of the Richard F. Grimmett Report *U.S. Arms Sales: Agreements with and Deliveries to Major Clients, 2001-2008*. The full report is located at the following web site: <http://www.fas.org/spp/crs/weapons/R40959.pdf>. Unlike CRS Report R40796, this annual report focuses exclusively on U.S. arms sales and provides the specific names of the major U.S. arms customers, by region, together with the total dollar values of their arms purchases or deliveries. This report will not be updated.]

This report provides background data on U.S. arms sales agreements with and deliveries to its major purchasers during calendar years 2001-2008. It provides the total dollar values of U.S. arms agreements with its top five purchasers in five specific regions of the world for the periods 2001-2004, 2005-2008, and for 2008, and the total dollar values of U.S. arms deliveries to its top five purchasers in five specific regions for those same years. In addition, the report provides a listing of the total dollar values of U.S. arms agreements with and deliveries to its top 10 purchasers for the periods 2001-2004, 2005-2008, and for 2008. The data are official, unclassified, United States Defense Department figures compiled by the Defense Security Cooperation Agency (DSCA), unless otherwise indicated. The data have been restructured for this report by DSCA from a fiscal year format to a calendar year format. Thus a year in this report covers the period from January 1-December 31, and not the fiscal year period from October 1- September 30.<sup>1</sup>

## **United States Agreements with Leading Purchasers, 2001-2008**

The following regional tables (Tables 1-5) provide the total dollar values of all U.S. defense articles and defense services sold to the top five purchasers in each region indicated for the calendar year(s) noted. These values represent the total value of all government-to-government agreements actually concluded between the United States and the foreign purchaser under the Foreign Military Sales (FMS) program during the calendar year(s) indicated.<sup>2</sup> In Table 6, the total dollar values of all U.S. defense articles and defense services sold to the top 10 purchasers worldwide are provided for calendar year period noted. All totals are expressed as current U.S. dollars.

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1. The Defense Security Cooperation Agency (DSCA) publishes an annual volume providing these data in a fiscal year format. This publication is titled *Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts*. It provides detailed U.S. annual transactions with countries and international organizations for the most recent ten fiscal years, as of the date of publication, as well as aggregate data for these transactions since fiscal year 1950. See DSCA web site for this data under *DSCA Facts Book* at <http://www.dsc.osd.mil/>. For detailed worldwide arms transfer data for U.S. and foreign suppliers and recipients, see CRS Report R40796, *Conventional Arms Transfers to Developing Nations, 2001-2008*, by Richard F. Grimmett.

2. Current U.S. law and regulations do not require U.S. companies to provide, routinely and systematically, data on arms sales agreements actually concluded with foreign purchasers resulting from commercial licenses authorized by the U.S. State Department. Thus, the agreement data in the following tables do not include the values of U.S. licensed commercial sales.

**Table 1**  
**Leading Purchasers of United States Defense Articles and Services, Total Values of Africa Agreements Concluded**  
(in current U.S. dollars, rounded to nearest million)

<b>Africa Agreements 2001-2004</b>	<b>Africa Agreements 2005-2008</b>	<b>Africa Agreements 2008</b>
1 Nigeria \$30 million	1 Kenya \$30 million	1 Kenya \$26 million
2 Kenya \$18 million	2 Djibouti \$18 million	2 Ethiopia \$2 million
3 South Africa \$12 million	3 Ethiopia \$12 million	3 Djibouti \$1 million
4 Djibouti \$11 million	4 Senegal \$4 million	4 Senegal \$1 million
5 Guinea \$3 million	5 Botswana \$4 million	5 Botswana \$1 million

**Table 2. Leading Purchasers of U.S. Defense Articles and Services, Total Values of American Republics Agreements Concluded**  
(in current U.S. dollars, rounded to nearest million)

<b>American Republics Agreements 2001-2004</b>	<b>American Republics Agreements 2005-2008</b>	<b>American Republics Agreements 2008</b>
1 Chile \$550 million	1 Canada \$2.49 billion	1 Canada \$821 million
2 Canada \$544 million	2 Brazil \$1.13 billion	2 Brazil \$388 million
3 Brazil \$168 million	3 Colombia \$608 million*	3 Colombia \$310 million*
4 Colombia \$139 million*	4 Chile \$145 million	4 Chile \$78 million
5 Venezuela \$47 million	5 Argentina \$102 million	5 Argentina \$47 million

\*Includes FMS related to international narcotics interdiction programs.

**Table 3. Leading Purchasers of U.S. Defense Articles and Services, Total Values of Asia Agreements Concluded**  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

<b>Asia Agreements 2001-2004</b>	<b>Asia Agreements 2005-2008</b>	<b>Asia Agreements 2008</b>
1 South Korea \$2.9 billion	1 Australia \$6.4 billion	1 Taiwan \$1.3 billion
2 Japan \$2.1 billion	2 South Korea \$3.1 billion	2 South Korea \$1.2 million
3 Taiwan \$1.2 billion	3 Japan \$3.0 billion	3 Australia \$720 million
4 Australia \$1.0 billion	4 Taiwan \$1.0 billion	4 Japan \$310 million
5 Singapore \$1.0 billion	5 Singapore \$970 million	5 Singapore \$280 million

**Table 4. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Near East Agreements Concluded**  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Near East Agreements 2001-2004	Near East Agreements 2005-2008	Near East Agreements 2008
1 Egypt \$5.2 billion	1 Saudi Arabia \$11.2 billion	1 U.A.E. \$8.9 billion
2 Saudi Arabia \$4.1 billion	2 U.A.E. \$10.0 billion	2 Saudi Arabia \$7.8 billion
3 Israel \$3.2 billion	3 Egypt \$5.2 billion	3 Morocco \$2.4 billion
4 Kuwait \$1.7 billion	4 Pakistan \$4.5 billion	4 Iraq \$2.0 billion
5 Oman \$850 million	5 Iraq \$3.5 billion	5 Egypt \$1.3 billion

**Table 5. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Europe Agreements Concluded**  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Europe Agreements 2001-2004	Europe Agreements 2005-2008	Europe Agreements 2008
1 Poland \$4.0 billion	1 U.K. \$1.8 billion	1 U.K. \$740 million
2 U.K. \$1.9 billion	2 Norway \$1.0 billion	2 Finland \$440 million
3 Greece \$1.4 billion	3 Netherlands \$1.0 billion	3 Turkey \$420 million
4 Italy \$1.2 billion	4 Germany \$920 million	4 Switzerland \$320 million
5 Turkey \$970 million	5 Spain \$870 million	5 Netherlands \$250 million

**Table 6. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Worldwide Agreements Concluded**  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

Worldwide Agreements 2001-2004	Worldwide Agreements 2005-2008	Worldwide Agreements 2008
1 Egypt \$5.2 billion	1 Saudi Arabia \$11.2 billion	1 U.A.E. \$8.9 billion
2 Saudi Arabia \$4.1 billion	2 U.A.E. \$10.0 billion	2 Saudi Arabia \$7.8 billion
3 Poland \$4.0 billion	3 Australia \$6.4 billion	3 Morocco \$2.4 billion
4 Israel \$3.2 billion	4 Egypt \$5.2 billion	4 Iraq \$2.0 billion
5 South Korea \$2.9 billion	5 Pakistan \$4.5 billion	5 Egypt \$1.3 billion
6 Japan \$2.1 billion	6 Iraq \$3.5 billion	6 Taiwan \$1.3 billion
7 U.K. \$1.9 billion	7 South Korea \$3.1 billion	7 South Korea \$1.2 million
8 Kuwait \$1.7 billion	8 Japan \$3.0 billion	8 India \$1.0 billion
9 Greece \$1.4 billion	9 Israel \$2.7 billion	9 Israel \$1.0 billion
10 Italy \$1.2 billion	10 Morocco \$2.5 billion	10 Canada \$820 million

### **United States Deliveries to Leading Purchasers, 2001-2008**

The following regional tables (Tables 7-11) provide the total dollar values of all U.S. defense articles and defense services delivered to the top five purchasers in each region indicated for the calendar year(s) noted for all deliveries under the U.S. Foreign Military Sales (FMS) program. These values represent the total value of all government-to-government deliveries actually concluded

between the United States and the foreign purchaser under the FMS program during the calendar year(s) indicated. Commercial licensed deliveries totals are excluded, due to concerns regarding the accuracy of existing data.

In Table 12, the total dollar values of all U.S. defense articles and defense services actually delivered to the top ten purchasers worldwide is provided. The delivery totals are for FMS deliveries concluded for the calendar year(s) noted.

**Table 7. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Africa Deliveries Concluded  
(in current U.S. dollars, rounded to nearest million)**

<b>Africa Deliveries 2001-2004</b>	<b>Africa Deliveries 2005-2008</b>	<b>Africa Deliveries 2008</b>
1 Nigeria \$15 million	1 Kenya \$18 million	1 Djibouti \$5 million
2 Kenya \$7 million	2 Djibouti \$16 million	2 Kenya \$4 million
3 South Africa \$5 million	3 Nigeria \$12 million	3 Nigeria \$4 million
4 Ethiopia \$4 million	4 Ethiopia \$11 million	4 Ethiopia \$3 million
5 Benin \$3 million	5 Uganda \$7 million	5 Madagascar \$2 million

**Table 8. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of American Republics Deliveries Concluded  
(in current U.S. dollars, rounded to nearest million)**

<b>American Republics Deliveries 2001-2004</b>	<b>American Republics Deliveries 2005-2008</b>	<b>American Republics Deliveries 2008</b>
1 Canada \$453 million	1 Canada \$1.1 billion	1 Canada \$452 million
2 Colombia \$232 million*	2 Chile \$495 million	2 Colombia \$122 million*
3 Brazil \$100 million	3 Colombia \$483 million*	3 Brazil \$40 million
4 Venezuela \$50 million	4 Brazil \$154 million	4 Chile \$28 million
5 Argentina \$26 million	5 Argentina \$33 million	5 Argentina \$13 million

\*Includes deliveries of defense articles and services previously sold that are related to international narcotics programs.

**Table 9. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Asia Deliveries Concluded  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)**

<b>Asia Deliveries 2001-2004</b>	<b>Asia Deliveries 2005-2008</b>	<b>Asia Deliveries 2008</b>
1 Taiwan \$3.7 billion	1 Taiwan \$3.9 billion	1 Australia \$900 million
2 South Korea \$2.1 billion	2 South Korea \$2.7 billion	2 South Korea \$800 million
3 Japan \$1.5 billion	3 Japan \$2.4 billion	3 Taiwan \$600 million
4 Singapore \$800 million	4 Australia \$2.4 billion	4 Japan \$400 million
5 Thailand \$600 million	5 Singapore \$900 million	5 Singapore \$200 million

**Table 10. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Near East Deliveries Concluded**  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

<b>Near East Deliveries 2001-2004</b>	<b>Near East Deliveries 2005-2008</b>	<b>Near East Deliveries 2008</b>
1 Egypt \$5.0 billion	1 Israel \$5.6 billion	1 Saudi Arabia \$1.2 billion
2 Saudi Arabia \$4.3 billion	2 Egypt \$4.8 billion	2 Israel \$1.2 billion
3 Israel \$3.4 billion	3 Saudi Arabia \$4.4 billion	3 Egypt \$1.0 billion
4 Kuwait \$800 million	4 Kuwait \$1.6 billion	4 Iraq \$800 million
5 Bahrain \$300 million	5 Iraq \$900 million	5 Kuwait \$300 million

**Table 11. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Europe Deliveries Concluded**  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

<b>Europe Deliveries 2001-2004</b>	<b>Europe Deliveries 2005-2008</b>	<b>Europe Deliveries 2008</b>
1 Greece \$3.3 billion	1 Poland \$2.6 billion	1 Poland \$760 million
2 U.K. \$1.6 billion	2 U.K. \$1.6 billion	2 U.K. \$430 million
3 Netherlands \$1.2 billion	3 Turkey \$1.1 billion	3 Turkey \$360 million
4 Spain \$1.1 billion	4 Greece \$990 million	4 Netherlands \$180 million
5 Turkey \$1.1 billion	5 Netherlands \$970 million	5 Germany \$160 million

**Table 12. Leading Purchasers of U.S. Defense Articles and Services,  
Total Values of Worldwide Deliveries Concluded**  
(in current U.S. dollars, rounded to nearest 10 million or 10th of a billion)

<b>Worldwide Deliveries 2001-2004</b>	<b>Worldwide Deliveries 2005-2008</b>	<b>Worldwide Deliveries 2008</b>
1 Egypt \$5.0 billion	1 Israel \$5.6 billion	1 Saudi Arabia \$1.2 billion
2 Saudi Arabia \$4.3 billion	2 Egypt \$4.8 billion	2 Israel \$1.2 billion
3 Taiwan \$3.7 billion	3 Saudi Arabia \$4.4 billion	3 Egypt \$1.0 billion
4 Israel \$3.4 billion	4 Taiwan \$3.9 billion	4 Australia \$900 million
5 Greece \$3.3 billion	5 South Korea \$2.7 billion	5 South Korea \$800 million
6 South Korea \$2.1 billion	6 Poland \$2.6 billion	6 Iraq \$800 million
7 U.K. \$1.6 billion	7 Japan \$2.4 billion	7 Poland \$760 million
8 Japan \$1.5 billion	8 Australia \$2.4 billion	8 Taiwan \$600 million
9 Netherlands \$1.2 billion	9 U.K. \$1.6 billion	9 U.K. \$430 million
10 Spain \$1.1 billion	10 Turkey \$1.1 billion	10 Japan \$400 million

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## Fiscal Year 2011 International Affairs Budget

[The following is a Press Release by the United States House of Representatives Committee on Foreign Affairs.]

Howard L. Berman (Democrat-California), Chairman of the House Foreign Affairs Committee, today [9 December 2009] sent a bipartisan letter to President Obama signed by 189 members of Congress requesting a robust International Affairs budget, which includes funding for bilateral diplomacy; international broadcasting; contributions to the United Nations; and humanitarian, development, and security assistance.

**The following is the text of the letter:**

The President  
The White House  
1600 Pennsylvania Avenue  
Washington, DC 20500

Dear Mr. President:

As you prepare your Fiscal Year (FY) 2011 budget, we are writing to express our strong support for a robust International Affairs budget. The critical programs funded in the International Affairs budget invest in the tools of development and diplomacy; foster economic and political stability on a global scale; strengthen our allies; and fight the spread of poverty, disease, terrorism, and weapons of mass destruction. These investments are essential to strengthening our national security, building economic prosperity, and protecting the health and safety of all Americans, while demonstrating our moral values and humanitarian principles.

**National Security:** National security and foreign policy experts across the political spectrum support an increase in the International Affairs budget as an essential component of our national security. As Defense Secretary Robert Gates has stated, "It has become clear that America's civilian institutions of diplomacy and development have been chronically undermanned and under-funded for far too long—relative to what we traditionally spend on the military, and more important, relative to the responsibilities and challenges our nation has around the world."

Secretary Gates and other military leaders argue that our national security is dependent not only on a strong military force but also on increased investments in the full range of diplomatic, development, and humanitarian tools funded through the International Affairs budget. These investments improve our ability to track down terrorists and weapons, help reduce poverty and hunger, promote the security of key allies, and assist in the stabilization of fragile states that often provide quarter and safe haven to terrorists and others who seek to do us harm. A strengthened International Affairs budget will also improve the capacity of the Department of State and associated agencies to partner with the military in pursuit of our national security objectives.

**Economic Security:** By helping to create new and stable global markets for American goods and services, international affairs programs create jobs at home and opportunities for economic expansion abroad for American companies. Our export promotion agencies and overseas missions advocate for U.S. commercial interests overseas and promote U.S. exports, which account for one out of every seven U.S. jobs. Additionally, programs funded in the International Affairs budget foster the development of sound economic policies in poor countries, protect intellectual property rights, build vibrant trade relationships, and encourage public-private partnerships.

**Humanitarian Values and Human Security:** Programs funded within the International Affairs budget demonstrate America's moral values and our compassion for those in need around the world. They also protect the health and safety of our own citizens by preventing the spread of infectious disease, conserving the natural environment, and reducing the flow of refugees and

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contraband. Americans, both through our government and through private organizations, have a proud history of bringing hope to millions of people who live under oppressive poverty; face starvation; battle HIV/AIDS, malaria, and other diseases; and suffer the consequences of conflict and insecurity. Strong support for these life-saving interventions helps leverage significant private contributions that together promote a healthier, more peaceful, and stable world.

Even with small increases in recent years supported by both Democratic and Republican Administrations and Congresses, the International Affairs budget totals less than 1.5 percent of the federal budget—a level that is inadequate to respond to the challenges of the 21st century. That is why we urge you, in addition to modernizing and enhancing the effectiveness of our foreign assistance programs, to request a robust FY 2011 International Affairs budget that will reflect the importance of diplomacy and development—alongside defense—as key pillars of our national security.

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**Office of the Spokesman  
United States Department of State  
Washington, D.C.  
November 30, 2009**

The United States (United States) shares common cause with nations who are working to address the harmful effects of indiscriminately used landmines on civilians. We are proud to be a world leader in humanitarian mine action, having provided more than \$1.5 billion since 1993 to mitigate the threat from landmines and explosive remnants of war in nearly fifty countries.

The United States involvement in humanitarian demining began in 1988 in Afghanistan and expanded with the establishment of the United States Humanitarian Mine Action Program in 1993. This partnership among the Department of State, Department of Defense, United States Agency for International Development, and the Centers for Disease Control and Prevention has made a significant contribution toward reducing the annual landmine casualty rate from an estimated 15,000 to 20,000 just ten years ago to approximately 5,000 today.

Over the years, the United States assistance has comprised as much as one-quarter of annual global aid dedicated to humanitarian mine action. United States funding helps affected nations and more than sixty partner organizations with land surveys and safe clearance of mines and explosive remnants of war, mine risk education, survivors' assistance, research and development of new technologies, and training foreign demining personnel.

With help from the United States Humanitarian Mine Action Program, a number of countries have become free from the humanitarian impact of landmines: Costa Rica, Djibouti, Guatemala, Honduras, Kosovo, Macedonia, Namibia, Rwanda, and Suriname. The United States continues to provide mine action assistance to many countries around the world to help them develop their own demining capabilities. Current and future priorities for the United States Humanitarian Mine Action Program include Afghanistan, Bosnia, Colombia, Iraq, Laos, and Vietnam.

The United States is a party to the Convention on Certain Conventional Weapons (CCW), including the Amended Protocol II (landmines) and Protocol V (explosive remnants of war). Additionally the United States:

- Has not exported anti-personnel landmines since 1992
- Has ended the use of its non-detectable mines
- Will not use any persistent (non-self-destructing/self-deactivating) landmines, either anti-personnel or anti-vehicle, anywhere in the world after 2010
- Continues to research and develop non-persistent (self-destructing/self-deactivating) landmines that do not pose a humanitarian threat after use in battle

Learn more about United States mine action at [www.state.gov/t/pm/wra](http://www.state.gov/t/pm/wra), [www.humanitarian-demining.org/](http://www.humanitarian-demining.org/), and [www.usaid.gov/our\\_work/humanitarian\\_assistance/the\\_funds/lwvf/](http://www.usaid.gov/our_work/humanitarian_assistance/the_funds/lwvf/).

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## **Defense Trade Cooperation Treaties Between the United States, the United Kingdom, and Australia**

[The following are excerpts from testimony by Andrew J. Shapiro, Assistant Secretary, United States Department of State, Political-Military Affairs, before the Senate Foreign Relations Committee, Washington, D.C., December 10, 2009.]

Thank you for holding this hearing and for the opportunity to testify before the Committee on the two bilateral Defense Trade Cooperation Treaties between the United States and the United Kingdom (Treaty Document 110-7) and the United States and Australia (Treaty Document 110-10). The ratification of these treaties is strongly supported by this Administration.

The insights and questions provided by the Committee have helped to guide this Administration's review of the treaties and informed the detailed draft regulations that the Department of State (DOS) will publish once the treaties are ratified.

This Administration has conducted an exhaustive review of the treaties and their effect on United States' national security and foreign policy interests. I have met officials from the United Kingdom and Australia to discuss the treaties and their importance to our bilateral relationships. We have worked closely with representatives from the Department of Defense (DOD) to evaluate the treaties' ability to enhance interoperability with these important partners, while maintaining our national security interests. We have also worked with the Department of Justice and the Department of Homeland Security in order to ensure that the provisions of the treaties can be implemented and enforced under current United States law. Today, I affirm to you that the President and his Administration fully support the treaties and believe they will establish a stable framework through which we can enhance our strategic relationship and battlefield readiness with these two key allies in the future.

When we speak about the details of these treaties and the framework that they establish, it is easy to lose sight of the exceedingly important role that these treaties are designed to play. I would like to share a few examples with you.

When United States and coalition forces are attacked, an improvised explosive device (IED) explodes, or a suicide bomber murders civilians, conducting a forensic investigation of the scene is essential. The information gained by such an investigation helps determine the sources of insurgent arms, ammunition, and explosives; it greatly supports the gathering and analysis of intelligence, which helps us stem the flow of arms to insurgents. It allows us to identify ways in which we can better protect our forces in combat, and it allows us to identify the dead and to prosecute the guilty. Our military has highlighted the fact that there is an urgent need to improve current capabilities in this key area. The Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics has stated that the treaties, if ratified, could facilitate United States, U.K., or Australian research and development that is needed to meet this urgent need. The DOD has already awarded a number of contracts in this area, and the treaties would enhance United States industry's ability to engage in technical discussions on this subject with U.K. and Australian companies. Such companies could provide solutions to technological challenges, reduce costs, and accelerate delivery of expeditionary forensic capabilities to coalition forces. Without the treaties, the ability of engineers and other scientists to just discuss the export-controlled technology associated with expeditionary forensic capabilities could be subject to many more bureaucratic processes and proceed much less seamlessly than with the treaty exemption

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regime in place. In this case, the treaties could be used to help meet this urgent need more effectively and even more quickly.

Another urgent requirement is the need to field non-lethal capabilities for counter-piracy and maritime counter-terrorism. The DOD is actively pursuing development and acquisition of a range of non-lethal technologies and equipment in this area. The DOD would like to work with U.K. and Australian naval authorities and acquisition organizations through cooperative programs and international contractor teaming. As with cooperation on forensics discussed above, the treaties' streamlined export control arrangements would allow U.K. and Australian companies to work more seamlessly with United States firms to meet this urgent requirement. Furthermore, the United States and its key allies would gain more timely and flexible access to Australian and U.K. firms, which could develop more time-responsive, affordable solutions.

Real world technologies that are needed urgently today to save lives could be developed more quickly using the system that the treaties, if ratified, would create.

The treaties also recognize and support the long-standing special relationship that the United States, the U.K., and Australia share. Since World War I, the United States and the U.K. have worked together to develop advanced strategic technologies, technologies that provided the advantage to help us win two World Wars, protect lives, and advance our countries' interests in numerous conflicts. The alliance between the United States and Australia was also forged on the battlefields of World War II and as Australia's industrial base began to flourish, our economic and strategic relationship grew.

We have a long history of scientific and technological cooperation from which our nations have benefited. The combination of the British Merlin engine with the American-developed P-51 airframe resulted in the best fighter aircraft of World War II. United States and the United Kingdom and United States and Australian cooperation in radar, initially developed and employed by the U.K. in the 1930s, continues to this day. The U.K. developed counter-improvised explosive device [IED] technology has been used by all three nations to improve systems that protect against this deadly threat in Iraq and Afghanistan.

These examples of cooperation in defense development, production, and support among the United States, Australia, and the U.K. illustrate the breadth and depth of the industrial dimension of our alliances. The treaties, if ratified, will help the United States and these key allies develop and field the next generation technology that is needed to save lives and protect our countries' security and foreign policy interests. The treaties would accomplish this by streamlining the processes by which certain controlled items are transferred between the United States and the U.K. or Australia. Specifically, the treaties will provide the President with the authority to promulgate regulations that will allow, without prior written authorization, the export or transfer of certain defense articles and defense services controlled pursuant to the *International Traffic in Arms Regulations* (ITAR) between the United States and the U.K. or between the United States and Australia, when in support of:

- Combined military and counter-terrorism operations
- Cooperative security and defense research, development, production, and support programs
- Mutually agreed security and defense projects where the end-user is the government of the United Kingdom or the government of Australia
- United States Government end-use

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The United States government will maintain its authority over which foreign end-users may have access to ITAR-controlled items under the treaties by mutually agreeing with [the] government of the U.K. and with the government of Australia on an “Approved Community” of private sector entities that may receive defense articles and defense services under the treaties. Further, not all ITAR-controlled items will be eligible for export under the treaties. We have identified such ineligible items in a proposed “Exemption List,” which was carefully developed with the DOD and provided to the Committee.

Both the U.K. and Australia have agreed to protect defense items exported from the United States under the treaties using their national laws and regulations. These laws and regulations govern exports of controlled goods and technologies and safeguard classified information and material. This is an extremely important treaty benefit; that is, the U.K. and Australia have agreed to classify as “Restricted” otherwise unclassified ITAR-controlled defense articles exported from the United States pursuant to the treaty. This subjects all handling, exports, and re-exports to the respective classified information laws and regulations. Under these legal authorities, the U.K. and Australia will require prior United States approval, in addition to their own governments’ approval, for the re-export or re-transfer of such items outside the Approved Community. In addition, we have agreed with the U.K. and Australia on detailed compliance and enforcement measures to be imposed on members of each Community. These measures were negotiated by United States Government representatives from the Departments of State, Justice, Homeland Security, and Defense. These details, and others related to the implementation of the treaties, are contained in the “Implementing Arrangements” called for in both treaties.

Both the United States and its treaty partners will be able to prosecute cases involving exports, re-exports, and transfers that do not satisfy the specific requirements and obligations that the parties will establish to implement the treaties.

We have determined that, if ratified, the treaties would be implemented in the United States through federal regulations. First, the Department would promulgate regulations that would create an exemption from the requirement of a license under the *Arms Export Control Act* for particular, specified exports to the United Kingdom and Australia. Such regulations would require an exporter to meet certain conditions in order to take advantage of the exemptions contemplated by the treaties. New regulations would also independently prohibit certain exports that do not satisfy the conditions that must be met in order to come within the treaty-based safe harbor. The latter regulations would be enforceable criminally pursuant to section 38(c) of the Act and administratively pursuant to section 38(e) of the Act. With this approach, we are confident that the treaties and the United States’ underlying export-control framework can be robustly enforced. We very much appreciate the discussions that we had with the Committee on this matter.

Beyond the specifics of how the regime established by the treaties will function, it is important to understand how they would significantly advance many aspects of our bilateral relationships with the U.K. and Australia and support United States’ foreign policy and national security interests.

The United States, U.K., and Australia have strong economic ties. Perhaps reflective of our shared cultures, customs, and language, the United States is the largest supplier of foreign direct investment in the U.K. and Australia. Likewise, the U.K. is the largest investor in the United States, while Australia is the 8th largest. In the defense sector, there are several large joint ventures between the firms of our nations; and many of these firms own subsidiaries in the United States, U.K., and Australia. United States, Australian, and U.K. companies often work together on joint development projects. These

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partnerships help to leverage financial and technological resources between our nations. They have resulted in the development of technologies that are used to enhance the security of our nations and protect life.

The institutionalized reforms in these treaties will create opportunities for more efficient exchanges between our defense firms and those of the U.K. and Australia, many of which specialize in development, production, and support of critical equipment needed to fight and win current and future conflicts. The treaties will create an even more competitive defense marketplace with these allies. In order to successfully confront future conflicts and security challenges, it is important to maintain critical industrial and engineering capabilities in the United States. In order to accomplish this, United States companies must have opportunities to compete and the ability to compete effectively. United States industry depends upon exports to maintain its proficiency and financial health. These treaties would create an environment that would support the United States defense industrial base and the jobs that it provides to Americans.

These treaties come at a time when United States, U.K., and Australian forces are once again working together on the battlefield to protect our collective security. Ensuring that our forces can get the best technology possible in the most expeditious manner possible and that they possess the critical capability of interoperability is essential to our success, not only in today's campaigns, but also in future conflicts. Our nations will continue to rely upon each other in the future as we continue to fight violent extremism and address other shared security challenges.

United States, Australian, and U.K. forces deployed in current and future operations must continue to be able to rely upon the equipment produced by our three nations' defense establishments to fight and win against our collective adversaries. Past experience tells us that the United States, the U.K., and Australia will continue to train and operate together as partners. A streamlined export control environment under the treaties with these key allies would enhance opportunities for future development of defense technology. Greater agility in development and economies of scale in production and support will result in more timely delivery of much needed capabilities to our forces while reducing costs. This in turn will yield increased battlefield effectiveness, as all three nations' forces will be outfitted with common:

- Interoperable, and supportable force protection
- Weapons
- Intelligence, surveillance, and reconnaissance
- Logistics; and command, control, and communications systems

We must recognize the economic and strategic importance of facilitating legitimate and secure trade between our nations. The treaties help to accomplish this objective. I assure you that these benefits are not gained at the expense of our responsibility to protect United States defense technologies. As I noted before, we have excluded the most sensitive defense articles from treaty eligibility. In both countries, only security-cleared entities and staff with a need to know may have access to items exported under the treaties. Furthermore, approved community members will continue to have detailed record-keeping requirements and would be subject to auditing, monitoring, and verification measures to ensure compliance and to aid in the investigation of potential violations.

The Defense Trade Cooperation Treaties with the U.K. and Australia support United States foreign policy and national security interests. They fortify our bilateral relations with important partners; they

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support our joint operations overseas; and they will foster the expeditious development of technologies that are critical to current and future military, counter-terrorism, and security efforts. They accomplish this while allowing us to continue to protect critical United States defense technologies. On behalf of the Administration, I encourage the Senate to provide its advice and consent to ratification of these treaties.

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## Berman Delegation Affirms United States and Taiwan Partnership, Discusses Regional Issues with Leadership

[The following article appeared on the United States House of Representatives, Committee on Foreign Affairs web site: <http://foreignaffairs.house.gov>, Friday, August 21, 2009.]

House Foreign Affairs Committee Chairman Howard L. Berman (D-CA) and a bipartisan congressional delegation met with high-level officials in Taiwan today as part of a visit to the region that has included Beijing and Seoul. The subjects of the group's meetings ranged from copyright piracy to combating the spread of nuclear weapons.

Delegation members expressed their condolences to the people of Taiwan in the wake of Typhoon Morakot.

The loss of life and destruction of property from the typhoon have been devastating, Berman said. We stand in solidarity with the Taiwanese people as they undertake the painstaking process of recovery. And we stand ready to advocate further assistance for the recovery process from the United States.

The delegation met with President Ma Ying-jeou, National Security Council Secretary General Su Chi, Minister of Foreign Affairs Francisco Ou, Legislative Yuan President Wang Jin-Pyng, and Taiwan Democratic Progressive Party (DPP) Chair Tsai Ing-wen to discuss relations between Washington and Taipei.

The United States and Taiwan share an enduring partnership based on common values and interests, including democracy and safeguarding peace and security in the region, Berman said.

Congress laid that foundation with the *Taiwan Relations Act*; and we are here, in part, to reaffirm our steadfast support for that partnership.

We are encouraged by the improving relationship between Taipei and Beijing, Berman noted. The resumption of dialogue, the groundbreaking agreements to allow direct charter flights between Taiwan and China, and Taiwan's participation as an observer at the World Health Assembly meetings this past May are evidence of the substantial progress that has been made and augur well for progress to come.

On the subject of intellectual property rights, Berman urged leaders in the Legislative Yuan to amend the *Copyright Act* to make internet piracy for profit a "public crime"—just as a 2003 amendment to that legislation criminalized illicit copying of optical discs such as CDs and DVDs. Copying of such discs without permission has slumped off since then, while there has been a dramatic increase in downloading of sound recordings from the internet in Taiwan in violation of their copyrights.

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## **Foreign Military Sales Offsets and Other Issues Affecting Foreign Military Sales Procurements**

[The following information is provided courtesy of the Defense Procurement and Acquisition Policy web site: [www.acq.osd.mil](http://www.acq.osd.mil).]

### **What is a foreign military sales offset?**

“Offset” means the entire range of industrial and commercial benefits provided to foreign governments as an inducement or condition to purchase military goods or services, including benefits such as co-production, licensed production, subcontracting, technology transfer, in-country procurement, marketing and financial assistance, and joint ventures (*Defense Offsets Disclosure Act of 1999*, PL 106-113, section 1243(3)). There are two types of offsets: direct offsets and indirect offsets.

“Direct offset” is a form of compensation to a purchaser involving goods or services that are directly related to the item being purchased. For example, as a condition of a United States sale, the contractor may agree to permit the purchaser to produce in its country certain components or subsystems of the item being sold. Normally, direct offsets must be performed within a specified period.

“Indirect offset” is a form of compensation to a purchaser involving goods or services that are unrelated to the item being purchased. For example, as a condition of a sale, the contractor may agree to purchase certain of the customer’s manufactured products, agricultural commodities, raw materials, or services. Indirect offsets may be accomplished over an expected, open-ended period of time.

“Offset costs” are compensation practices required as a condition of purchase in either government-to-government or commercial sales of defense articles and/or defense services as defined by the *Arms Export Control Act* and the *International Traffic in Arms Regulations*.

“Offset Agreement” is any offset as defined above that the United States firm agrees to in order to conclude a military export sales contract. This includes all offsets whether they are “best effort” agreements or are subject to penalty clauses.

### **What is Department of Defense’s general position on offsets in foreign military sales acquisitions?**

The general policy of the Department of Defense (DOD) with regard to offsets is that they are market distorting and inefficient. In accordance with an April 16th, 1990, Presidential Policy statement, the decision whether to engage in offsets, and the responsibility for negotiating and implementing offset agreements, resides with the companies involved. The Presidential Policy mandates that “no agency of the United States Government shall encourage, enter directly into, or commit United States firms to any offset arrangement in connection with the sale of defense goods or services for foreign governments.” In compliance with this Presidential Policy, DOD has implemented a “hands off” approach to offsets. *Defense Federal Acquisition Regulation Supplement* (DFARS) 225.7303-2(3)(ii) states that the United States Government assumes no obligation to satisfy or administer the offset requirement or to bear any of the associated costs. This “hands off” approach also extends to a policy of providing no involvement with the negotiation of the offset agreement itself between the company and the foreign military sales (FMS) customer and no role in judging

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the merits of these agreements. In addition, the Letter of Offer and Acceptance (LOA) between the United States Government and the FMS customer and the contract associated with that LOA (between the United States Government and the contractor) do not include any of the terms of the offset agreement (such as the delivery schedule, acceptance criteria, etc.) even though the LOA and the contract may include costs associated with the offset. If the FMS customer and the contractor have signed a separate agreement, it remains distinct and independent of the LOA and the contract. This holds true regardless of whether the FMS requirement is purchased on a competitive or sole source basis.

**What is the policy on pricing offset costs into our foreign military sales contracts? Is it limited to administrative costs only?**

No, we are not limited to including only administrative costs when pricing offsets. Some historical perspective may help to explain why. On 31 May 1995, the Director of Defense Procurement and Acquisition Policy issued a memo clarifying that United States contractors may recover the full cost necessary to implement an offset agreement in connection with FMS purchases. Prior to this, the DFARS language had limited recovery by a United States contractor to the “administrative costs to administer specific requirements of its offset agreement.” The 1995 policy change was deemed necessary because defense companies doing business with FMS countries had the choice of either absorbing the costs for offsets demanded by the countries in return for buying United States defense systems or passing them on to all customers, including DOD, in the form of indirect costs. The United States Government’s position is that the United States taxpayer should not pay any offset costs in connection with a foreign military sale. The new guidance attempted to clarify and broaden what offset costs the contracting officer can allow the contractor to recover from the FMS customer under our foreign military sales contracts and proposed them as direct costs to the FMS customer.

On 13 July 1999, the Director of Defense Procurement and Acquisition Policy signed a subsequent memorandum which clarified the treatment of offset costs. This memo replaced the term “offset implementation costs” with the term “offset costs.” Language was changed in DFARS 225.7303-2(a)(3) as follows:

- A United States defense contractor may recover all costs incurred for offset agreements with a foreign government or international organization if the LOA is financed wholly with customer cash or repayable foreign military finance credits.
- The United States Government assumes no obligation to satisfy or administer the offset requirement or to bear any of the associated costs.

If the LOA is financed with funds made available on a non-repayable basis, a United States defense contractor may not recover costs incurred for offset agreements with a foreign government or international organization.

When the LOA is being written, estimated offset costs are included, if known, in the line item price for the required contracted item. After the LOA is signed and prior to contract signature, the contracting officer (CO) must determine whether the proposed offset costs are allowable and allocable. Often, in a sole source procurement, this means that the CO, in conjunction with the auditor, will need to review the offset agreement. The contractor must make the offset agreement available to the CO upon request when it is needed to evaluate the allowability, allocability, and reasonableness of proposed offset costs.

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DOD 5105.38-M, the *Security Assistance Management Manual* (SAMM), is the guidance covering FMS for DOD. Chapter 6, paragraph C6.3.9 of the SAMM also explains this policy for defense contractors' recovery of offset costs.

**Can I segregate the costs of the offset as a separate contract line item in the contract?**

No. The general policy of the United States Government with regard to offsets is that the contracting officer (and all United States Government personnel) cannot disclose the amount of the offset costs to the foreign government. This policy is based on the fact that:

- Foreign governments as a rule do not want offset costs isolated/highlighted
- United States defense contractors do not want to have the offset costs disclosed because they are concerned that the foreign government may refuse to pay for them

DOD policy, reflected in the *Security Assistance Management Manual* (SAMM) paragraph C6.3.9, requires that offset costs be included within the line item value of the required contracted item on the LOA. The line item containing the offset costs is usually the first major fixed-price type line item in the LOA for the primary defense system being procured. This holds true for the resultant contract as well. In the contract, offset costs should be accumulated, priced, and paid against a single Contract Line Item Number (CLIN) for the FMS customer's deliverable item. In a competitive environment, the contractor must propose any offset costs as part of his proposed contract line item pricing, usually the largest fixed price CLIN for the deliverable end items. Cost and price visibility into the break-out of offset costs is not possible or necessary in a competitive procurement. In a sole source situation, the basis for the offset costs must be disclosed in accordance with the Federal Acquisition Regulation's (FAR's) cost principles. But the sole source negotiated FMS contract must not segregate the offset costs.

**What if the contractor can not or will not provide the detailed cost estimate of the offsets to enable me to evaluate the pricing? Can I set the amount aside as an unpriced action to be definitized later?**

If the contractor is unwilling or unable to document the offset costs, then the contracting officer cannot allow the offset costs to be charged to the contract. Sooner or later, the contractor must provide a detailed cost estimate for the offset costs for which it wants to be paid. Getting this settled up front in the basic contract is the best approach. Setting aside the amount for the unpriced offset costs would in effect be segregating the costs, which is counter to the SAMM paragraph C6.3.9. guidance. There are several approaches the contracting officer can take in this situation.

One approach would be to figure the offset cost as a percentage of the contract and roll that dollar amount up into the total estimated price of the item associated with the FMS requirement. In using this approach, the contracting officer will likely have to work closely with the contractor to derive an appropriate percentage. However, the contracting officer shall only authorize reimbursement for actual offset costs incurred by the contractor.

Another approach would be to hold back the amount until the contractor can provide the cost proposal information for your analysis. This approach would not hold up the FMS procurement and would put additional pressure on the contractor to provide you the support you need. You will need to take care when adding this amount to the contract, however, not to highlight the amount as being an offset cost, but attempt to work it into other modification actions required on the contract. Your

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contracting officer's background documentation can clearly identify the offset cost and the full cost analysis justifying it, but the contract itself cannot.

**As the Contracting Officer tasked with negotiating an FMS contract that will include offset costs, am I entitled to see a copy of the offset agreement between the contractor and the FMS customer? Based on what?**

Yes, you are entitled to see a copy of the offset agreement if the contractor is proposing costs associated with fulfillment of that agreement. After the LOA is signed and prior to contract signature, the CO must determine whether the proposed offset costs are allowable and allocable. This means that the CO, in conjunction with the auditor, must review the offset agreement and the contractor must make the offset agreement available to the CO upon request. This is based on the fact that the contractor is proposing costs for the CO to review and, in effect, is requesting you to price the offset in accordance with the cost principles in FAR Part 31. Specifically, FAR 31.201-4 provides that a cost is allocable if it is assignable or chargeable to one or more cost objectives on the basis of relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a government contract if it:

- Is incurred specifically for the contract
- Benefits both the contract and other work and can be distributed to them in reasonable proportion to the benefits received
- Is necessary to the overall operation of the business, although a direct relationship to any particular cost objective cannot be shown

Without understanding the scope and terms of the offset agreement, the contracting officer will not be able to ascertain the acceptability of the costs pursuant to the regulations and therefore will not be able to include those costs in the contract price. The onus is on the contractor to provide the agreement and any detailed justification for the costs to satisfy the CO that meet the FAR criteria for allocability, allowability, and reasonableness.

**Can there be just one offset agreement if the United States Government is systems integrator for an foreign military sale?**

Sometimes the United States Government may act as a systems integrator for an FMS. For example, a United States contractor may sell a weapons platform (such as an aircraft) to a foreign government via an FMS and another United States contractor (or a separate corporate entity of the weapons platform manufacturer) will sell the platform's armaments under a separate FMS contract. If the foreign government requires a written offset agreement as a condition of buying the weapons platform and the armaments and insists there be only one offset agreement (i.e., an offset agreement with the weapons platform manufacturer), it is appropriate for the contractor selling the weapons platform (e.g., the aircraft) to enter into a written offset agreement with the foreign government that specifically mentions the armaments contractor(s). This arrangement should be recognized by the United States Government in the LOA if:

- The platform contractor's offset agreement expressly states that one or more identified armaments contractors may perform part of the offset obligation
- There is no written offset agreement between the foreign government and the armaments contractor(s)

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- The weapons platform contractor and the armaments contractor(s) enter into written agreement(s) pursuant to which the contractor(s) selling the armaments agrees to perform part of the offset agreement required by the foreign government
  - The weapons platform contractor does not pay or reimburse the offset costs incurred by the armaments contractor(s) and the armaments contractor has no contractual right to recover its incurred costs from the weapons platform contractor;
  - The claimed offset costs are allowable under FAR Parts 15 and 31
  - The weapons platform contractor and the armaments contractor(s) submit to the United States Government certifications and, if requested, satisfactory evidence that they are not both charging for the same offset costs

**If offset costs are included in the price of a CLIN in the foreign military sales contract, who is responsible for determining the delivery or completion of the offset arrangement? Who enforces the offset agreement?**

The FMS customer is responsible for administering and enforcing the offset agreement. The FMS customer and the contractor have both signed a separate offset agreement which remains distinct and independent of the LOA and the contract. The LOA and the contract associated with the LOA do not include any of the terms of the offset agreement (such as the delivery schedule, acceptance criteria, etc.) even though the LOA and the contract may include costs associated with the offset. If the contractor does not perform the offset requirement in accordance with the terms of the offset agreement, it is the FMS customer's responsibility to enforce it. DOD must not get involved. In accordance with a 16 April 1990 Presidential Policy statement, the decision whether to engage in offsets, and the responsibility for negotiating and implementing offset arrangements, resides with the companies involved. DFARS 225.7303-2(3)(ii) states that the United States Government assumes no obligation to satisfy or administer the offset requirement or to bear any of the associated costs. This is true for both competitive and sole source FMS procurements.

**I understand that I should not ask for cost and pricing data if the FMS customer already conducted a competition. If the FMS customer conducted that competition for an all-up complete weapon system (including airplane, radar, missiles, etc.) among a variety of available systems, can I rely on the result for pricing just one of the components, say the missiles alone?**

To the extent that the CO concludes that the price for the missiles was a part of the original price competition for the whole program and price was a source selection factor, then no cost or pricing data should be obtained in accordance with DFARS 225.7303(b). The DFARS language is based on a *July 13, 1999 Director, Defense Procurement and Acquisition Policy* memo. In competitive procurements, where adequate price competition has occurred, submission of certified cost or pricing data shall not be required, pursuant to the above 13 July 1999 memo from the *Director of Defense Procurement and Acquisition Policy* and reiterated in a USD(AT&L) (Under Secretary of Defense for Acquisition, Technology, and Logistics) memo of 27 September 2000 from Under Secretary Gansler. This clarification of policy does not waive the requirements of the other parts of the FAR to obtain a fair and reasonable price, to obtain enough information to make that assessment, and to recognize allocable and allowable costs. When pricing sole source contracts, the costs should be treated as any other cost and must be allowable, allocable, and reasonable.

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**The FMS customer has asked to participate in technical fact-finding and cost negotiations. What is the Department of Defense policy on this?**

DFARS 225.7304, “FMS Customer Involvement,” provides the DOD policy. Subparagraph (b) states that FMS customers are encouraged to participate with United States Government acquisition personnel:

- In discussions with industry to develop technical specifications
- Establish delivery schedules
- Identify any special warranty provisions or other unique requirements of the FMS customer
- Review prices of varying alternatives, quantities, and options needed to make price-performance tradeoffs

Subparagraph (d) states, however, that the degree of FMS customer participation in contract negotiations is left to the discretion of the contracting officer after consultation with the contractor. Contracting officers must provide an explanation to the FMS customer if its participation in negotiations will be limited. As always, care must be taken to properly protect contractor proprietary data; so unless the contractor authorizes its release, the contracting officer must protect it (see DFARS 225.7303(c)). This DFARS policy stemmed from a Deputy Secretary of Defense memo dated 9 January 2002, signed by Paul Wolfowitz. The memo states that:

During the contracting process between the contractor and the DOD, the contracting officer shall consult with the FMS customer about major contractual matters, especially any matter that could be perceived as being inconsistent with or significantly different from the LOA. FMS customers are not allowed to observe negotiations involving cost or pricing data unless a deviation is granted in accordance with the DFARS subpart 201.4. FMS customers will be allowed to participate in discussions regarding technical specifications, price performance trade-off decisions, delivery schedules, special warranty provisions, and other requirements unique to the FMS customer. The degree of participation of the FMS customer during contract formation is left to the discretion of the contracting officer after consultation with the contractor. United States Government personnel shall not release any contractor proprietary data except in those limited cases where the contractor authorizes release of specific data. If an FMS customer requests additional information concerning FMS contract prices, the contracting officer shall, after consultations with the contractor, provide sufficient information to demonstrate the reasonableness of the price and reasonable responses to relevant questions concerning contract price. This may include tailored responses, top level pricing summaries, historical prices, or an explanation of any significant initial LOA price.

**What considerations bear on a decision to add incentives to an foreign military sales contract?**

First, as in any DOD procurement, the customer’s needs and desires are paramount. Second, the risks associated with the contractor satisfying key contract requirements must be considered. Third, contracting officer must consider the value and benefit of these incentives from the customer’s perspective. For example, a schedule incentive might be advantageous if schedule is a risk consideration for the FMS customer. Alternatively, an early delivery is not desirable if the FMS customer will not have the infrastructure ready to accommodate the deliverable end items in advance or funds available/budgeted to cover them. Faster is not always better. The contracting officer should consult with the FMS case manager when structuring any incentives on FMS contracts to ensure the

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customer's goals and objectives for the contract's deliverables are achieved. The FMS case manager will consult with the FMS customer on these issues. Keep in mind, however, that there should not be any incentives placed on offset requirements. In fact, the offset requirements themselves must not be identified in the contract or the LOA. The United States Government cannot get involved in any type of contract arrangements affecting offset agreements between foreign customers and defense contractors.

With performance-based contracts being the preferred arrangement for DOD service contracts, the contracting officer may want to negotiate performance incentive arrangements on the FMS contract. There are no unique rules which apply to FMS acquisitions regarding performance-based contracting or incentive contracting. The CO must consult with the FMS case manager to ensure that the FMS customer understands that funds will need to be available at a future date to cover any contingent liabilities associated with incentives provided for in the contract. Sometimes these events occur several years in the future, and the FMS customer needs to be aware and plan its fiscal requirements around when the incentive payments will be earned and awarded to the contractor. If the FMS customer indicates their budget will not accommodate these incentives, the contract should not include incentive arrangements. If incentives and their respective clauses are included, the FMS case manager may consider adding information into the FMS case (via an amendment or modification as appropriate) to make sure the customer agrees to these conditions.

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# PERSPECTIVES

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## The Real Department of State and Department of Defense Turf War Begins

[The following article originally appeared on the following web site: [thecable.foreignpolicy.com](http://thecable.foreignpolicy.com), 3 November 2009.]

While both Defense Secretary Robert Gates and Secretary of State Hillary Clinton have talked about the demilitarization of foreign policy and the shifting of resources to the diplomatic corps, the full-fledged fight over money inside the system is now coming to a head as each group jockeyes to protect its money under the assumption that once it is gone from your coffers, you can not get it back. The forum for this fight is a new interagency policy task force being managed by the National Security Council (NSC) and being pushed along by the White House's Office of Management and Budget (OMB), which needs to start forming its fiscal 2011 budget and wants to sort out who gets the funding for a variety of foreign aid and security assistance programs.

"The powers that be are going to have [to] make a Gordian Knot decision," a source close to the discussions told *The Cable*, with both the Department of State (DOS) and the Pentagon [are] lobbying hard. The range of funds up for grabs between the different departments includes everything from coalition support funds and Combatant Commanders' initiative funds to foreign military financing, the Commander's Emergency Response Program (CERP) funding, and many more. Billions of dollars are up for grabs; and although the NSC is managing the process, it is understood that the principals themselves will have the final say.

At the Pentagon, the legwork for contributing to this review is being done in Office of the Secretary of Defense for Policy, run by Michele Flournoy. At DOS, Assistant Secretary of State Andrew Shapiro is in charge. Sources inside the process tell *The Cable* that the Pentagon effort, supported by civilian contractors, is far more massive than at DOS, giving DOD an advantage in terms of research, preparedness, and execution.

One pool of money at the center of the debate is what is called "1206" authority, which covers money, over \$1 billion since 2006, for all equipping and training of other countries' security forces who are involved in the "overseas contingency operations" but not Iraq and Afghanistan. Here, the Pentagon brass is said to be amenable to allowing the initial funding to go through DOS, provided they have some influence over its distribution, such as a "dual key" mechanism whereby they would be able to approve or veto expenditures. But sources said the Pentagon is receiving "blowback" from the Commanders in the field, who currently receive the funding and who fear that State will either mismanage the money or lose it in future budget cycles.

The division inside DOD is between policy and Gates' office on the one hand and the combatant commands on the other, said one source. From the combatant commands' point of view, they do not trust the Department of State's ability to raise money or to act with the agility with which they can act. So they want the money on their turf.

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Meanwhile, Congress is also trying to drive some of these authorities toward the DOS, namely the money that goes to support the Iraqi Security Forces and what is call the Pakistani Counterinsurgency Capability Fund (PCCF). The PCCF funding became a fight during the debate over the last supplemental bill, when senior Senators tried to move it from DOD to State but were forced to delay that move by one year because State did not have the capacity yet to deal with the funds.

The DOS's Inspector General for Iraqi Reconstruction, Stuart Bowen, has his own idea of how to sort this all out. He has drafted a full proposal (available online at <http://washingtonindependent.com/66183/proposal-circulates-on-new-civilian-military-agency>) for what he calls a "Center for Complex Operations," which would be a civil-military organization inside the federal government that would be in charge of coordinating everything from reconstruction projects to economic development to political reconciliation wherever the United States military is deployed.

This NSC process intersects with several other ongoing reviews of how to deal with foreign assistance funds, such as the NSC's Presidential study directive, run by Gayle Smith, and the DOS's ongoing Quadrennial Diplomacy and Development Review (QDDR). The QDDR process is on a slower track than the NSC process and needs to review the authorities in its own context. That contributes to the perception that DOS is moving more slowly than the Pentagon or OMB would like.

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## Hitting Bottom in Foggy Bottom

### The State Department Suffers from Low Morale, Bottlenecks, and Bureaucratic Ineptitude. Do We Need to Kill It to Save It?

By  
Matthew Armstrong  
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[The following article originally appeared in *Foreign Policy*, September 11, 2009.]

Discussion over the fate of Foggy Bottom usually focuses on the tenure of Secretary of State Hillary Clinton, the troubles of public diplomacy, and the rise of special envoys on everything from European pipelines to Afghanistan and Pakistan. But Americans would benefit more from a reassessment of the core functionality of the United States Department of State (DOS).

Years of neglect and marginalization, as well as a dearth of long-term vision and strategic planning, have left the 19th-century institution hamstrung with fiefdoms and bureaucratic bottlenecks. The Pentagon now funds and controls a wide range of foreign-policy and diplomatic priorities—from development to public diplomacy and beyond. The world has changed, with everyone from politicians to talking heads to terrorists directly influencing global audiences. The most pressing issues are stateless: pandemics, recession, terrorism, poverty, proliferation, and conflict. But as report after report, investigation after investigation, has highlighted, the DOS is broken and paralyzed, unable to respond to the new 21st-century paradigm.

How did it get so bad? Is it possible to fix? Or should we just push it over the wall like a great Humpty Dumpty and reassign the pieces?

There is growing evidence that the internal machinations of the DOS have corrupted its “core missions” of traditional diplomacy and public diplomacy. This year, for example, the Government Accountability Office (GAO) found that the department completely failed in its now four-year-old attempt to reorganize its nonproliferation bureau (a bureau that remains leaderless). [This referenced GAO report is available at [www.gao.gov/new.items/d09738.pdf](http://www.gao.gov/new.items/d09738.pdf).] Besides failing to address mission overlap, low morale, and lack of career opportunities, the failed reorganization caused a significant drop in expertise in offices focused on proliferation issues—including “today’s threats posted by Iran, North Korea, and Syria,” the GAO’s report said—and coordination with bodies like the International Atomic Energy Agency.

Another report by the DOS’s Inspector General this year [available online at <http://oig.state.gov/documents/organization/127270.pdf>] described severe and broad dysfunction within the Africa bureau, while ignoring—perhaps considering it a given—the lack of department wide integration and leadership in operations. Examples of the dysfunction range from not providing public diplomacy personnel with computers capable of reading interoffice memos to a failure to effectively work with the new Africa Command.

By necessity, the Department of Defense (DOD) has stepped in where DOS has tuned out: Foggy Bottom relies on Pentagon funding and even personnel for basic operations central to its mission. For example, the DOD now performs much strategic communications work traditionally the purview of the DOS. In Somalia, for example, the DOS’s budget for public diplomacy is \$30,000. The

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Pentagon's is \$600,000. And, in the DOS's bureaucratic wisdom, the \$30,000 does not even belong to its Undersecretary for Public Diplomacy and Public Affairs.

Further, rivalries between the different “cones”—or career tracks, referred to by one insider as the “conal caste system”—at the DOS severely impacts morale, career growth, and even operations. The report on the Africa bureau noted that in 2002, public affairs and public diplomacy was a “failed office”—and that the situation is worse in 2009. Public outreach workers said the bureau's leadership “does not understand public diplomacy.” The sentiment is widespread. A 2008 report by a congressional ombudsman, the United States Advisory Commission on Public Diplomacy, [available online at [www.state.gov/documents/organization/106297.pdf](http://www.state.gov/documents/organization/106297.pdf)] described a systemic failure to support and train public diplomacy officers in the field, as well as professional discrimination against those in the career track.

Attempts to fix the DOS have focused on short-term issues, such as ameliorating its shortages in human and financial resources. The last eight Secretaries of State have attempted to bolster the department by bolstering its bottom line. No less than Defense Secretary Robert Gates and the Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, have long suggested transferring funds from the DOD to SOS. But the situation is so dire that the DOS, at this point, could not even absorb and spend that much-needed infusion of cash. If there were a wholesale transfer of funds tomorrow, the lack of capacity and skills at the DOS would mean it would have to give it back to the DOD or dole it out to contractors.

The creeping militarization of United States foreign policy is itself deeply worrying, not just to Gates and Mullen, but also to such luminaries as Secretary Clinton and Vice President Joe Biden. In 2008, then-Senator Biden questioned the “expanding role of the military in United States foreign policy.” He said he was concerned by the “migration of functions and authorities from United States civilian agencies to the DOD.”

Some commentators have even wondered aloud whether the best way to fix the DOS might be to destroy it. Foggy Bottom could retain a small core staff for its embassies and ambassadors. All other functions—such as public diplomacy; countering misinformation and propaganda; and development, including provincial reconstruction staffing—could migrate to the Pentagon or become wholly independent agencies.

But atomizing the DOS would ultimately prove dangerous and further the militarization of foreign policy. The Pentagon needs a counterbalance, a vertically integrated DOS that the President, Congress, and the United States public can count on. Change, rather than creative destruction, is what Foggy Bottom needs.

Envision a DOS capable of leading whole-of-government initiatives with a strategic focus instead of one hidebound department geared by structure and tradition to execute state-to-state diplomacy. This “DOS and Non-State” would be as deft at tackling stateless terrorist networks and hurricanes as it would be at fostering and upholding alliances with foreign ministers. To transform Foggy Bottom in this way will require breaking the rigid hierarchy, stovepipes, and bottlenecks which make the Pentagon look lean and dynamic in comparison.

Modern global affairs are not compartmentalized by political borders. Besides expanding the overly shallow and narrow authorities of the public diplomacy bureau, Clinton must restructure the DOS to focus less on countries and more on regions. Currently, each of Foggy Bottom's regional bureaus, such as Near East Affairs, is configured to oversee its patch of embassies. Country Desk

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Officers, and most ambassadors, report to an Assistant Secretary, the regional head. The Assistant Secretary in turn reports to an Undersecretary, who reports to Clinton.

Clinton should name the regional bureau heads, currently Assistant Secretaries, to Undersecretary status. This would help eliminate an unnecessary bureaucratic layer and would also align the DOS with the DOD (which has powerful regional commands, such as United States Central Command (CENTCOM) and United States Africa Command (AFRICOM)). The DOS's regional leaders would hold an equivalent civilian rank to Four-Star Combatant Commanders like General David Petraeus. These changes would promise to improve communications, synchronize missions, and put the department on the right path for today's requirements.

But Clinton should beware reforming the DOS too quickly from within—her efforts could be paralyzed by a bureaucracy in mutiny that would simply wait her out. United States national security would suffer, and the Pentagon's growing power would become more entrenched. Clinton will need the clear and unequivocal support of the President and more importantly Congress, which authorizes DOS spending bills, to have a chance at success.

In a burst of activity after Barack Obama's election, Congress authorized more money and people for the DOS and pushed for greater public diplomacy. Still more is required. The question asked over the last eight years as the DOS abrogated its various responsibilities—if not Defense, then who?—will not, indeed cannot, be answered until the department steps up to the plate and becomes effective and visible in leading and implementing United States foreign policy. This will take time. But, as the saying goes, there is no time like the present. The United States now has a Congress that supports change, Secretaries of State and Defense who want change, a President whose entire election platform was built around the word “change,” and an American public that would be outraged at the dysfunction if it only knew the details.

### **About the Author**

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# **The Pentagon's New Africa Push Counterterrorism is Now a Major Focus of the Year-Old United States Africa Command**

**By**  
**Sean J. Miller**  
*National Journal* Contributing Author

[The following article originally appeared in the *National Journal*, October 24, 2009.]

Once the forgotten continent, Africa has growing strategic importance in America's fight against terrorism. A recent commando operation that killed a top organizer for al Qaeda in Somalia is one part of the United States military's new multifaceted approach to regional security, which includes deepening ties between the Pentagon and African armies and putting American soldiers in the role of nation builders.

The absence of stable governments has led to the Horn of Africa becoming a haven for al Qaeda operatives. It is here that United States intelligence recently tracked Saleh Ali Saleh Nabhan, a Kenyan wanted by the Federal Bureau of Investigation (FBI) for his involvement in attacks against a hotel in Mombasa in 2002 and in the 1998 bombings of United States embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. On September 14, United States Special Forces troops ambushed and killed Nabhan as his convoy stopped for breakfast in southern Somalia.

United States officials did not waste any time trumpeting the strike. In a speech to the Center for American Progress in Washington the next day, Johnnie Carson, Assistant Secretary of State for African Affairs, hailed Nabhan's death as a blow to al Qaeda and its Somali ally Al Shabab.

We think that his departure from the scene probably makes us all who work in and around East Africa a little bit safer, a little bit more secure, he said.

But two days later, Al Shabab offered its own reply. It launched a successful suicide attack against United States-backed African Union (AU) peacekeepers in Mogadishu. The twin suicide bombing killed some 15 soldiers, including Major General Juvenal Niyoyunguruza, the Burundian Deputy Commander of the AU force. It was the deadliest attack to date against the multinational peacekeepers—Al Shabab called it revenge for Nabhan's killing.

Counterterrorism is now a major focus of the nascent United States Africa Command (AFRICOM) for short. But the command, which is celebrating its one-year anniversary this month, will not always rely on American troops to neutralize the threat posed by extremist groups, at least not directly.

Rather than hunting and killing terrorists, Africa Command focuses on "professionalizing" African militaries so that they can better confront local security challenges on their own, United States Commanders say, while at the same time teaching soldiers to respect human rights and civilian rule. These efforts, however, have possible downsides. In an area of the world still scarred by colonialism, the United States military risks being associated with a rogues' gallery of African military leaders; and it remains to be seen whether an indirect approach can improve the security situation in a country such as Somalia, where the United States-backed Transitional Federal Government (TFG) is almost powerless.

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At its most basic level, Africa Command represents a bureaucratic reshuffling: the United States Central Command (CENTCOM), European Command (EUCOM), and Pacific Commands (PACOM) had divided responsibility for the continent. Building relationships with America's African partners, Commanders said, was difficult when they did not know whether to call Honolulu or Tampa, Florida, to get a desk officer on the phone. "We were not nearly as responsive as we needed to be to the priorities, perspectives, and needs of our African partners," said Navy Vice Admiral Robert Moeller, in a phone interview from the command's headquarters in Stuttgart, Germany. Creating Africa Command was "a clear recognition on the [Pentagon's] part that we need to be organized in a way to much more effectively deal with those things that matter to our African partners."

The United States military had been conducting a variety of exchange programs and training exercises with African militaries. Africa Command (AFRICOM) simply placed these programs under one roof. It also put a new focus on partnering with civilian agencies and African militaries on aid projects, such as, say, funding the construction of Ugandan schools.

Moeller maintains that Africa Command's goal is to ward off conflict:

By not only better preparing their security forces but, through our support for other government agencies that work with these nations, to create the overall conditions.

This would make violent extremism a less attractive option. Still, Moeller added, this mission doesn't mean that the United States military has forsaken the use of force. "If we are directed to take some action as a result of a United States policy decision, we're obviously prepared to do that." Moeller and others stress that Africa Command hasn't superseded State's role in United States-African relations. "None of these types of training activities or programs or exchanges are done without the full concurrence of the chief of mission in that particular country," said Louis Mazel, State's Director of Regional and Security Affairs for Africa.

But many observers still have reservations about the new command. "In Africa, uniforms are feared, even hated," says Berouk Mesfin, an Ethiopian-based researcher with the Institute for Security Studies. "When you have other armies trying to come in, telling people they are coming to help them build schools, clinics, etc.—people are obviously suspicious."

Having Africa Command's Chief, Army General William Ward, appear publicly with African leaders is also problematic, Mesfin warned.

There is a feeling that . . . the roots of the problem in Africa are [actually] the governments in place, the rulers who never want to relinquish power [or] not even to share power, he said. Whenever you are dealing with those guys, that creates a negative impression among the populace. There is no middle ground in Africa.

State's Mazel recognizes that Africa Command's profile can influence public perception of the United States "Do we have a concern about a perception? Yes," he said, "but do we have a concern that there will be a militarization of American foreign policy? No. Foreign-policy formation, foreign-policy implementation on the African continent will be led by civilian elements."

Somalia poses a different policy challenge. "The problem in Somalia is you don't have a partner. You have a Transitional Federal Government, which isn't a government—there is no indirect method," said J. Peter Pham, a fellow at the National Committee on American Foreign Policy who studies the Horn of Africa.

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There is also the risk that the United States military is training, and in some cases equipping, African armies for their next war. This summer, the Department of State said it was providing “arms and munitions and training” to the TFG’s modest forces. Meanwhile, in Ethiopia next door, Africa Command maintains a relationship with that country’s National Defense Forces, providing some “limited equipment support.” And AFRICOM helps train that country’s noncommissioned officer corps, said Rear Admiral Anthony Kurta, who commands Camp Lemonier, the United States military base in Djibouti. Ethiopia recently occupied parts of Somalia at the “invitation” of the country’s transitional government, reigniting old tensions between the neighbors.

Policy makers are aware of the risks, Mazel said.

By making a military more proficient, are we creating a more professional army that will pose a risk either to its neighbors or to people in the region? Or are we creating a sort of Praetorian Guard for the leadership of the country? That is certainly not the hope that we have.

While Africa Command is expanding its military-to-military cooperation, the Department of State is also maintaining a program for training African militaries, albeit with a focus on peacekeeping.

Most, if not virtually all, of the African peacekeepers’ training is being done through the DOS, Mazel said. In West Africa, for instance, we have trained, through DOS - funded programs, the new armed forces” in Liberia, he said. But we have also had mentors and trainers come from the military to support what we have been doing. Yes, there has been an overlap there; but it is continuous. It is not as if our civilian trainers are teaching one thing and the AFRICOM [trainers] are teaching another.

The indirect approach being touted by Africa Command is punctuated with demonstrations of United States force, such as the precision strike against Nabhan. Some analysts, however, worry that such attacks may be counterproductive. In the Horn of Africa, Mesfin said, “what people see is actually who had the last laugh.”

Still, Mesfin said that countries in the region are nervous after Al Shabab demonstrated its ability to carry out an organized attack. The suicide bombing in Mogadishu seemed to embolden the group, Mesfin said. Al Shabab warned Djibouti not to send troops to help the AU mission, and it even threatened Nairobi-based Ugandan and Burundian diplomats. The ambassadors “actually received text messages on their mobiles saying that their embassies in Nairobi will be attacked,” Mesfin said. “People are nervous in Nairobi.”

American observers warn against giving Al Shabab too much credit.

Even if Nabhan had not been terminated, [the suicide attack] probably would have happened anyways, Pham said. It was attempted earlier in the summer, and they failed.

One thing is clear: United States policy in Africa will have to be quick to adapt to a fluid situation.

When you get involved in the Horn, you are either supporting one of the parties or changing the balance of power,” Mesfin said. “Acting as a neutral observer does not work.

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# United States Arms Exports Prevail Even in the Face of Steeper Competition

By

**Robert Wall**

*Aviation Week and Space Technology* Contributing Author

[The following article originally appeared in *Aviation Week and Space Technology*, November 30, 2009.]

China, France, and Russia are increasingly aggressive in courting customers for their military products; but it is the United States that is raking in the big dollars—and increasingly so. What is more, the United States’s improving relationship with India could signal that record high levels of military exports are not just an aberration but are sustainable. This prospect would bring relief to United States defense companies, which face the prospect of shrinking modernization projects when Washington starts focusing on cutting its massive budget deficit.

A decade ago the United States booked about \$10 billion in foreign military sales (FMS). When those contracts reached \$28 billion in fiscal 2008, many in the Pentagon thought it was an aberration, especially given the \$10-billion jump from the year before. But there has been no sign of a let-up. Vice Admiral Jeffrey A. Wieringa, Director of the Defense Security Cooperation Agency, says the value of FMS commitments signed during the last fiscal year reached \$38.1 billion, and this year’s total could top \$50 billion based on estimates of deals in the negotiating pipeline.

Is the United States bucking a trend? Some defense suppliers, such as Saab, have suggested that sales are suffering because potential buyers are holding off on big-ticket spending decisions; others, such as the Stockholm International Peace Research Institute (SIPRI), note that nations such as Thailand or Malaysia are curbing expenditures. But at a broader level, SIPRI sees “few signs that the global financial crisis is significantly affecting decision-making” among major arms importers.

Moreover, the amount of money being spent under the so-called Section 1206 authority—a mechanism created in the fiscal 2006 budget to train and equip foreign military forces—has risen steadily.

For the United States, securing arms deals brings many advantages, including the fact that such links make it easier to operate with allies that use similar equipment. These contracts also help shore up the nation’s fragile industrial base. Without procurements from Singapore and South Korea, for example, Boeing would have had to shutter its F-15 production years ago. Similarly, exports are keeping Lockheed Martin’s F-16 line alive, helping the Fort Worth facility bridge its workforce until F-35 production ramps up. But the United States cannot be complacent. Countries that previously could be counted on to buy what Washington had on offer are becoming more judicious in their procurement processes.

Japan is a case in point. The Eurofighter Typhoon consortium is aggressively courting Tokyo. The group is promising to give extensive work to Mitsubishi Heavy Industries. A few years ago, the notion of Japan buying a front-line combat aircraft from a non-United States supplier would have been laughable; but that is no longer the case.

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The Europeans acknowledge the challenge. “It is a big task for us to convince them,” says Peter Anstiss, Managing Director for Typhoon’s export campaigns. While United States suppliers remain the odds-on favorite, United States military officials recognize it is not a done deal.

Perhaps the most important new market for United States industry is India. After years of steering clear of United States products, improved ties between Washington and New Delhi have translated into orders—most notably India’s purchase of Boeing P-8 maritime patrol aircraft and Lockheed Martin C-130J transports. A recent meeting between the United States and the Indian Defense Procurement and Production Group was the most positive in the series, says Wieringa. This comes at a critical time, since India is considering the purchase of up to 10 C-17s and there is a running competition for at least 126 fighters. The United States has the F-16 and F/A-18E/F in the running, which are vying against the Dassault Rafale, Saab Gripen, Typhoon, and MiG-35.

However, Washington’s technology-release reputation constitutes a big stumbling block. Such concerns were underscored recently when Brazilian Defense Minister Nelson Jobim raised the issue in the midst of his country’s fighter campaign, in which the F/A-18E/F is squaring off against the Rafale and Gripen.

United States officials argue that these types of comments stem from problems during a previous era, and the United States is just as ready as other nations to work with foreign partners. In addition, Wieringa points to the Obama Administration’s decision to review export control policy, including restrictions on dual-use items, although prior reform efforts had little meaningful impact.

Meanwhile, beyond the perception that Washington is too lackadaisical toward potential international customers, United States companies are suffering from the reputation that they are not as aggressive as their European rivals when courting foreign buyers through partnerships. A senior industry representative from the United Arab Emirates (UAE) recently chastised United States executives for not doing enough to help create jobs and build up the UAE industry.

Still, for the near term, the United States stands to benefit from several major projects under negotiation. Saudi Arabia and the United States are in the midst of high-level discussions over a range of items. These include the sale of F-15s and Patriot air/missile defense equipment, as well as the eastern fleet modernization project. The latter would involve overhauling equipment such as MH-60 helicopters and the sale of Fire Scout unmanned aircraft.

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# **Senator to Pentagon: Stop the Sweetheart Russian Helo Deals**

**By  
Sharon Weinberger  
*Danger Room* Contributing Author to **Wired.com****

[The following article originally appeared on Wired.com at the Danger Room, October 22, 2009. The following is a web site for Wired.com: <http://www.wired.com/dangerroom/2009/10/senator-to-pentagon-stop-the-sweetheart-russian-helo-deals>.]

Over a year after Danger Room first reported on the Department of Defense's (DOD) plans to buy Russian helicopters, a United States senator is now demanding that the Pentagon put a stop to such purchases all together.

At issue are a series of decisions that were made to buy Russian helicopters for Iraq, Afghanistan, and Pakistan, much of it financed by United States taxpayer dollars. In a letter sent yesterday [21 October 2009] to Defense Secretary Robert Gates, Republican Senator Richard Shelby blasted the Pentagon for its handling of the Russian helicopter disaster, which has included delays, cost increases, and questionable deals. Shelby wrote:

The United States has spent \$807.2 million on the purchase of Russian-made Mi-17s. Prior to this acquisition, no requirements were defined; no analysis of alternatives was completed; and no other airframes were considered. Of even further concern, there is no predictability of funds to support the Russian helicopter procurement. Multiple services are involved in this procurement effort, and yet there has not been a single aviation program management office appointed to oversee this program. In fact, it took two months of requests from my office to receive material on the subject.

The Pentagon's nearly billion dollar purchase of Russian helicopters has been orchestrated by the Army's Threat Systems Management Office (TSMO). The group chose to route no-bid contracts through ARINC, a communications and engineering firm that had almost no prior experience buying Russian helicopters, and Air Transport Europe, a small Slovak firm best known as an ambulance service. (Air Transport Europe insists it is licensed by the Moscow-based International Aviation Committee, but the Russian helicopter design bureau does not list the company as a certified overhaul facility.)

Shelby says the entire Russian helicopter strategy has been a total failure, citing in particular the ARINC contract for Iraq. "Eighteen months later, the \$345 million United States/Iraqi acquisition contract is nearly a year behind schedule; and the cost of airframes has skyrocketed," Shelby wrote in his letter to Gates.

The question now is whether the problem is really Russian helicopters per se or simply a mismanaged acquisition strategy. For Shelby, the answer is clear.

We should provide the Iraqis and the Afghans with the optimum helicopter for their lift requirements, he writes. We cannot do this by basing our decisions on false assumptions, a total lack of requirements analysis, and the Russians.

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Shelby, who is from Alabama, certainly has constituent reasons for questioning the choice of Russian helicopters; his home state is a hub for helicopter manufacturing. It is also not clear whether immediately stopping Russian helicopter purchases now is in anybody's best interest (except perhaps Sikorsky's and Bell's). Mi-17s have been bought for Iraq, Afghanistan, and Pakistan for a variety of reasons—some of them sensible—including availability, price, and capabilities.

But Russian helicopters are only cheaper and better if they actually get delivered. Tragically, no helicopters have been delivered under the ARINC contract for Iraq, even though all the money was paid upfront. Another 10 helicopters bought through ARINC for Afghanistan are also nowhere near delivery.

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# United States Government Benefits as a Result of Foreign Military Sales Programs

By  
**Al Teeney**  
Senior Engineer at the System Planning Corporation

United States fighter aviators are keenly aware that other countries fly similar variants of their own respective platforms. For example, Israel (F-15I) and Saudi Arabia (F-15S) operate variants of the United States Air Force (USAF) F-15E Strike Eagle, while the Royal Australian Air Force (RAAF) and the United States Navy (USN) both operate the F/A-18F Super Hornet. Except for the fact that American aviators know that the United States has a foreign military sales (FMS) program, which allows countries such as Israel, Saudi Arabia, and Australia to operate the same aircraft being flown by United States forces, they are usually not familiar with the actual FMS process. These same aviators are sometimes resistant to the



The first Royal Australian Air Force F/A-18F Super Hornet takes off from Boeing's facility at Lambert International Airport, St. Louis Missouri, 21 July 2009.

idea that other countries could benefit from United States technology. They resent the fact that some countries could use American technology against them some day. After all, the United States had sold F-4 Phantoms and F-14 Tomcats to Iran; and they were certainly no longer on the list of United States friendly countries. It is therefore fair to speculate how many countries, to whom the United States had sold F-16s (note: 25+ countries operate the United States F-16), would eventually find themselves on the American not-so-friendly list (at present, Venezuela fits this criteria). Nevertheless, the FMS process serves to accomplish a greater purpose in terms of the global interests of the United States Government.

The USG's vehicle for the transfer of defense articles, services, and training to other sovereign countries and international organizations is the FMS program. Through the FMS process, the USG procures defense articles and services on behalf of the foreign customer country. Those countries which are approved to participate in the FMS program may receive defense articles and services by paying with their own national funds or with funds generated by USG-sponsored assistance programs. In certain special cases, defense articles, services, and training may be obtained on a grant basis. The Defense Security Cooperation Agency (DSCA) is the USG entity which administers the FMS program for the Department of Defense.

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Currently, there are approximately 160 countries which are eligible to participate in USG FMS programs. The United States President, after giving thorough consideration to recommendations from his Administration, designates countries and international organizations eligible to participate in the FMS process. The Department of State (DOS) makes those recommendations and ultimately approves individual FMS programs on a case-by-case basis. The Department of Defense (DOD) procures defense related equipment and services for the foreign customer in the same manner as it procures defense articles for itself. Therefore, the foreign customer benefits from USG procurement practices, the total package approach, and economies of scale achieved through combining its own FMS purchases with the same equipment acquired by DOD. By taking part in a major FMS program, the foreign customer enters into a formal government-to-government agreement with the United States and begins a long-term relationship with the United States military. This relationship includes access to joint training and doctrine and increased opportunity for interoperability.

Likewise, there are numerous benefits to the USG as a result of the various FMS programs. This government-to-government method for selling and/or providing United States defense articles, services, and training has served to enhance United States national security and foreign policy objectives by strengthening bilateral defense relations, supporting coalition building, and ensuring interoperability between United States forces and militaries of our foreign partners and allies. Should we ever need to operate together in a military coalition, interoperability is a key factor in winning a campaign. These FMS programs also contribute to American prosperity by improving the United States balance of trade position, sustaining highly skilled jobs in the defense industrial base, and extending production lines and lowering unit costs for key weapon systems.

The above examples of how the USG benefits from FMS programs enforce the vital necessity for the United States to engage its foreign partners and allies with this process. Not only are there financial benefits to the United States economy, but there are certainly other intangible benefits, such as mutual cooperation, technology control, and interoperability. On the financial side, according to data compiled by the Pentagon, a total of \$21 billion in arms sales agreements were signed from September 2005 to September 2006, compared with the \$10.6 billion the previous year. An additional \$22 billion was reached by the end of FY 2007. On average, FMS agreements have typically ranged from \$10 billion to \$13 billion a year since 2001. Encouraging long-term FMS programs to develop and mature ensures the production lines of United States equipment remain open, lowers overall unit costs, and creates an economic windfall for United States industry and the American society.

While the financial benefits from the FMS process to the United States economy are obvious and numerous, there is an equally important focus which must be placed on the intangible benefits. When the USG transfers a fighter aircraft to a foreign country, for example, it enters into a 30 to 35 year relationship with that country. It is a long-term commitment for ongoing training, technology upgrades, cooperation, maintenance, and the potential to fly and fight alongside each other in an established coalition with the mutual benefits of interoperability. Two recent international transfers of fighter aircraft will help validate this point; F-15E Strike Eagle variants have recently been sold to the Republic of Korea (ROK, F-15K) and Singapore (F-15SG). Although these two transfers took place in a direct commercial sales (DCS) format, the technology release process and the principle benefits to the United States Government and industry were the same as in FMS. Additionally, certain aspects of these two specific sales, such as the aircraft weapons and training, were accomplished under the FMS umbrella to emphasize the importance of the United States and ROK, and United States and Singapore relationships. These two particular countries are integral parts of the USG's policies in the Pacific area of responsibility (AOR).

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Since the 1950s, South Korea has played a critical role in the North East Asia AOR, maintaining a strong balance of power against the ever present danger of the North Korean Communist Regime. Additionally, as the People's Republic of China continues to grow into a formidable adversary for the Western Powers to contend with, and should a threat from China develop in the region, South Korea's new F-15Ks will augment the United States and ROK military forces already positioned on the Peninsula. The United States/ROK alliance has certainly been strengthened by the F-15K acquisition. Both countries will continue to benefit from a longstanding mutual cooperation, due in part to the recent F-15K transfer.

Singapore, on the other hand, does not consider itself a United States ally, in the typical sense of the word. Rather, the United States and Singapore have established a strong international partnership,



The first F-15SG lands at Mountain Home Air Force Base, Idaho, as part of the 428<sup>th</sup> Fighter Squadron's reactivation ceremony, 18 May 2009.

culminating in the recent sale of the F-15SG. Like the F-15K, this platform will strengthen Singapore's position in the South East Asia AOR. This partnership has already benefitted the USG in the form of military cooperation. During Operations Enduring Freedom and Iraqi Freedom, Singapore's air-to-air refueling fleet augmented the United States air-to-air tankers helping ferry various fighters and other assets based in the Pacific AOR

to the Middle East. Additionally, the USN has enjoyed certain privileges as Singapore has, on a regular basis, opened its deep water ports to our surface fleet vessels passing through the region. Conversely, Singapore has been granted rights to base some of its front line fighter aircraft at USAF facilities in order to facilitate training over American Airspace.

This ongoing, mutual cooperation will undoubtedly continue to flourish as F-15SG aircrews begin their training in the United States. Imagine the possibilities of a young F-15SG pilot training alongside a young F-15E pilot, their friendship enhanced by the mutual admiration of their respective platforms. Fast forward twenty years, and these two aircrews, now top echelon leaders of their respective air forces, fall back on their old friendship to form an even stronger bond between the two militaries. This intangible benefit is not possible without the relationships built throughout the years of mutual cooperation provided by the FMS process.

Another intangible benefit as a result of the FMS process is that through a careful and very meticulous technology release process, the USG can control the type of technology that is transferred outside of the United States. In other words, when an F-16 or an M-1 Abrams Tank is sold to a foreign customer, there are certain technology restrictions the manufacturer must meet prior to delivery of the United States equipment to the foreign country. United States Government and industry technical experts are very good at ensuring American equipment has the most viable and current Anti-Tamper (AT) measures to minimize the risk of its technology leaking out into the wrong hands. The bottom line for the American warfighter is that he/she will know, to the maximum extent possible, what type of technology is in a specific country's F-16 or M-1 Tank, should that country, in the long run, turn out

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to be a rogue nation. The goal of all United States fighter aviators is to maximize their own aircraft's advantages over the adversary's aircraft. Therefore, United States fighter aviators would much rather face a known adversary's F-16, for example, than its counterpart, the Mig-35 (Russian made fighter). At the outset of a conflict, it is highly likely that the typical United States fighter aviator will know more about the technology within the adversary's F-16 than the technology within the Mig-35. This intangible benefit is not realized if the FMS process fails to secure the F-16 transfer and the country, which may someday become unfriendly to the United States, instead decides to purchase a Russian made fighter.

In the same manner that technology control attempts to protect and give the edge to the American warfighter, equipment interoperability enhances the overall effect of a well built coalition and provides a key tool for winning any campaign. Interoperability is considered by many as the most important intangible benefit resulting from successful FMS programs. It is also, perhaps, the most difficult to obtain and sustain. The fact that there continues to be interoperability issues within the United States military services certainly underscores the importance of ensuring maximum interoperability between the United States and its international partners. From an aircraft perspective, there are great examples in which the United States military has gained an advantage by ensuring interoperability with its strongest allies. Australia, with its most recent purchase of the F/A-18F Super Hornet, continues to prove itself to be a key coalition partner. During Operation Iraqi Freedom, RAAF legacy F-18 Hornets operated with the same weapons and employed the same tactics as American platforms. Likewise, the United Kingdom (U.K.) always stands by the United States and has proven invaluable in the fight against terrorism. Currently, U.K. and United States Predator Unmanned Aerial Vehicles are seamlessly working together against terrorist forces in Afghanistan. In the European theater, the majority of the North Atlantic Treaty Organization (NATO) allies fly the F-16. During the 1999 Kosovo war, NATO F-16s played a key role in securing an end to the conflict. In all the latter examples, successful FMS programs resulted in effective interoperability, which was and continues to be at the core of these important coalition campaigns.

Perhaps no better example to securing interoperability exists today than the internationally oriented Joint Strike Fighter (JSF), also known as F-35 Lightning II Program. The JSF Program is DOD's focal point for defining an affordable next generation (i.e., fifth generation stealth) strike aircraft weapon system for the Air Force, Navy, Marines, United States allies, and international partners. Affordability of the aircraft platform is the cornerstone of the JSF Program, which focuses on reducing the development cost, production cost, and cost of ownership. From the very beginning, the JSF Program was structured to become an acquisition reform model, emphasizing jointness, technology maturation, and interoperability.

Currently, eight nations are partnering with the United States in the F-35's System Development and Demonstration (SDD) Phase: United Kingdom, Italy, the Netherlands, Turkey, Canada, Denmark, Norway, and Australia. Partnership in SDD entitles these nations to bid for work on a best value basis and participate in the aircraft's development. Additionally, Israel and Singapore have joined the program as Security Cooperation Participants. While the United States is the primary partner and financial backer, the other eight partner nations have agreed to contribute \$4.375 billion toward the development costs of the JSF Program, assuming a portion of the overall development risk. Between the nine partner nations, an estimated 3,100 F-35s will be acquired through 2035, making the F-35 one of the most numerous jet fighters in the world. The F-35 will be the world's only international fifth generation fighter, and it will replace more than thirteen different aircraft platforms. The JSF will enable allies to conduct seamless operations with new levels of capability and interoperability

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that are unavailable in current generation fighters. Certainly, the Lockheed Martin F-35 will become the centerpiece of global security cooperation, as other non-partner nations will request this platform through the FMS process.



The F-35 during system development and demonstration flight.

Recently, during the June 2009 Paris Airshow, it was reported that the international partners and participants had begun purchasing aircraft and making long-term commitments to integrate the F-35 into their fleets. A Lockheed Martin executive was quoted as saying:

Since the start of the year, we have seen the United Kingdom commit to the purchase of their first three operational test and evaluation (OT&E) aircraft, Italy approve in principle the establishment of an F-35 final assembly and checkout facility as well as the purchase of 131 F-35s; and the Netherlands approve funds for the first of two OT&E airplanes. At the same time, Australia has reaffirmed its requirement for 100 F-35s; and Israel has begun planning to purchase twenty-five F-35s initially, with an option for fifty more.

It is clear that the F-35 international consortium is striving to build global security through mutual cooperation, technological innovation, and interoperability.

The JSF Program is an excellent example of DOD's major effort to reform the current FMS process. This reform effort will ensure that this valuable program will remain viable through the new millennium. The DOD must continue to focus on improving the performance of the FMS process by adopting better business practices wherever possible. Since September 11, 2001, the United States has used arms sales as a way to reward allies and cement international relationships in an effort to combat the risk of international terrorism. Middle Eastern countries, flush with oil revenues, have become big buyers of United States-made military equipment. Countries like India, Pakistan, and Indonesia that were once barred from buying American weapons have had those bans lifted; and some have placed large orders. For United States defense industry contractors, international sales have provided a great source of new revenue at a time when the Pentagon has indicated that United States military budget allocations are shifting focus towards greater cost-saving results. The bottom line is that it is in the USG's national and global security interests to continue to build international relationships and coalitions through the FMS process. The USG must continue to support and engage in the responsible transfer of United States technology to its allies and international partners. This country's security depends on it.

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## **About the Author**

Al Teeney is employed by System Planning Corporation (Lexington Park, Maryland) as a Senior Engineer and supports the USN's F/A-18E/F Super Hornet Foreign Military Sales Program. He recently retired after a twenty year career in the USAF. While on active duty, he served as an F-4G Wild Weasel Electronic Warfare Officer (EWO), as an instructor of the USAF Fighter Weapons School, and as an F-15E Weapon Systems Officer with over 2200 hours of flight time, including 35 combat missions during Operation Iraqi Freedom. During a staff tour to the Pentagon, he gained extensive experience in foreign military sales and direct commercial sales by playing key roles in the sale transfer of the F-15K and F-15SG to South Korea and Singapore respectively.

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# United States and Russia Bilateral Presidential Commission Fact Sheet

[The following is from a fact sheet released by the Bureau of European and Eurasian Affairs, United States Department of State, October 15, 2009.]

## **Mission Statement**

The United States and the Russian Federation reaffirm that the era when our countries viewed each other as enemies is long over. Recognizing our many common national interests, we are resolved to move beyond Cold War mentalities and chart a fresh start in relations between our two countries to contribute to our future progress and shared prosperity. Under the leadership of President Obama and President Medvedev and coordinated by Secretary Clinton and Foreign Minister Lavrov, the United States and Russia Bilateral Presidential Commission is dedicated to identifying areas of cooperation and pursuing joint projects and actions that strengthen strategic stability, international security, economic well-being, and the development of ties between the Russian and American people. Through the commission's working groups and sub-committees, we will strive to deepen our cooperation in concrete ways and to take further steps to demonstrate joint leadership in addressing new challenges. The foundation for the work of the commission is based on the core principles of friendship, cooperation, openness, and predictability; and we are resolved to address disagreements openly and honestly in a spirit of mutual respect and acknowledgement of each other's perspective.

## **Terms of Reference**

The Bilateral Presidential Commission is intended to serve as a regular and structured mechanism to advance the highest priority bilateral objectives. The coordinators will meet at least once a year. Working groups and sub-committees should be composed of government representatives and shall meet regularly, as often as co-chairs consider necessary.

Guided by objectives set out in the *United States and Russia Action Plan* agreed upon by the Presidents in July 2009, working group and sub-committee co-chairs should develop an initial list of priority initiatives and roadmap for moving forward on those initiatives this year. Working groups and sub-committees are encouraged to liaise, where appropriate, with parallel structures from the business community and non-governmental organizations and consider their recommendations.

Working groups and sub-committee co-chairs shall report progress, next steps, and unresolved issues to coordinators at least twice a year. Coordinators shall submit overall progress reports to the Presidents at least once a year.

The composition of the commission may change as some objectives are accomplished and new ones are identified. The commission does not preclude or supersede ongoing or future bilateral cooperative efforts that fall outside the commission's structure. Working group and sub-committee participation should be inclusive and representative of government ministries/agencies which have equities on a particular issue.

- United States-Russia Bilateral Presidential Commission
- Commission Co-Chairs: President Obama and President Medvedev
- Commission Coordinators: Secretary Clinton and Foreign Minister Lavrov

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Working Groups include:

- Policy Steering Group
- Nuclear Energy and Nuclear Security
- Arms Control and International Security
- Counterterrorism
- Drug Trafficking
- Business Development and Economic Relations
- Energy
- Environment
- Agriculture
- Science and Technology
- Space Cooperation
- Health
- Cooperation in Prevention and Handling of Emergency Situations
- Civil Society
- Education, Sports, and Cultural Exchanges
- Military to Military

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## **President Medvedev Unhappy with Quality of Russian Weapons**

**Published By**  
*Agence France-Press*

[The following article originally was published by *Agence France-Presse*, 26 October 2009.]

Russian President Dmitri Medvedev criticized the pace of military-industrial modernization October 26, 2009, saying it is affecting the quality of Russian weapons and harming national prestige.

Considerable funds have been invested over the past few years to develop the military-industrial complex. So far the results are mediocre, Medvedev said on Russian television.

Unfortunately, we carry on filling in holes and the objectives for technological modernization have not been achieved, the Russian President added.

The quality of military production for the Russian army and foreign exports is causing justified concern from clients, added Industry Minister Viktor Khristenko, speaking at a meeting on the issue and quoted by Interfax.

We must not give up the position we have had difficulty reaching. It would be a blow to the reputation of Russian weapons and the country, Khristenko said.

Russia last year had its biggest year for arms sales since the collapse of the Soviet Union, with a total equivalent to \$8.35 billion (5.59 billion euros), according to figures announced in February by the Russian President.

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# Soviet Carrier Turns into India's White Elephant

By  
**Pratap Chakravarty**  
*Agence France-Presse Contributing Author*

[The following is from a 1 August 2009 article on the *DefenseNews* web site: [www.defensenews.com](http://www.defensenews.com).]

When Russia gave India a retired Soviet aircraft carrier five years ago, New Delhi was delighted, little realizing the vessel would turn into a costly white elephant. Russia, India's longtime weapons supplier, said in 2004 it would give the country the 44,570-ton "Admiral Gorshkov" as a gift, provided Delhi paid a Russian shipyard \$974 million to refurbish the carrier. Since then, the price has skyrocketed for fixing up the 27-year-old ship, which was decommissioned after the collapse of the Soviet Union.

In 2007, Russia demanded \$850 million more, citing cost escalations. Then, six months ago, Russia startled India with another demand this time for \$2.9 billion. It also pushed back the ship's delivery by four years to 2012, a year after India must mothball its last remaining aircraft carrier, the British-origin INS [Indian Naval Ship] Viraat. Now India's national auditor has waded into the row, saying the navy could have paid less for a new carrier.

At best, the Indian navy would be acquiring, belatedly, a second-hand ship with a limited lifespan by paying significantly more than what it would have paid for a new ship, it said in its military spending report.

The Russian price hikes have sparked outrage, forcing India's Defence Minister A.K. Antony to assure parliament this week that fresh negotiations were once again under way.

At present, the price escalation is in the negotiation stage; and nothing has been finalized, Antony said. But he conceded India was paying a substantially huge price for the Admiral's refit.

New Delhi has already paid hundreds of millions of dollars in advance to Russia's state-run Sevmash shipyard.

It is no doubt giving India a severe headache; but we are stuck with it because if we pull out now, we do not get back a penny, said retired General V. N. Sharma, a former chief of India's million-plus army.

India must also dig deeper into its pocket for tens of millions of dollars extra to equip the docked Admiral Gorshkov with Sukhoi-30 war-jets and Russian missiles, officials say. Russia's state-run defence export agency, Rosoboronexport, which is handling the deal, has rejected suggestions that it is short-changing India.

Every step in the process of the refit of the aircraft carrier is monitored by the Indian navy's technical team, and they have never raised objections, spokesman Vyacheslav Davidenko was quoted as saying by the Press Trust of India.

The shipyard refitting the vessel has insisted that the cost escalations are due to Indian demands for features not included in the original contract. Minister Antony says New Delhi, which is trying to build an aircraft carrier of its own, was forced to turn to Russia as no other country would give India

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a tactical vessel of such a size. Russia, which accounts for 70 percent of India's military hardware, has up to \$9 billion worth of defense orders from New Delhi in the pipeline. General Sharma said he believes the Russians "grossly miscalculated when writing up this contract in 2004." But retired Rear Admiral Raja Menon, who was associated with the project, said he believes Russia is seeking to get as much out of India as it can.

He said Moscow is in the habit of arm-twisting its traditional weapons buyers.

Russia's track record is very poor in this regard, and this time the nation has to take a call on this, he said. In other contracts too, they had escalated costs and thought they could get away with it again, Menon said.

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## Libya to Buy Russian Fighter Jets for \$1 Billion: Report

[The following article was originally published by Agence France-Presse, 19 October 2009.]

Libya is planning to buy more than twenty Russian fighter jets in a billion-dollar arms deal with Moscow, the Interfax news agency reported October 19, 2009, citing a military-diplomatic source.

Libya is planning to buy 12 to 15 Su-35 multipurpose fighters, four Su-30s, and six Yak-130 combat training planes from Russia, the unnamed source was quoted as saying.

The contracts could be signed at the end of this year or the beginning of 2010 and would have a total value of about \$1 billion (670 million euros), he said.

Many of the contracts are already fairly well worked out from a technical viewpoint and are practically ready for signing. The financial aspects still need to be resolved, the source told Interfax.

A spokesman for Rosoboronexport, the state-owned arms exporter that oversees Russia's foreign arms sales, could not be reached for comment October 19, 2009.

Libya, a longtime pariah state that has moved to rejoin the international community in recent years, was reported to be discussing arms deals with Russia when Libyan leader Moamer Kadhafi visited Moscow late last year.

Much of the North African state's arsenal was purchased from the Soviet Union in the last years of the Cold War.

Earlier this month a Russian MiG-23 fighter jet crashed during an air show in a suburb of the Libyan capital Tripoli, killing the two-man crew and injuring several people on the ground.

The air show had been meant to showcase Russian fighter jets for possible customers in North Africa.

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## **An Additional 7.5 Billion Dollars in Assistance to Pakistan**

[The following article was based on a White House press release and posted on the CNN web site on 15 October, 2009.]

President Barack Obama signed legislation Thursday (15 October 09) providing an additional \$7.5 billion in assistance to the Pakistani government.

This law is the tangible manifestation of broad support for Pakistan in the United States, the White House said in a written statement.

The act bolsters a partnership “based on a shared commitment to improving the living conditions of the people of Pakistan through sustainable economic development, strengthening democracy and the rule of law, and combating the extremism that threatens Pakistan and the United States, it said.

On Wednesday, the chairmen of the House and Senate committees on foreign relations provided a written explanation of the aid bill, a response to Pakistani complaints that the United States was meddling in its affairs.

Senate Foreign Relations Committee Chairman John Kerry and House Foreign Affairs Committee Chairman Howard Berman were joined by Pakistan Foreign Minister Shah Mahmood Qureshi as they spoke to reporters.

Qureshi had rushed back to Washington this week to report on opposition inside the Pakistani Parliament to the five-year package of non-military aid. Some Pakistani politicians claimed the aid bill was an American attempt to micromanage Pakistan’s civilian and military affairs.

Everyone is on the same page, Kerry said. We are all clear about the intentions of the legislation. Kerry argued that the bill demonstrates the American people have a long-term commitment to the people of Pakistan.

Qureshi replied, This document, which I think is an historic document, is a step forward in our relationship.

Kerry said the explanatory statement attached to the bill emphasizes that no interference is intended with Pakistan’s civilian or military operations.

The statement says the bill establishes a variety of requirements meant to ensure United States efficiency and compliance but places no new conditions on the government of Pakistan.

The many requirements of this report are intended as a way for Congress to assess how effectively United States funds are being spent, shortfalls in United States resources that hinder the use of such funds, and steps the government of Pakistan has taken to advance our mutual interests in countering extremism and nuclear proliferation and strengthening democratic institutions, the statement says.

There is no intent to (establish), and nothing in this act in any way suggests that there should be, any United States role in micromanaging internal Pakistani affairs, including the promotion of Pakistani military officers or the internal operations of the Pakistani military.

Berman said the statement is “a reflection of our desire to be long-term partners” with the Pakistani people.

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# United States Aid to Pakistan: United States Taxpayers Have Funded Pakistani Corruption

By  
**Azeem Ibrahim**  
Research Fellow, International Security Program

[The following is from a Discussion Paper 2009-06, Belfer Center for Science and International Affairs, Harvard Kennedy School, July 2009. To view the full paper, visit [http://belfercenter.ksg.harvard.edu/files/Final\\_DP\\_2009\\_06\\_08092009.pdf](http://belfercenter.ksg.harvard.edu/files/Final_DP_2009_06_08092009.pdf). As always, the views expressed in this paper are those of the author and do not necessarily represent those of the United States Government.]

**March 25, 2005: The United States agreed to sell about 2 dozen F-16 fighter planes to Pakistan, a diplomatically sensitive move that rewarded Pakistan for its help in fighting the war on terror.**



Associated Press Photo.

## Summary

There is widespread agreement that aid to Pakistan has not been spent effectively over the past decade. There is less agreement over how to fix it. This paper contributes to the debate in two ways.

First, it provides the most comprehensive survey of the publicly available information on United States aid to Pakistan since 2001 to provide evidence on which recommendations can be based.

Second, it suggests three ways to improve aid to Pakistan by proposing three principles which should underlie any conditions which are attached to future aid. They are:

- Cooperate to Reduce Obstruction, Sanction to Reduce Opposition - Conditions should only be imposed to prevent clear harm to explicitly expressed United States intentions (such as Pakistan spending funds on nuclear weapons). Other outcomes, however desirable, (such as requiring Pakistan to shut madrassahs which encourage extremism) should be achieved through cooperation, not conditionality.
- First, Do No Harm - It will be counterproductive to use conditions to micromanage specific positive outcomes by institutions beyond United States control—that would invite failure. Rather, conditions should focus on preventing harm (i.e., preventing Pakistan from moving in the wrong direction, such as reducing civilian oversight over the military budget).
- Put Conditions Only on How the Aid is Spent - Pakistan and its electorate are acutely sensitive to the perception that the country may be being bullied or bribed. Some argue

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that this speaks to the necessity of not imposing any conditions. This is equivalent to arguing that Pakistan's sensitivity licenses it to more years mispending a large proportion of United States aid money. A more logical response is to draw a distinction between how Pakistan spends the aid funds and general Pakistani actions which do not directly relate to how Pakistan spends United States aid. The most important aspect of this paper is the recommendation that conditions should only be tailored to the actual use of the funds themselves (apart from conditions preventing Pakistan from moving in the wrong direction). The funds should not be used as leverage to impose positive collateral requirements on Pakistan.

Underlying these conditions is the recognition that conditions will never be effective unless Pakistani sensitivities to them are properly understood and taken into account. After all, they will determine how Pakistan reacts.

The United States must also recognize that conditionality is only part of the solution; conditions are not an appropriate means to achieve all the outcomes which the United States seeks. For each, Congress should look into the various options, excluding sanctions, which it has available to it, in a hard-headed way.

The United States must not provide Pakistani institutions with incentives to act counter to United States foreign policy objectives in the future. It has done so in the past. But until the spring of 2009, no comprehensive overview of the full funding to Pakistan was possible as the figures were kept secret. Those figures, as well as a full analysis of what is known about how they were spent, can now be evaluated. The available information paints a picture of a systemic lack of supervision in the provision of aid to Pakistan, often lax United States oversight, and the "incentivization" of United States taxpayer-funded corruption in the Pakistani military and security services. The author believes that this is the first attempt to present an overview of United States aid to Pakistan since 2001, evaluate it, and present recommendations on how to ensure that mistakes are not repeated and lessons are learned.

Since 1951, the United States has given significant funding to Pakistan. Since September 11, 2001, United States funding has been intended for the following five purposes:

- To cover the extra cost to Pakistan's military of fighting terrorism
- To provide Pakistan with military equipment to fight terrorism
- To provide development and humanitarian assistance, for covert funds (such as bounties or prize money), as cash transfers directly to the Pakistani government's budget

Pakistan is one of only four countries to receive direct cash transfers. Between 2002 and 2008, this "thank you" to Pakistan for help in fighting terrorism cost the United States taxpayer \$2,374,000,000. By its nature, these cash transfers became Pakistani sovereign funds, precluding United States oversight. Since 2001, there have been significant concerns over the funding:

- The United States has not been transparent about the funds. Until 2009, information has been either hidden from the public or released in a form too aggregated to allow for effective public oversight. Those who have seen the agreements on how funds are to be spent say they have lacked concrete benchmarks, sometimes even concrete figures, and were too vague to be effective.

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- The United States misused development funds. Operating costs were high; too much of the aid was ineffective and United States Agency for International Development (USAID) programs have been hampered by insufficient resources and security concerns.
  - There was a lack of agreed strategy for use of funds. Aims for the military aid were poorly defined, and many of the agreements on how funds were to be spent were inadequate.
  - The United States had inadequate procedures for checking how Pakistan spent the funds. United States Embassy staff in Pakistan were not required to check how the Pakistani military actually spent United States funds. The Pakistani army insisted that the Federally Administered Tribal Areas (FATA), where much of the money was to be spent, were too dangerous to visit, making sustained oversight there impossible. The United States has not been able to check Pakistani army records on how the money was being spent. The procedures in place to check how Pakistan spent the money were inadequate, and the decision to give Pakistan funds in the form of reimbursements made adequate oversight impossible.
  - United States funds “disincentivized” democratization by giving the military a disincentive to submit to civilian control, increasing its independence from government, and ignoring evidence of profiteering from military budgets.
  - The Pakistani military did not use most of the funds for the agreed objective of fighting terror. Pakistan bought much conventional military equipment. Examples include:
    - F-16s
    - Aircraft-mounted armaments
    - Anti-ship and antimissile defense systems
    - An air defense radar system costing \$200 million, despite the fact that the terrorists in the FATA have no air attack capability
  - Over half of the total funds, 54.9 percent, were spent on fighter aircraft and weapons, over a quarter, 26.62 percent, on support and other aircraft, and 10 percent on advanced weapons systems.
  - There is also clear evidence of corruption within the Pakistani army. The United States provided \$1.5 million to reimburse Pakistan for damage to Navy vehicles which had not been used in combat, \$15 million for the Pakistani army to build bunkers for which there is no evidence that they exist, and about \$30 million for Pakistani road building for which there is no such evidence either. The United States provided \$55 million for helicopter maintenance for the entire national helicopter fleet, which was not performed. Pakistan continued to receive around \$80 million per month for military operations during cease fire periods when troops were in their barracks. United States officials visiting the FATA found Pakistani Frontier Corps units poorly equipped, one reporting that he saw members of the Corps “standing . . . in the snow in sandals” with several wearing World War I-era pith helmets and carrying barely functional Kalashnikov rifles with “just 10 rounds of ammunition each.” At one point, Pakistani President Pervez Musharraf himself complained that Pakistan’s helicopters needed more United States spare parts and support, despite reports from United States military officials that the United States had provided \$8 million worth of Cobra parts over the previous six months. “The great majority” of the Coalition Support Funds given by the United States to reimburse Pakistan for counterterrorism operations was reportedly diverted to the Ministry of Finance, with only \$300 million reaching the
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army in the financial year ending 2008. This is evidence of corruption at the highest level. The result is that, after eight years of funding, many Pakistani troops in the FATA lack basic equipment such as sufficient ammunition, armored vests, and shoes. For many years, United States officials ignored clear evidence that the military was not using United States funds to further United States foreign policy objectives.

- Pakistani counterterrorism failed until 2009. During the years 2001 to mid 2009, significant parts of the FATA were under Taliban control and according to the 2007 National Intelligence Estimate, al Qaeda has reconstituted a safe haven in the FATA. Tellingly, when the Pakistani army did launch an effective operation in Malakand in mid 2009, it was primarily in response to public pressure within Pakistan, not United States aid.

Sadly, it seems that Pakistan's military and security services have for many years been a black hole for United States funds. They have enriched individuals at the expense of the proper functioning of Pakistani institutions and the country's ability to fight its extremist enemies and provided already kleptocratic institutions with further incentives for corruption. Many of the incentives for Pakistani army corruption are longstanding and institutional and remain in place today.

Preventing this performance from recurring will require changes to the oversight system such as the use of experts and the creation of a dedicated monitoring group as described in the full paper. But that will not be sufficient. It will also require an understanding that conditionality is just one of the items in the toolbox available for getting aid right and an understanding of how and when it should be used, to which this paper contributes.

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## China to Sell Pakistan 36 Fighter Jets

By

**Farhan Bokhari**

*The Financial Times* Contributing Author

[The following article originally appeared in *The Financial Times*, Islamabad, November 10, 2009.]

China has agreed to sell Pakistan at least 36 advanced fighter jets in a landmark deal worth as much as \$1.4 billion, according to Pakistani and Western officials.

Beijing will supply two squadrons of the J-10 fighter jet in a preliminary agreement that could lead to more sales to Pakistan in the future, said a Pakistani official. The official said Pakistan might buy “larger numbers” of the multi-role aircraft in the future but dismissed reports that Pakistan had inked a deal to buy as many as 150 of the fighter jets. Defense experts described the agreement with China as a landmark event in Pakistan’s defense relationship with the growing military power. China’s transition from a manufacturer of low-(tech) fighters to more advanced jets comparable to some Western models is seen as evidence of Beijing’s growing strategic clout in Asia.

This agreement should not simply be seen in the narrow context of Pakistan’s relations with China, said Abdul Qayyum, a retired Pakistani General. There is a wider dimension. By sharing its advanced technology with Pakistan, China is . . . also saying to the world that its defense capability is growing rapidly.

China has supplied Pakistan with fighter jets for more than three decades. But Beijing has seldom supplied Pakistan’s air force with advanced fighter planes. Islamabad turned to France for Mirage fighter jets in the 1970s and to the United States for F-16s in the 1980s. Pakistan has a fleet of 45 F-16s, which are built by Lockheed Martin. The Pakistani air force is currently using the fighter jet in its campaign against militants in South Waziristan. The United States has agreed to sell Islamabad another 18 new F-16s and about a dozen older versions of the aircraft.

Over the past decade, China and Pakistan have collaborated on building their first jointly produced advanced fighter jet, known as the JF-17 or “Thunder.” Pakistan is expected to roll out the first domestically built version of the Thunder within weeks. Pakistan’s air force plans to purchase at least 250 of the Thunder fighters over the next four to five years. Experts see the new Pakistani focus on China as a supplier of advanced fighters as evidence that Beijing is trying to expand its military power.

Countries like Iran and possibly some of the Middle Eastern countries would be keen to deal with China if they can find technology which is comparable to the West, said one Western official in Islamabad.

Pakistan will work as the laboratory to try out Chinese aircrafts. If they work well with the Pakistani air force, others will follow.

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# United States Training Plan for Afghanistan: Read First, Shoot Later

By  
Kevin Baron

*Mideast Stars and Stripes* Contributing Author

[The following article originally appeared in *Mideast Stars and Stripes*, December 10, 2009.]

As they struggle to attract and retain more recruits into the Afghan National Army, American Commanders are hoping that two small adjustments will begin to make a big difference. The Afghan government recently boosted soldier salaries to almost as much as the Taliban pays. And starting next month, United States military trainers will teach Afghan recruits to read before they teach them to shoot straight.

We think if the word gets out that you not only go through your basic soldier skills, but you also get some literacy training while you are doing that, [it] will be a real incentive, Lieutenant General William Caldwell, who commands the North Atlantic Treaty Organization (NATO) training mission, told reporters traveling with Defense Secretary Robert Gates during a visit to Afghanistan on Wednesday. What the Afghans tell me is that it is a real draw for them, if they can have some literacy training, Caldwell added, noting that as many as 65 percent of Afghan army recruits may be illiterate.

Gates focused his Afghanistan tour this week on gauging the ability of United States-led coalition forces to accelerate the training of Afghan soldiers and police—a key element of President Barack Obama’s war strategy intended to eventually allow American soldiers to begin to come home.

The Afghan army currently numbers about 97,000 soldiers with a target of 134,000 by November 2010 and 240,000 by 2013. Meanwhile, the end goal for the 94,000-strong national police force is 160,000. Those forces are to gradually assume lead security responsibilities across the country, allowing Americans to pull back and, ultimately, pull out. Two of the war’s top Commanders assured Gates that despite eight years of false starts—and reports from field officers questioning the quality of current Afghan forces—they are finally getting the resources they need to accomplish the training mission.

There has never been the intensity of effort and the commitment of forces and the monetary backing to do what we are doing today, said Caldwell, who arrived one month ago after commanding Army-wide learning at Fort Leavenworth in Kansas.

Caldwell and Lieutenant General David Rodriguez, the Operational Commander of the war and Deputy to General Stanley McChrystal, briefed reporters traveling with Gates at Camp Eggers in Kabul. The Commanders said the additional 30,000 United States troops Obama ordered to Afghanistan, and a buzzing new Joint Operations Center staffed by 150 people from 42 countries to coordinate the fight, puts the United States in the best position to succeed in the war.

I think we have got all the pieces coming together here, Gates said.

I started here in 2002 when there were no institutions, there was no [Afghan] Security Forces, said Rodriguez’s executive officer.

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Colonel Marty Schweitzer said, I am here today, and they are on their second elections . . . I do see progress.

Afghan President Hamid Karzai on Tuesday predicted that Afghans could be ready to take over leadership of the country's security in five years, but he added that Afghanistan would require outside support for another 15 or 20 years.

They have already, as you know, taken the lead in the province of Kabul, minus one district, said Rodriquez. And they are doing pretty good not only in Kabul but out in the districts of the Kabul province.

Caldwell said recruiting and retaining Afghan security forces, as well as grooming local leaders, remain the greatest challenges.

I believe there is enough Afghan leaders out there, and the potential for enough Afghan leaders to emerge so that we can accomplish the mission, Rodriquez said.

The need is particularly great in the south, Rodriquez added, where there is an imbalance of too many coalition forces working alongside too few Afghans. Recruiting and retention has been lowest in areas with the most fighting as increasing numbers of Afghan soldiers go absent without leave (AWOL). United States officials hope to reverse that trend. And the recent boost in starting pay for Afghan soldiers, to \$240 from \$180 per month, could make a difference. The Taliban is reportedly paying its recruits between \$250-\$350 per month. Caldwell said 2,659 Afghan recruits signed up in the first seven days of December [2009], compared to 831 in all of September [2009]. And he said he learned Wednesday that 60 of the 80 recent deserters in one unit had returned since the pay raise announcement, an unusually high number.

I personally believe it is less about the money than it is about feeding their family, Rodriquez said.

Given widespread accounts of the poor performance and reliability of the Afghan security forces, the Generals were asked how they expected to improve the situation.

That is a good question, Caldwell said. There is quantity, and then there is quality. The General said he expected the new literacy training program would help.

Gates' plane was grounded in Kabul by bad weather, scrapping plans to visit troops in Kandahar and instead leading to impromptu visits to the Afghan National Army Air Corps headquarters at Kabul International Airport and the United States Embassy.

Lieutenant Colonel James Duben, the Squadron Commander for international advisers training Afghan army helicopter pilots, told Gates he hopes to have the first Afghans flying their Russian-made M-17 and M-35 helicopters into battle by April 2010.

In Kabul, Duben said, he currently has 57 Afghan pilots of MI-17 transport and cargo helicopters and another twenty qualified pilots scattered throughout the country. Eleven Afghan pilots have been trained to fly the lighter M-35 attack aircraft. Already, he added, cargo pilots are conducting non-combat medical evacuations; and nearly every day they run resupply missions to coalition troops and Afghan units.

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# **Proposal Circulates on New Civilian-Military Agency Iraq Reconstruction Inspector General Urges Office to Report to the Department of State and the Department of Defense**

**By  
Spencer Ackerman  
*Washington Independent* Contributing Author**

[The following article originally appeared on the *Washington Independent* web site, <http://washingtonindependent.com>, on 3 November 2009.]

## **Stuart Bowen is the United States Special Inspector General for Iraq Reconstruction**

As the United States' Special Inspector General for Iraq Reconstruction (SIGIR), Stuart Bowen has blown the whistle on millions of dollars worth of waste, fraud, and abuse. But one of his final acts in the job will be to address something more fundamental: the way United States civilian officials interact with their military counterparts during the complex wars of the future.

Bowen, acting with the institutional power of his government office, SIGIR, is circulating a draft proposal to create a new civilian office for wars like Afghanistan and Iraq that would report jointly to the Department of State and the Department of Defense. In a dramatic departure from the current ad hoc arrangement, where diplomats and aid workers come up with on-the-spot arrangements to liaise with the United States military in war zones, Bowen believes that a single agency, which he analogizes to an "international Federal Emergency Management Agency (FEMA)," ought to be the single civilian point-of-contact with the military if the United States is to avoid future wartime coordination fiascoes. He calls it, in typical Washington acronym-ese, the United States Office for Contingency Operations (USOCO).

Bowen explains that the proposal grew out of seeing millions wasted in Iraq and tracing the problems back to fundamental weaknesses of coordination and operational management. "As the United States reconstruction effort in Iraq demonstrated, when everyone is in charge, no one is in charge," Bowen writes in a 27-page paper he has passed to the Obama Administration about the USOCO proposal that *The Washington Independent* obtained. The proposal was subject on Monday to a so-called "murderboard" of criticism at the Center for Complex Operations—one of the many ad hoc government institutions that have sprung up since the Afghanistan and Iraq wars to try to compel civilian officials to interact more closely with the military.

Experts and practitioners have lamented that in both Afghanistan and Iraq, no single individual or institution has the power to direct civilian efforts in reconstruction, economic development, and political stabilization, even though the military says that its efforts will not be successful unless those tasks are met. The result has been impromptu arrangements with different federal agencies, unclear mechanisms for accountability, and years of deterioration in both wars.

With an ad hoc structure, you lack the formalized approach that you need to be able integrate those [civilian] capabilities with military power, said Lieutenant Colonel Steve Leonard, who wrote the Army's field manual on stability operations, in an

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interview. It is the lack of that bureaucratic structure we are all used to that makes it so difficult to point a finger, say ‘I need this,’ and get a response.

Bowen believes the USOCO could play that bureaucratic role. It would “solve the unity of command problems encountered in Iraq and Afghanistan with respect to relief and reconstruction operations,” his paper reads, by creating a “permanent, fully accountable, empowered interagency management office.” It would take “full responsibility for managing the relief and reconstruction component” of a future war and would report jointly to both State and the Pentagon. With “total accountability for” the relief and reconstruction budget, it would manage all personnel used for such an operation “except for any uniformed personnel normally answerable to the [Geographic] Combatant Commander and Foreign Service personnel answerable to the Chief of Mission,” the deputy to the ambassador in a United States embassy.

Working on the proposal for months with his deputy, Ginger Cruz, Bowen keyed in several Obama Administration officials to the USOCO idea. His idea has made its way to the State Department’s Policy Planning office, where it is being considered by staffers working on a major review of United States diplomacy and development policies. At the Pentagon, the proposal has been briefed to aides to Michele Flournoy, the Undersecretary of Defense for Policy, who worked on issues surrounding the integration of civilian and military efforts in warfare for years while out of government. And at the White House, it has been given to Gayle Smith, the senior staffer in charge of development policy at the National Security Council. Representatives for those agencies either did not respond to requests for comment or declined to comment on the record.

SIGIR, the office of the Special Inspector General for Iraq Reconstruction, is nearing the end of its life as the United States winds down its military presence in Iraq. In an interview Monday, Bowen said that he didn’t want the USOCO proposal to be seen as SIGIR’s legacy.

It is not so much what we want, he said. We are just offering our observations for how overseas contingency operations are managed.

Cruz said the “easy part” of SIGIR’s job was to call out waste, fraud, and abuse on specific Iraq contracts. It is making recommendations on solutions that’s difficult, she said, saying that it was natural for SIGIR to move from specific criticisms of poor program management to a broader critique of the poor civilian-military coordination that led to wasted taxpayer money. The important role for SIGIR to play is the objective oversight partner that does not have a dog in the fight and does not have to align its views with the DOS and DOD.

The informal civilian-military coordination system criticized by Bowen is being applied for Afghanistan by Richard Holbrooke, the Obama Administration’s Special Representative for Afghanistan and Pakistan, who has assembled a staff from across the government that works on Afghanistan/Pakistan issues. Yet Holbrooke has no direct authority to deploy diplomats, development experts, legal advisers, or other civilians into Afghanistan, nor to direct them when they are on the ground. Nor does General Stanley McChrystal, who wrote in his famous assessment that his efforts leading the United States war in Afghanistan “cannot succeed without a corresponding cadre of civilian experts,” have a civilian counterpart whom he can directly ask to provide those civilian experts. In a briefing last week, Deputy Secretary of State Jack Lew said that the DOS was moving aggressively to fill nearly 1000 civilian positions for Afghanistan by the end of the year; but it is unclear if the deadline will be met.

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Bowen said bluntly that he wants the USOCO structure “to be used in Afghanistan” or at least for the government to address several points raised in his paper about joint civilian-military coordination, budgeting, and accountability. While his office’s mandate has never extended beyond Iraq, Bowen said he was “continuing to carry out our oversight mandate, as defined by the Hill, as to how the United States is structured to carry out” its role in stability operations like those in Iraq and Afghanistan.

The position is not without problems, some of which Bowen acknowledges in his proposal. The DOS “regards decisions affecting a host nation to be squarely within its traditional area of responsibility,” the proposal states; and the DOD “might resist a new entity that would exert decision making power” over reconstruction money spent by on-the-ground military Commanders. And “the creation of a new governmental agency is always controversial and subject to resistance.”

Some of those criticisms arose at Monday’s murderboard session, according to participants, which was attended by about fifty representatives of the DOD, Joint Staff, United States Agency for International Development (USAID) employees, Hill aides, and retired diplomats. Jeremy Pam, a former Treasury Department attaché in Baghdad, attended the session and said Bowen’s USOCO proposal received a “respectful hearing” but not a full endorsement. “Some people expressed skepticism about how much appetite there was for creating a new organization,” said Pam, who left the Treasury Department in 2007 and now works for the United States Institute of Peace.

Cruz said that USOCO—which, as outlined in the paper, will command “a small permanent staff”—does not represent the sort of bureaucratic entity that could spur a turf battle from wary agencies. “The proposal SIGIR is making is not infringing on anyone’s turf,” she said. “It is an inter-agency solution that is subordinate to and organic of DOS and DOD. That is integral.”

Bowen said the “very helpful comments” at the murderboard session will help “evolve” the proposal in advance of circulating a new draft of his paper to DOS, USAID, and the Pentagon later this month before formally submitting it in December (2009) to the House and Senate committees for government oversight, foreign affairs, armed services, and appropriations. “It provided us exactly what we wanted: a good, solid critique,” he said.

Leonard, who has pushed the Army to embrace working with civilian diplomats and development professionals from his position as Chief of Initiatives at the Combined Arms Center at Fort Leavenworth, saw promise in Bowen’s idea.

With respect to the civilian expertise that is so critical to this. This is how you realize the comprehensive approach, Leonard said. There is great capability in the military side. But the real keys to sustainable development over the long term [are] resident in the civilian component. On the surface of it, it looks like this is the vehicle to do that.

Jeremy Pam is not as convinced. The advantage of it is, in theory, it gets at the coordination problem, which is one of the fundamental issues, he said. But you have to stipulate an awful lot, the existing players who are involved in this, not only in foreign affairs [agencies] but domestic as well, have to be ready to give up authorities, budgetary and otherwise. Two, you have to assume that the political leadership will use a new entity like USOCO, which is a kind of technocratic solution that makes sense on paper, but it will not necessarily involve people who political officials trust to do the right thing.

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Even if Bowen and Cruz do not wish USOCO to be seen as SIGIR's legacy, Cruz tied the proposal back to SIGIR's fundamental mandate.

It is about economy, efficiency, and effectiveness, she said. Every day we sit here, millions of dollars continue to go in these operations; and the outcomes become more critical. Are [we] doing this [the] most effective way? The body of work SIGIR produced clearly says we are not doing it in the best, most efficient way.

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## Much-Heralded Jet Headed to Israel

By

Amos Harel

*Tel Aviv Haaretz* Contributing Author

[The following article originally appeared in the *Tel Aviv Haaretz*, November 10, 2009.]

The largest defense deal in Israeli history, for the purchase of the F-35 stealth fighter aircraft, is advancing, slowly but surely. The rounds of talks among the defense establishment, the Pentagon, and manufacturer Lockheed Martin have significantly narrowed the gaps between the parties. The United States is scheduled to respond next week to Israel's express request for 25 of the jets.

Jerusalem is to reach a final decision by early 2010, and there is a good chance a deal will be signed by the middle of the year. Assuming Lockheed maintains its original production timetable, the first fighters will be delivered in 2014.

Two years later, Israel will have its first operational squadron of F-35s, consisting of 25 fighter aircraft representing the cutting edge of United States technology (Israel's too, it is hoped), capable of any mission, Iran too?

### Ready for Iran, If They Stay Still

Of course, assuming that Iran's nuclear installations are still waiting there by the time Israel has the appropriate aircraft . . . is one of the main questions surrounding the deal. When discussions began on the procurement of the F-35, it was clear that it was necessary if Israel was to have a response to the Iranian threat. This is the main argument for buying the aircraft, especially in light of the fact that it now seems likely that Tehran will eventually (have) the S-300 advanced air defense system from Russia, making stealth capability all the more important for Israeli fighters.

In the meantime, however, the timetables have diverged. Unless stopped, Iran's nuclear program may reach maturation within two years; but the delivery date for the F-35 is still far away. Some senior Israeli army officers are citing this in their call to delay the purchase. They argue that it will use up most of the United States military aid to Israel [and will not be] on hand when needed. They say urgent projects for the land forces should be advanced instead, and the remaining funds invested in the navy and in refurbishing older aircraft.

The Americans, in their discussions, raised two problems with this option: A delay would prevent Israeli defense industries from getting involved in the project at an early stage and earning money from the sale of systems incorporated into the F-35. And, if Israel delays its order, then other countries will move up on the list for deliveries; and there will be no guarantee that it will receive delivery according to its timetable—even if that is in 2016. One concern is that by then other countries in the Middle East will also begin acquiring the aircraft.

### Cutting the Specialized Israeli Suite

In the meantime, the Americans have eased their stance on Israel's request to include locally-made electronics systems. A major issue in this would be the cost of the specialized "suite" Israel would like to develop for its order of F-35s. This makes the aircraft more expensive, but much of the price also depends on the volume. For example, if the price of 25 aircraft, including many other

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components, comes to \$130 million each, then an order of 75 may lower the per-unit price to \$100 million.

The head of the Planning Directorate of the Israel Defense Forces (IDF), Major General Amir Eshel, told Haaretz in September [2009] that in any event the cost of a single aircraft is expected to be much lower than \$130 million, which he described as “exaggerated.”

The decision on this acquisition is one of the most important for the budgets of both the state and the IDF, as well as the future shape of the military. As in the past, it will be made by a limited group of people, with limited transparency, little control by civilians, and without public debate. The government has not really dealt with the issue, and it is doubtful whether it will do so in the future.

These matters are usually agreed upon among the IDF Chief of Staff, the Israel Air Force Commander, the Defense Minister, and the Director General of the Defense Ministry.

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## India Seeks to Bolster Transport with Ten C-17s

By  
**Vivek Raghuvanshi**  
*DefenseNews* Contributing Author

[The following article originally appeared on the *DefenseNews* web site 5 November 2009 <http://www.defensenews.com>.]

The Indian Defence Ministry is negotiating the purchase of C-17 heavy-lift Globemaster aircraft from the United States through the foreign military sales (FMS) route, say ministry sources.

The United States Air Force flew the Globemaster in a joint air exercise between the air forces of the two countries held in India October 19-23 at Agra to let the Indian military familiarize itself with the transport craft, said a senior Indian Air Force official.

India is negotiating the purchase of ten C-17 aircraft made by United States-based Boeing, disregarding the Russian IL-76 transport even though the American aircraft is three times costlier, Defence Ministry sources said. The C-17's advantages include its easier handling (compared with the IL-76) and ability to operate from short and rough airstrips, added the sources.

The \$1.7 billion deal, likely to be finalized by early 2010, would be Boeing's second-largest deal with India since New Delhi signed a \$2.1 billion agreement in January to purchase eight P-8 maritime patrol aircraft.

The Indian military needs to do three things: augment its ability to quickly lift larger numbers of troops as it views possible threats on its border with China, strengthen its presence on the Pakistani border, and fight terrorism and low-intensity warfare, said a senior Defence Ministry official.

### **India needs to triple its lift capacity, said the official.**

India already has contracted for six C-130J aircraft from the United States, the delivery of which is expected to begin by 2011. The Air Force's current fixed-wing transport fleet comprises forty Russian-made IL-76 and more than 100 AN-32s, which are being upgraded by Ukraine, and the United States-made C-130J transport aircraft. In addition, the Indian Defence Forces are buying about 800 rotary-wing assets in the next seven years.

In July, India signed a \$400 million contract with Ukrainian military export agency Ukrspetsexport to upgrade 100 Soviet-built AN-32 cargo aircraft for the Indian Air Force.

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# **Socio-Cultural Aspects of Thai and United States Military Relations**

**By**  
**Major John Baseel, United States Marine Corps**  
**F/A-18D Weapons Systems Officer**

[This article is a condensation of selected sections of a thesis on Thai-United States military relations in the post September 11, 2001, era completed as part of a Master's in Arts in Regional Studies at Chiang Mai University, Thailand. The research techniques used were personal interviews of Thai and United States military, diplomatic, and academic experts; participant-observer field research at several combined exercises; and document research. This article is the sole work of the author and does not portend to express the views of the DOD, Department of State, or any other USG organization.]

## **Similarities between Thai and United States Military Sub-Cultures**

My overall observation of relations between Thai and American servicemen was that interpersonal relations and professional interoperability were good. Despite the fact that the U.S. and Thailand are located halfway around the world from each other, the two countries' cultures share several key aspects which help Americans and Thais connect on an easier level when compared to other countries.

First and foremost, both countries place a high value on freedom and independence. Both countries are known as the "land of the free." Thailand takes justified pride in being the only Southeast Asian country never to have been colonized. The United States is of course a former British colony but has for the bulk of modern history been regarded as the model for liberty, democracy, and the personal freedom of its citizens.

Both countries are also very accepting of foreigners and of other cultures. As the world's most ethnically diverse country, most Americans are comfortable around people of different backgrounds and can adjust to new customs and manners. Thailand is also very open to other cultures and customs, perhaps due in part to not having the collective psychological resentment towards foreigners that some other countries have who have been conquered by foreign powers. Also, a high percentage of Thai military leaders have studied in the United States or other western countries and so are familiar with western culture.

Thai and American cultures also share the characteristic of emphasizing friendliness. In contrast to some other cultures which are highly reserved or where individuals take a long amount of time to get to know each other before opening up, Thais and Americans are usually more outgoing and can warm up to each other quickly. I have had several experiences of working with other countries' military forces in which dealings with my counterparts were stilted and highly awkward. But in the bulk of the observations I have made on Thai and United States military exercises, the two sides seem to connect easily; and most dealings between them seem much more natural.

## **Differences between Thai and United States Military Sub-Cultures**

Despite the similarities noted above, there are some key differences between Thai and United States cultures than can cause misunderstanding and friction. I will touch on three areas: social protocol, rank and respect of seniority, and political correctness.

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## Social Protocol

American culture does not place the same value on socialization as Thai culture does. United States military culture emphasizes a hard-driving work ethic. This attitude can be taken to an extreme, where anything other than mission accomplishment is regarded as extraneous. The social aspects of our military dealings with the Thais are seen as frivolous at best, and most often as a complete waste of time. “Why can’t we just get down to business?” was the opinion of one United States officer I spoke with.

On a macro-level, this attitude can be seen in America’s poor record on high level visits and social protocol. This record is quite frankly dismal, especially when compared to other nations currently engaging the Thai military. All too often, it appears to the Thais that American leaders are more interested in other countries in the region, stopping in Thailand only infrequently. This blatant disregard of the social aspect of doing business is a major slight, since personal relationships are the key to operating in Asia.

One example of this was the attendance at the parade in December 2006 marking King Bhumibol’s 60th year on the throne. The United States sent one General to this event. China sent its Minister of Defense and over 20 Flag officers. America’s sending just one Flag officer, coming so soon on the heels of the Section 508 sanctions that had been imposed after the 2006 coup, was seen by many Thais as a deliberate lack of respect for their beloved monarch.

Visits by diplomatic personnel are also important to acknowledging key alliances. In February, 2009, when Secretary of State Clinton made her first trip through Asia, many Thais were incensed that she stopped in Indonesia but bypassed Thailand. A 16 February 2009 editorial in the *Bangkok Post* had this to say:

The decision to visit Indonesia but ignore close United States friends and allies is confusing . . . Many in Thailand, which has 175 years of rock-solid support and harmony with the United States, feel the new leadership in Washington is turning its back on an old friend. Singaporeans and Filipinos have said much the same . . . It is important to include wary countries like Indonesia in the dialogue. But it is vital not to ignore old and trusted friends.

The editorial also noted that in his only mention of Thailand in 2008’s campaign, President Obama confused the country with Taiwan.

Flag officer visits are another area where we sometimes fail to appreciate the importance of showing respect in Thai culture. An American officer I interviewed confided that it was often “like pulling teeth” when trying to persuade some senior United States officers to take the time to make such a call. To the American mind, a thirty minute social call on someone they do not really know, who may not speak very good English, can seem like an awkward waste of time, particularly since the benefits of such a visit cannot usually be seen in the short term. But to the Thai mindset, such a visit speaks volumes about respect. Even if there is little of concrete nature that is discussed at such a meeting, a visit like this will be remembered in the future and can shape opinions favorably toward future United States requests or interests. During the February 2009 exercise at Sattahip Naval Base, I witnessed firsthand the amount of goodwill and respect generated by the social call that Brigadier General Brilakis, Commanding General of III Marine Expeditionary Brigade, paid on the Commandant of the Royal Thai Marine Corps, Vice Admiral Suwit.

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It is also worth noting that in Thailand's quest to buy a new fighter jet, the King and Queen of Sweden as well as the Russian President personally made a case for their respective countries' aircraft. The lack of any comparable high level involvement on the American side was perceived by the Thais as disinterest and may have played a role in their eventual decision to buy Sweden's Gripen fighter. Under our system, such negotiations are often relegated to military representatives or perhaps the ambassador, who are empowered with the authority to make high-level decisions. However, we as Americans need to take into account Thailand's more hierarchical culture and adjust our practices accordingly.

I personally saw the American disregard for socialization culminate in an awkward and embarrassing situation during the 2009 Cobra Gold End of Exercise Ceremony at Korat Royal Thai Air Force (RTAF) Base. The United States Marine Corps (USMC) squadrons, operating out of a different base, decided at the last minute not to send any representatives to the ceremony in order to focus on internal unit training the next day. This made for a very awkward situation as the RTAF and United States Air Force (USAF) Squadron Commanders exchanged plaques and mementos with each other. The other USMC liaison officer and I accepted numerous plaques and gifts on behalf of our Marine brethren but had nothing to give in return. Several Thai officers were visibly offended and asked why no USMC Commanders had seen fit to attend.

The decision not to attend the end of exercise party was a classic case of short sightedness. The long term cost of insulting seven Thai squadrons certainly outweighs the small benefit achieved by completing a few extra flights. In this case, we were so eager to achieve a short term training objective that we lost sight of the main, long term objective of training such as Cobra Gold, which is to build the Thai-United States relationship.

### **Rank and Respect of Seniority**

The Thai military is much more hierarchical than the United States Armed Forces. The main reason for this is that Thai society is itself very hierarchical, in contrast to America's more egalitarian society. Another reason is Thailand's policy of retaining personnel on active duty until age 60, which makes for a very top-heavy, high-ranking military. In an environment such as this, it becomes natural to keep leadership and authority at the highest levels.

In contrast, the American military tends to push decision-making authority and responsibility down to a lower level than Thailand does; and as such it is not uncommon to see American sergeants making decisions that a Thai lieutenant would make or American captains making decisions that in the Thai military would be made at the lieutenant colonel level. In my previous experiences as a lieutenant and captain at combined training with the Thai military, I can recall typically being paired up with Thai counterparts who were majors and lieutenant colonels. Now as a major, I normally deal with lieutenant colonels and colonels. Despite the informality of many Thai officers when dealing with foreigners, Americans working in such situations must remember they are dealing with a senior officer and treat them as such.

At the junior officer level, the high level of respect that Thais show to their seniors can be interpreted by Americans as excessive or obsequious. Junior American officers are used to being encouraged to voice their opinions and make decisions on their own. When they look at the Thai model, which generally keeps decision-making authority at the top, they may tend to see their young Thai counterparts as "Yes Men." But these officers need to understand that many junior Thai officers do have initiative and work to give their inputs to their chain of command, within the more hierarchical

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framework of Thai military sub-culture. This needs to be done much more subtly and often in a behind-the-scenes fashion rather than the more open and direct United States style.

### **Cultural Correctness**

In the past few decades, United States military culture has undergone huge changes. A specific mindset has arisen due to the rampant political correctness in American culture, combined with a well-intentioned but often unnecessary effort to protect servicemen from injury and in the name of force protection.

Speaking of Thailand specifically, I have observed an exponential increase in social rules and regulations since my first deployment to Thailand a decade ago. For example, at the 2009 Cobra Gold exercise, United States servicemen were prohibited from drinking alcohol. When Thai servicemen invited their American counterparts out for a few drinks after work, they were baffled when we responded that we could not go. It was simply inconceivable to the Thais that Americans entrusted with the lives of dozens of men and millions of dollars worth of equipment would be banned from having a cold beer or two after work during a peacetime exercise in a friendly, long-time allied country. When we explained that this prohibition was considered a force protection policy, one Thai was offended at the implication that Thailand was a dangerous country. The policy was later amended to allow social drinking at Thai-United States functions; but in practice this did not really change things, as most Americans were unsure if a casual invitation for dinner and a few drinks from their Thai counterparts constituted an “official” Thai-United States function.

Regulations also prohibited water sports. A Royal Thai Marine Corps (RTMC) associate of mine invited me and a few other Americans to go scuba diving during Cobra Gold 2009. When we declined, my friend was flabbergasted to learn that Marines, soldiers of the sea charged with carrying out amphibious operations, had been banned from the ocean.

I feel that the increasing political correctness within the United States military is severely hampering our ability to build rapport and camaraderie with the Thais. Excessive social regulations diminish opportunities for social interaction between the two sides. This hurts the long term, overall relationship. For example, consider the case of a high-ranking Thai officer 10 to 15 years from now, meeting a United States military associate he worked with years ago. Rather than reminiscing about how, as young officers, they went scuba-diving or had a few beers together, he may be more likely to remember us as a strange, awkward group who were unable to do much of anything off duty.

### **Communication Issues**

Thai and United States briefing styles vary drastically. Different basic patterns of communication between the two cultures as well as varying degrees of deference for rank and position can contribute to misunderstandings.

The American military’s communication style favors informality with ample give and take between instructor and audience in the form of frequent questions. When giving a brief, Americans will tell their listeners to feel free to ask questions at any point. They will also stop at key points and check understanding by asking questions of their audience. No brief or class is considered complete without a question and answer session afterward. Indeed, in the United States military, a lack of questions at the end is seen as evidence that the audience did not pay attention to the brief or that it was boring or inapplicable.

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The Thai style is much more formal. The instructor may make a comment encouraging questions; but in the vast majority of cases, he will end up speaking straight through from start to finish. In the Thai military, asking questions during the brief is considered insulting, implying that the material is being poorly presented and is hard to understand. Couple this with the Thai military's greater deference to rank, and one can understand the reasons behind this lack of questions.

Misunderstandings occur with mixed audiences. An American giving a brief to Thais is usually struck by the lack of questions or feedback. On one occasion, I was briefing a Close Air Support mission. I wanted to ensure that everyone understood the attack timing so that there was no danger of a midair collision or of one aircraft entering the fragmentation pattern of another jet's bombs. I interpreted the lack of questions and feedback as a failure on my part to get my message across. I spent a lot of time trying to explain the tactics and concepts in another way. Afterward, a Thai pilot told me, "You did not have to cover the timing so much. We understood it the first time."

On the other hand, I have seen other American instructors construe from the lack of questions that the audience is following the material. This can also cause problems, as the instructor then begins to speak more quickly or to gloss over points he feels have already been made, leaving his audience confused.

### **After Action and Debrief**

American culture is very direct. After a mission, every mistake will be covered in great detail in an effort to find out why things went wrong and how to fix them. Those who made mistakes are called out publicly to account for their actions, and no punches are pulled. Everyone is expected to have a thick skin and endure a little public humiliation for the sake of bringing out the lessons learned. A typical debrief comment after a Cobra Gold flight that I heard went as follows:

On this bombing run, Voodoo 21 was out of position and used non-standard communication calls. Given a cleared hot call, you pulled off without dropping your ordnance. What was your reason for the no drop?

Thai culture, on the other hand, puts more emphasis on preserving face and status of others. The Thais will usually not go into as great a detail on a mistake or mention specifically who was involved. A Thai officer debriefing a similar bombing might say only that "on this run there was a problem with Voodoo 21's attack, and no bombs were dropped." Americans are likely to see this as glossing over mistakes. In reality, the Thais will cover those things that went wrong once they are in a more private setting. It is not seen as necessary to publicly rectify all errors that occurred. If the problem involved another unit, that unit will be expected to handle it on their own as well. Unfortunately, when a problem or error involves multiple units, the Thai style of trying to handle it individually usually does not resolve the cause of the problem.

### **Liaisons and Exchanges**

The Joint United States Military Advisory Group (JUSMAG) is the largest American military activity in Thailand and the primary instrument for facilitating military-to-military engagement on the tactical and operational level. The Defense Attaché Office (DAO) comes into the picture on the more strategic, big picture level. The staffs at JUSMAG and the DAO are on permanent change of station orders assignments to Thailand, generally from two to three years in length. As such, these officers provide good continuity to the American side of the Thai-United States military partnership. Manning levels at both offices have remained fairly constant in recent years. However, the staffs of both JUSMAG and the DAO severely lack trained Southeast Asian Foreign Area Officers (FAOs)

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and Thai linguists. Another notable shortcoming is the fact that only one United States Marine officer is on the staff at JUSMAG, and no Marines are on the DAO staff. This is particularly ironic considering the fact that the USMC is often the lead agency for training within Thailand and that the USMC and RTMC have by far the closest working relationship among the Thai and United States service branch counterparts.

Another venue for exchanges and liaisons is the Personnel Exchange Program (PEP), in which Thai and American officers serve in one another's units. In the Vietnam War era, the PEP was quite large; and American personnel served in a wide variety of billets within Thai units. Nowadays, the USAF is the only service with an active PEP in Thailand, consisting of four billets: C-130 pilot, F-16 Maintenance Officer, C-130 Maintenance Officer, and Supply Officer. Thailand also sends RTAF officers to fill similar pilot and logistics billets with United States units (JUSMAG PEP figures, 2009).

Thailand is a large participant in the International Military Education and Training (IMET) program, which sends Thai officers to the United States for professional military education and technical courses. Between IMET and Thai attendance at other United States courses under the Counter-Terrorism Fellowship Program and the Asia Pacific Center for Security Studies, an average of over 200 Thai military personnel a year have attended training courses in the United States since 2001 (JUSMAG IMET figures, 2009). In sharp contrast to these numbers, American attendance of Thai Professional Military Education courses is limited to just one Army officer a year, who attends the Thai Command and General Staff course.

### **Socio-Cultural “Point Men”**

In all the exercises I participated in, I observed some initial hesitancy between the Thais and the Americans. On each occasion, there were a few servicemen from each side who served to “break the ice”. I think of them as “point men” who act as representatives from their respective sides. On the Thai side, the “point man” is usually the designated liaison or action officer for the exercise, specifically tasked with the responsibility of working with the Americans to make sure the exercise goes smoothly.

The United States “point man” is most often an officer who has attended a previous planning conference or arrived with his unit's advance party. He has had a chance to get to know his Thai counterparts in a setting where there have been few other Americans around, and he has needed to interact with the Thais for training and logistics issues.

The best sort of “point man” is an American who is fluent in Thai and is trained as a Southeast Asian FAO. I saw numerous occasions where my ability to speak Thai helped to explain tactics and procedures and reduce confusion. The Thais are extremely impressed with any Americans who make the effort to learn the Thai language and can speak at a professional, knowledgeable level on military subjects.

From both sides, however, many other unofficial “point men” help to build bridges between the two militaries. Thais who have attended American military courses or who have a good command of English often pick up duties as de-facto liaison officers. Americans who have trained in Thailand before are often able to break the ice with a few phrases of Thai or the ability to eat spicy Thai food, something which always seems to amaze their Thai counterparts.

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## Recommendations

In order to improve socio-cultural factors in the context of Thai-United States military relations, I recommend that the United States take the following steps:

Make Thailand a priority in Southeast Asia—the United States needs to work to continue to foster a good military partnership with Thailand. We pay lip service to the fact that Thailand is our partner of first choice in Southeast Asia, but we often do not back up these words. We cannot continue to take close military relations with Thailand for granted, or the relationship could very well become a victim of its own success due to benign neglect on the United States side. To that end, American leaders must conduct more high level visits with their Thai counterparts. This includes both Flag officers from the military side as well as senior diplomats from the government who are routing through Asia. It is imperative that we demonstrate a strong commitment to our Thai allies since Thailand offers a pro-American society, modern logistics network, and training opportunities that cannot be matched by other nations in Southeast Asia.

Better utilize cultural “point men”—with the increased competition from other countries, the role of socio-cultural “point men” has become more important than ever. The United States is no longer the “only game in town” for the Thai military to deal with and must continue to demonstrate its commitment to a strong Thai-United States partnership. In order to do so, we need to ensure that we have personnel equipped with the regional knowledge, cultural expertise, and language skills to help the United States military understand Southeast Asia and Thai culture (both overall as well as the military sub-culture) in order to maximize the benefits from the Thai-United States military partnership. The United States military has Southeast Asian Foreign Area Officers, Regional Area Officers, and Thai linguists within its ranks, yet all too often does not make use of these assets during military-to-military engagement with the Thais. I can speak from firsthand experience that the Thai military is impressed when an American officer can brief and discuss military subjects in Thai. Not only does it demonstrate a high level of commitment to the relationship from our side, but having a military professional brief subjects rather than relying on contracted civilian translators greatly helps overall understanding. In many cases the civilian translators may speak excellent English but are unfamiliar with military terms and concepts. The role of these officers should be as liaisons rather than as mere translators or interpreters. By this I mean that their knowledge of the other country’s culture and values, as well as their knowledge of military concepts, terminology, and protocol, is just as important as their language skills. If they bring the total package of skills to the table—language, cultural, and military—they can serve as effective force multipliers between the two countries’ military forces.

Aside from these trained cultural “point men,” other personnel should also receive a short series of cultural in-briefs prior to deploying to Thailand for training. These briefs should cover the basics of Thai culture and etiquette, the Thai military rank structure, and some basic Thai phrases. Additionally, the United States should strive for more personnel continuity from year to year in exercise planning and participation so that valuable rapport that is built one year does not have to be rebuilt from scratch the next.

Have more USMC representation in liaison and exchange roles—additional Marine Corps representation is vital since the Marine Corps is often the lead service for Cobra Gold and other training events such as Marine Air-Ground Task Force Warfighting Simulations and Marine Special Operations Command combined training with Thai Special Forces units. Also the USMC and the RTMC have closer bonds in service culture, traditions, training, and doctrine than do any of the other

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United States and Thai sister services. Yet incredibly, there is only one USMC officer on the JUSMAG staff and none at the Defense Attaché Office. In addition to increased USMC representation at these two organizations, the Marine Corps should receive an annual slot to join their United States Army brethren at the Thai Command and Staff College.

Overhaul PEP billets—the current number of four PEP billets, all of which are USAF-filled slots, needs to be expanded. This expansion should place American PEP officers in a variety of Thai units: infantry, civil affairs, intelligence, the surface Navy, SEALs, and the RTMC. If budgetary or manning considerations preclude adding to the existing four billets, then these billets should be reassessed to more equitably distribute them among the United States military's branches of service and specialties. Expanding and/or broadening the PEP in Thailand will help not only to give more Thai military personnel exposure to American military ideas and expertise, but it will ensure that the United States military has a broader base of officers who are conversant with the Thai military's capabilities, operating areas, and challenges.

### **Concluding Remarks**

Improving socio-cultural awareness between the two countries will greatly help to improve the overall military partnership, which in turn has an impact on all facets of Thai-United States relations—economic, political, and social. Although overall American influence in Thailand is less now than in the past, military relations between the two countries continue to be relevant, evolving to reflect the more equal relationship between the two countries and to better address today's pertinent security issues. Close dealings between the two countries' militaries in turn build a close relationship in other aspects. Thailand can count on United States support in the global arena for help in security matters, natural disaster response, international relations, and economic support. The United States can count on a competent, pro-American security partner who offers unique training opportunities and strategic access through a key transshipment point at the hub of mainland Southeast Asia.

I feel strongly that Thailand, as the most pro-American long-term United States ally in the region, is a country deserving of greater United States military focus and engagement. This will improve the already strong Thai-United States relationship and act as a stabilizing force for security throughout the region.

### **About the Author**

John Baseel is a Marine Corps Major with fourteen years active service. His primary military occupational specialty (MOS) is as an F/A-18D Weapons Systems Officer. He recently finished a two year assignment as an Olmsted Scholar at Chiang Mai University in Chiang Mai, Thailand, where he completed a Master's of Arts in Regional Studies. Major Baseel is slated to receive an additional MOS as a Southeast Asian Foreign Area Officer.

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# China Gets Rare Ship Tour Japan Shows Off Aegis-Equipped Destroyer at Sasebo

By  
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*Pacific Stars and Stripes* Contributing Authors

[The following article originally appeared in *Pacific Stars and Stripes*, December 2, 2009.]

A visit [to Sasebo Naval Base, Japan] Monday by a Chinese defense ministry delegation put the communist country's top military officials unusually close to the United States Navy and its advanced Aegis weapons system technology.

The Japanese navy invited Chinese Defense Minister Liang Guanglie and an entourage of ministry officials onto the base for a tour of the destroyer Chokai, which is equipped with the Aegis system and docked in Sasebo with United States warships. The United States has shared the technology with its ally Japan; and both countries depend on the ship-based Aegis systems for an edge over Asian threats, including China's burgeoning missile programs. China's tour of the Aegis destroyer was limited to the deck and the bridge to maintain security, the Japan Maritime Self-Defense Force said Monday.

Meanwhile, the United States Navy was conspicuously absent from the high-level visit to one of its key bases in the Pacific region, which it shares with the Japanese navy. Beyond arranging for the Defense Minister's arrival, the United States did not work with the Japanese to coordinate the visit to Sasebo, said David Marks, a United States embassy spokesman in Tokyo.

The involvement of the United States side was minimal, he said. Apparently, [Liang] had to go through the front gate of the base to get to the ships.

The embassy would not comment on whether the visit raised any security concerns. United States Forces Japan refused to comment and directed all questions to the embassy.

The group of Chinese officials traveled through the United States Navy base by motorcade and spent about 90 minutes aboard the destroyer, Japanese defense ministry spokesman Masashi Maegata said. Navy security was increased around the base during the visit, and United States sailors were stationed at intersections along the Defense Minister's motorcade route. For Japan, the visit by Liang was a sign that long-held tensions between the two Asian countries might be thawing despite Tokyo's concern about Chinese military growth in recent years. Liang and his Japanese counterpart, Defense Minister Toshimi Kitazawa, agreed to joint military training between China and Japan during Liang's six-day visit, according to Reuters.

But Kitazawa and Prime Minister Yukio Hatoyama also took the opportunity to press China for more transparency in its military spending during meetings in Tokyo, the wire service reported.

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## United States Urges Japan to Export SM-3s Interceptor Missiles for Europe Sought but Face Export Ban

[The following article originally appeared in the *Japan Times*, October 25, 2009.]

United States Defense Secretary Robert Gates asked Japan last week to export a new type of ship-based missile interceptor under joint development by Tokyo and Washington to third countries, presumably European, sources close to Japan-United States relations said. Gates' request could lead to a further relaxation of Japan's decades-long arms embargo and spark a chorus of opposition from pacifist elements in the ruling Democratic Party of Japan and one of its coalition partners, the Social Democratic Party. Gates made the request concerning Standard Missile-3 Block 2A missiles during talks with Defense Minister Toshimi Kitazawa on Wednesday, the sources said.

The SM-3 Block 2A missile, an advanced version of the SM-3 series, is to be deployed on warships. Japan has a policy of not exporting weapons or arms technology, except to the United States, with which it has a bilateral security pact.

Gates' request followed President Barack Obama's announcement in September [2009] that the United States is abandoning plans for a missile defense shield in Eastern Europe and adopting a new approach to antimissile defense. During his talks with Kitazawa, Gates called for a relaxation of Japan's arms embargo and prodded Tokyo to pave the way for exports of the new interceptors to third countries, particularly European, the sources said.

Kitazawa refrained from answering directly, telling Gates the government would study the request as it is an internal matter for Japan, the sources said. The United States plans to begin deploying SM-3 Block 2A missiles in 2018. The Foreign and Defense ministries believe it will be difficult to reject Gates' request, the sources said.

In December 2004, Japan and the United States signed an agreement for bilateral cooperation on a ballistic missile defense system. At the time, Japan exempted United States-bound exports of missile interceptors to be developed by the two countries from its arms embargo rules. Following an agreement on joint development of a new missile interceptor, Japan and the United States exchanged diplomatic documents on banning its transfer to third parties or its use for purposes other than originally intended without Japan's advance agreement. The sources said Japan would probably be forced to exempt the export of the interceptors to third countries or give its nod in advance as stated in the documents. The United States is hoping to get an answer to Gates' request by the end of 2010 and envisages Japan exporting the new interceptors to European countries, including Germany, the sources said.

SM-3 interceptors are designed to be launched from warships equipped with the sophisticated Aegis air defense system against intermediate ballistic missiles. Japan began deploying the United States-developed SM-3 Block-1 interceptors on its Aegis destroyers in fiscal 2007. In fiscal year 2006, Japan and the United States began to jointly develop the SM-3 Block 2A, an advanced and more accurate version.

Japan is developing the core part of the interceptor, which protects an infrared ray sensor from heat generated by air friction, while the United States is in charge of developing the warhead, called the Kinetic projectile, which would hit and destroy a ballistic missile.

Japan's arms embargo dates back to 1967, when then Prime Minister Eisaku Sato declared a ban on weapons exports to communist states, countries to which the United Nations bans such exports,

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and parties to international conflicts. The policy was tightened in 1976 when then Prime Minister Takeo Miki imposed an almost blanket ban on the export of weapons. But in 1983, Japan exempted exports of weapons technology to the United States from the embargo.

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# In Latin America, Weapons Buying Spreads Mistrust

By

Juan O. Tamayo

*El Nuevo Herald* Contributing Author

[The following article originally appeared in the *Miami Herald*, November 1, 2009.]

Weapons purchases in Latin America are soaring as nations cast a wary eye on their neighbors. Whether it's called an "arms race" or a "coincidental modernization" of existing stocks, a wave of weapons purchases by Latin American nations is causing neighbors to watch each other with growing mistrust and fear.

## Protection

Brazil says it must protect its newfound oil and gas riches. Venezuela says the United States military might attack it. Colombia is worried by Venezuela; Ecuador is watching Colombia; and Paraguay is keeping an eye on Bolivia. There is no question that weapons sales around the region are soaring. They almost doubled in just five years, from \$24 billion in 2003 to \$47 billion last year, according to one report by Colombian analyst Javier Loaiza. Others put the 2008 total at \$60 billion.

The United States Government officials are monitoring the deals with a level of concern but avoid the term "arms race." One said he preferred to call it a "coincidental modernization of existing stocks" to reflect the absence so far of widespread tit-for-tat arms purchases.

"They are buying big-ticket items, but the data shows we are not yet at an arms race," said one top Obama Administration official who monitors Latin America. Only four countries account for 80 percent of all the arms purchases, Brazil, Venezuela, Chile, and Colombia, and 80-85 percent of the region's military expenditures go to salaries and pensions, not weapons, added the official, who asked for anonymity to speak frankly on the issue.

Michael Shifter, Vice President of the Latin American Dialogue think tank in Washington, agreed there is no arms race yet but said there is cause for concern, such as the clashes between conservative President Alvaro Uribe in Colombia and his leftist neighbors, Hugo Chávez in Venezuela and Rafael Correa in Ecuador. Colombian troops last year attacked a guerrilla camp on the Ecuadorean side of the border, killing a top rebel commander, leading Correa and Chávez to freeze relations with Bogotá. Chávez also ordered tanks to his border with Colombia.

There is a tremendous amount of political tension and mistrust between governments in the region, Shifter said. There is also an availability of resources [money for purchases] and a deficiency in regional mechanisms to track purchases and promote transparency."

The sudden bout of arms deals also may be a delayed result of the end in the 1980s of many military governments in the region, said Adam Isacson, director of the Latin American security program at the Center for International Policy in Washington.

The defense budgets had been staying very low, and then commodity prices went through the roof, so everybody started buying like crazy, Isacson said, referring to the prices of items such as Venezuelan oil, Brazilian soya, and Chilean copper.

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Brazil leads the buying spree—with \$27 billion paid or contracted in 2008, according to the Loaiza report—as it seeks to protect vast new oil and natural gas deposits found offshore and increase its control of the vast Amazon.

Everyone knows Brazil is a peaceful nation, but we need to be able to show our teeth if anyone wants to mess with us, President Luiz Inacio Lula da Silva said in September. The “teeth” include 36 jet fighters, five submarines, 250 tanks, and fifty helicopters.

In Venezuela, “there is a genuine concern that they would be vulnerable to a United States attack, so they want to protect themselves,” said Shifter, especially after Colombia agreed to host seven United States military facilities. “And it is a way to project Venezuela’s power in the region and needle the United States, which is what Chávez is all about.”

Venezuela has been reportedly negotiating with Russia for S-300 long-range ground-to-air missiles and nearly 100 T-72 main battle tanks. Chávez also has bought Sukhoi jets and SAM-24 anti-aircraft missiles, shoulder-fired weapons that caused particular alarm because of fears they could fall into the hands of guerrillas or terrorists.

Chile is buying fighters and submarines; Peru is buying four frigates; and Ecuador is buying jets, frigates, helicopters, and surveillance drones, according to published reports.

### **Fighter Jets**

Argentina, Uruguay, and Paraguay rank among the lowest spenders on new weaponry. But just days after Bolivia announced in September [2009] that it was buying six Chinese jets, congressmen in Paraguay demanded their government reconsider its modest weapons purchasing plans.

Latin America experienced only a half dozen inter-state wars since the 1940s, most of them brief conflicts. And none of the region’s ten or so lingering border disputes are considered likely to erupt into open conflict in the near future. But several Latin American Presidents and other officials nevertheless insist that a very real arms race is lashing the region, eating up resources that would be better spent.

The arms race is there. It is a reality, Uruguay President Tabaré Vázquez said during a visit to Washington.

Peruvian President Alán García recently urged the United Nations and the Organization of American States (OAS) to help halt the “excessive military spending”; and Paraguay’s ambassador to the OAS, Hugo Saguier, formally asked the organization on October 15 to discuss the issue. OAS Secretary General José Miguel Insulza said he had taken note of the request and “promised to study the possibility of presenting the issue” to the hemispheric group’s ruling Permanent Council. In private, however, Latin American diplomats in Washington acknowledge the OAS can do little to control the weapons purchases.

We can discuss the issue, and some will say that an arms race exists and others will say it does not, said one diplomat who asked his name not be published to speak honestly about the topic. Perhaps we can even reach agreement on a statement declaring our rejection of an arms race. But beyond that, we can do nothing.

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# Australian Military Opts For United States Chopper

By  
**Patrick Walters**  
National Security Editor  
*The Australian Contributing Author*

[The following article originally appeared in *The Australian*, October 23, 2009.]

Australia's military chiefs favor the United States over Europe in a planned \$4 billion naval combat helicopter buy that is generating high-level concern among senior government ministers and local defense industry leaders. In a classified submission sent to defense ministers John Faulkner and Greg Combet, the military chiefs have opted for the United States Navy's MH-60R Seahawk as the best choice for the Royal Australian Navy's (RAN's) new rotary wing antisubmarine warfare platform. The military chiefs favor an early decision on the Sikorsky MH-60R, arguing that it represents a cheaper, risk-free solution for Australia compared with its competitor, the European NH90 naval frigate helicopter.

The NH90 is a maritime version of the MRH90 now entering service with the Australian army. Its maker, European defense giant European Aeronautic Defence and Space Company N.V. (EADS), has established a strong industry presence locally with a workforce of 1000. The clear military preference for a United States solution troubles ministers, given the multi-billion-dollar investment in European combat helicopters by the Australian Defence Force (ADF) in recent years. Another concern is that selecting a new United States helicopter will fly in the face of Defence's goal of reducing the types of helicopters flown by the ADF.

Senior Defence figures are querying the wisdom of a "sole source" decision in favor of the United States in what will be the biggest defense purchase in the Rudd government's new Defence Capability Plan (DCP), which details the main equipment proposals to be finalized over the next four years. Mr. Combet, the Defence Materiel Minister, said last (October 2009) night that the government would consider both options for the navy's new combat helicopters.

This is an extremely important acquisition, one of the most significant in the DCP. The government would be concerned to approach such an acquisition after very carefully looking at the options which, at least, include both a United States and a European capability.

At a media briefing yesterday, Sikorsky and Lockheed Martin officials stressed their belief that the MH-60R represented the lowest possible risk as well as lowest cost solution for the RAN's naval helicopter arm. They have also promised \$1 billion of investment in local industry if the deal goes through. Australian Aerospace, the local subsidiary of EADS which also supplies the army's Tiger helicopters, argues that big cost savings will be realized by a common baseline for the ADF's rotary wing, removing the need for multiple training and logistics systems.

Stung by the \$1.4 billion Seasprite helicopter procurement debacle, Defence chiefs want an accelerated purchase of the Sikorsky MH-60R in a foreign military sale purchase via the United States Navy. They believe there are clear advantages in buying proven American technology, including better interoperability between the two navies. Sikorsky says it could deliver the first MH-60R to the RAN by late 2011 and points to four fleet squadrons already operating with the United States Navy.

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Cabinet's national security committee is expected to consider the Defence Department submission before Christmas as concerns mount in the navy about the run-down of the RAN's antisubmarine capability. Not only did the RAN not get its now-junked Seasprite helicopters, but the sixteen elderly S-70B machines in service are not delivering the vital operational availability the navy needs. The RAN wants to buy twenty-four helicopters that would enter operational service by 2014. They will be equipped with missiles and torpedoes and perform both antisubmarine and anti-surface warfare roles.

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# EDUCATION AND TRAINING

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## Security Cooperation Information Portal News and Upgrades

By

Tom Sippel

Defense Security Cooperation Agency

Security Cooperation Information Portal Program Manager

The Security Cooperation Information Portal (SCIP) application continues to grow as SCIP team members from the Army, Navy, Air Force, Defense Logistics Agency (DLA), Defense Security Cooperation Agency (DSCA), and Defense Security Assistance Development Center (DSADC) participate in a number of business process and system design meetings to develop new user functionality.

### Case Information Community

Upgrades to this community were migrated into the production environment on 18 November 2009. Changes include:

- Case Status Page: On the Customer Service/Implementing Agency sort, document type and document status are now visible after the case ID in each scrollable section. Document type is also visible after the case ID in each scrollable section of the Case Status by Status sort.
- Case Detail Report: All documents for a case, regardless of a document's type or status or what was selected on the Case Status screen, are now reflected. General case-level information is on the left, and document-specific information is on the right. Using tabs and dropdowns at the top, users can select a document to be viewed, after which the report will regenerate with the selected document's information.
- The Case History Report is no longer available. All data that was available on it can now be found on the Case Detail Report.
- The Milestone Report is now available to all users. The milestones are listed across the top of the report in typical chronological order. The document types are listed down the left-hand side. The Basic document is listed first, followed by Amendments and Modifications in alphabetical order, and then the Implemented document.
- The Inputs page was significantly redesigned to retain consistency across the Case Information community in the way input forms are displayed. Users now make selections from various dropdown menus in order to see the appropriate input form.

### Case Execution Community—Department of Defense Electronic Mall

The Department of Defense (DOD) electronic mall (EMALL) application is once again available through SCIP as of 19 November 2009, employing a single sign-on (i.e., once you log into SCIP, you do not need a separate user account to log into the DOD EMALL). The EMALL application, found

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in the Case Execution Community, is automatically made available to all SCIP users who have the authority to view requisitions in the Case Information Community.

The EMALL allows authorized users, by country, to query and view the status of all open foreign military sales (FMS) requisition orders found in DLA's Enterprise Business System (EBS) and also allows users to perform research on DLA-managed material, prior to ordering that material.

Currently, FMS requisition orders for DLA-managed material cannot be placed directly into the DOD EMALL but must first be established in the FMS Case Execution legacy systems—Centralized Information System for International Logistics (CISIL), Management Information System for International Logistics (MISIL), and Security Assistance Management Information System (SAMIS).

### **Partner Community—Tri-Service Conference**

A new document folder entitled “Tri-Service Conference” was added to the SCIP Partner Community under the Customer Info page tab. Within that folder, you will be able to view and download a complete series of presentations which were provided to the audience during the Tri-Service Security Cooperation Conference hosted by the U.S. Air Force in Cincinnati on 3-4 November 2009.

### **Security Cooperation Information Portal Security Update**

In the last thirty days, 300 SCIP accounts were eliminated, as the SCIP Help Desk ([sciphelp@dsadc.dsca.mil](mailto:sciphelp@dsadc.dsca.mil)) continues to monitor system usage and deactivate unused accounts. Other users who have not logged on during the past six months will risk having their accounts targeted for near-term elimination, regardless of the two-factor authentication device—Common Access Card (CAC), Department of State Smart Card, External Certificate Authority (ECA) certificate, RSA SecurID token—they might use or the expiration date of that device. Should your account be eliminated, you will be required to prepare and submit a new SCIP-unique DOD 2875 form to re-register, if you desire continued access. Log on today to keep your account active, and please pass the word!

### **Security Cooperation Information Portal Down-Time Reminder**

While every effort is made to keep SCIP available on a 24/7/365 basis, approximately once per month it is brought down to apply program security patches, perform database upgrades, release application software upgrades. The planned downtime normally lasts less than two hours and is announced approximately 48 hours in advance via a notice on the SCIP log-on screen. The community announcements portlet is the place to go for expanded downtime information, new features recently added, or problems being experienced with SCIP or its interfacing systems.

If you have any questions concerning SCIP, would like to register as a SCIP user, or are experiencing connection issues, please contact us at: [sciphelp@dsadc.dsca.mil](mailto:sciphelp@dsadc.dsca.mil).

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# **Foreign Officials Find a Treasure Full of Information at Local Flea Market**

**By  
Don Boldt  
General Manager of Treasure Aisles**

Monroe, Ohio, Treasure Aisles welcomed 34 officials representing 22 countries to their Market on Sunday, December 6th [2009]. The group of Officials is in the United States attending an International Purchaser Course at the Defense Institute of Security Assistance Management (DISAM); a division of Wright-Patterson Air Force Base (WPAFB). The planned visit to the Market provided the Officials with an opportunity to experience Entrepreneurialism at its very core within a retail environment.

DISAM provides professional education, research, and support to advance U.S. foreign policy through Security Assistance and Security Cooperation. The course that this group of primarily foreign military students attended provided training on laws, policies, and procedures governing U.S. security assistance and security cooperation programs as well as U.S. culture and society, to include how various U.S. businesses operate. DISAM normally trains about 4,000 people per year, to include approximately 200 foreign students, through seventeen different resident courses and a number of different outreach programs. Some of the countries represented by foreign officials in this group were from South America, Asia, Europe, and the Middle East.

During their visit, the foreign students attended a presentation concerning the history, structure and culture of American flea markets, the impact these markets have on the community and the entrepreneurial potentials for the vendors,” stated Don Boldt, General Manager of Treasure Aisles.

This was a valuable experience for the students as well as our vendors, added Ryan Levin, Vice-President of Levin Service Company. They toured the Market, talked with the vendors, did some shopping of their own and truly learned firsthand how our Market is an incubator for small business.

Lieutenant Colonel James Toomey, DISAM Deputy Director of International Studies, orchestrated the visit and extended his appreciation to Don Boldt and Treasure Aisles for their support. LTC Toomey stated that:

One of the key goals of our organization and the course in which these students are participating is to build good relationships between the United States and our many foreign partners overseas. This visit to Treasure Aisles certainly helped to accomplish this, and demonstrated true Midwestern-American hospitality; it also educated them on an important facet of our business activities and economy . . . and also gave them a great opportunity to find some real Christmas shopping bargains!

Levin Service Company owns and operates Treasure Aisles, which is located at 320 N. Garver Road, Monroe, Ohio 45050 a phone number is: (513) 539-4497, I-75 @ SR 63, Exit 29. The Market is open to the public Saturdays and Sundays from 9am to 5pm year round.

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# **Building Partner Aviation Capacity Through Training**

**By**

**Lieutenant Colonel James Toomey, United States Army  
Defense Institute of Security Assistance Management Instructor**

The United States Air Force Special Operations School (USAFSOS) recently held its first iteration of a new course designed to promote a specific and sometimes overlooked aspect of security cooperation, the development of partner nation aviation assets and infrastructure. It is listed in the USAFSOS course catalog as the “Building Partner Aviation Capacity” Course (BPACC).

Air Force Special Operations School (AFSOS) has taken a progressive approach in the development of this course. In keeping with the 2008 National Defense Strategy, the course emphasizes cooperation between the Department of Defense (DOD) and other federal, state, and local government agencies as well as non-governmental organizations (NGOs) in assisting in foreign nation security sector reform and capacity building. The BPACC brings together instructors and guest speakers from various U.S. Government agencies, NGOs, and private commercial enterprises. Using classroom lecture, field study events, and practical exercises, these mentors provide foreign students with a solid introduction to methods and programs that can be used for the coordinated, comprehensive, and long-term development of civil-military aviation resources.

I was given the opportunity to assist in the refinement of this course during its dry run in April 2009 and was impressed with its potential to fill a training niche sometimes ignored in security cooperation: the practical improvement of aviation capabilities and capacities in developing nations. In the past, too much focus has often been placed in security cooperation and security assistance on building nascent ground forces and coastal/riverine units, while ignoring the need to also establish at least basic aviation capabilities. Although the cost and complexity of operating and maintaining aircraft may certainly limit the creation of independent air forces in many countries, as the BPACC demonstrates, developing countries may be able to pursue joint civil-military solutions that can be tailored to the size, budgets, and needs of a particular country.

For example, during the April dry run, the U.S. instructors and guest speakers invited to USAFSOS (who doubled as students) were exposed to three different “tiers” of airport operations and infrastructure through tours of airports in the local area around Hurlburt Field. These tiers ranged from a very simple municipal airport consisting of a single runway and small operations building to a large, dual-use/commercial-military regional airport. In addition, the course’s syllabus incorporated lectures on: U.S. security assistance and security cooperation programs available to help countries fund aviation capacity building; operational case studies and historical models of U.S. civil-military aviation cooperation; U.S. national policy and aviation regulations; and different military, commercial, and academic perspectives on aviation development.

The first BPACC was successfully held in July 2009 with a mixture of international and U.S. attendees; USAFSOS plans to conduct up to three BPACCs per fiscal year with classes comprised of approximately ten U.S. students for every twenty international students. Further information on BPACC offerings can be obtained at the AFSOS web site: <http://www.afsoc.af.mil/usafsos/index.asp>, or via e-mail contact with the school at: [usafsos.bpacc@hurlburt.af.mil](mailto:usafsos.bpacc@hurlburt.af.mil).

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## **About the Author**

Lieutenant Colonel James Toomey is the Deputy Director of International Studies and an Assistant Professor at DISAM. He has worked as a Sub-Saharan African (48J) Foreign Area Officer (FAO) for the U.S. Army for over ten years with tours of duty at three U.S. embassies abroad including service as a Defense Attaché in Haiti and Liberia and an assignment as the Chief, Central Africa Branch at the U.S. European Command (EUCOM). He possesses four degrees related to international business/political affairs, including master's degrees from Columbus State University and the University of Florida, where he also obtained a certificate in African studies.

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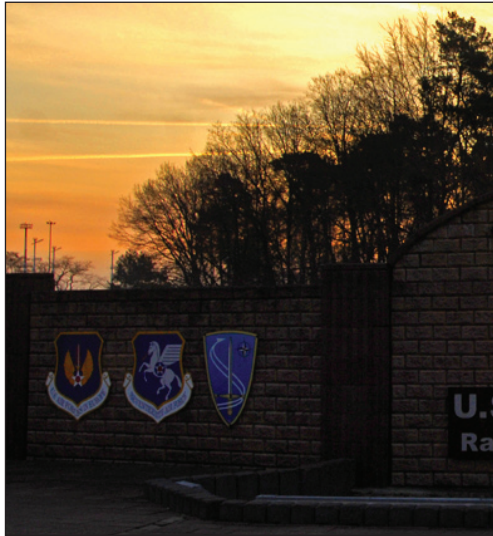
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# Foreign Military Sales Shipments Through the European Union: It's Not Just a Ramstein Air Base Issue

By

**Lieutenant Colonel Douglas H. Engberson, United States Air Force  
Defense Institute of Security Assistance Management Instructor**

For many years, the Department of Defense has used Ramstein Air Base (AB) Germany as an in transit point for foreign military sales (FMS) shipments. These shipments carry U.S.-produced or provided military equipment to the armed forces of another country or international agency through sales or grant transfer. FMS equipment can include any military supplies: uniforms, small arms, aircraft parts, munitions, and even “big ticket” items such as armored personnel carriers, tanks, or aircraft. The equipment carried on these shipments legally belongs to the foreign purchaser; ownership transfers from the U.S. Government to the foreign purchaser at the point of origin (the U.S. depot or vendor facility). Thus, the equipment belongs to the foreign purchaser when it arrives in Ramstein, not to the United States or Germany. These shipments typically travel to Ramstein via the Defense Transportation System (DTS) (U.S. Air Force [USAF] flights or chartered commercial flights) and from there would move overland to their final destinations throughout Europe.



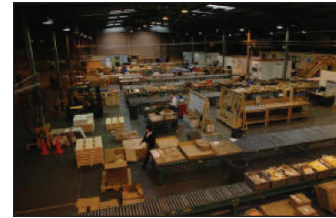
Until October 2007 these FMS shipments into Ramstein were handled in the same way as shipments of any U.S.-owned equipment into the airbase in keeping with the North Atlantic Treaty Organization (NATO) Status of Forces Agreement (SOFA). Although this was incorrect according to both German law and U.S. FMS shipment procedures, German customs authorities at the time were not focused on differentiating American-owned and FMS equipment and had previously accepted the *U.S. Customs Clearance Form 302*—detailed below—as a means of transshipping the third party equipment into and out of Ramstein AB. In October 2007, however, German authorities began enforcing customs inspections of U.S. flights into Ramstein AB. The customs authorities noted that FMS equipment being carried on these flights was not American-owned and subsequently refused to accept the U.S. Form 302 as an appropriate method of customs clearance for flights entering German territory carrying FMS equipment. The United States was notified by the German Ministry of Finance (which controls German customs) that the current method of conducting FMS shipments through Ramstein would not be acceptable in the future. Citing emerging concerns about compliance with European Union (EU) customs regulations, the German Ministry of Finance enforced this decision and refused a number of U.S. flights carrying FMS equipment to the foreign purchaser (Timm 2009).

Up to October 2007, deliveries of FMS equipment via Ramstein AB were handled identically to shipments of U.S.-owned material into Ramstein. Shipments of American-owned equipment or any other NATO member territory are normally customs cleared and moved under the NATO SOFA adopted by the NATO signatories 19 June 1951 which regulates the conditions for the presence of

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NATO forces in the territory of other NATO members. According to Article XI, Paragraph 4 of the NATO SOFA, member nations' forces "may import . . . equipment for the force and reasonable quantities of provisions, supplies, and other goods" into and out of other member nations "free of duty." Article XI, Paragraph 4 states in full:

A force may import free of duty the equipment for the force and reasonable quantities of provisions, supplies, and other goods for the exclusive use of the force and, in cases where such use is permitted by the receiving State, its civilian component and dependents. This duty-free importation shall be subject to the deposit, at the customs office for the place of entry, together with such customs documents as shall be agreed, of a certificate in a form agreed between the receiving State and the sending State signed by a person authorized by the sending State for that purpose. The designation of the person authorised to sign the certificates, as well as specimens of the signatures and stamps to be used, shall be sent to the customs administration of the receiving state.



This provision allows the United States to move materiel and supplies for U.S. forces use into Germany without paying the customs duties normally associated with such shipments, nor with the normal customs declarations and other requirements made of private individuals or businesses. The SOFA requires "a certificate in a form agreed between the receiving State [in this case, Germany] and the sending State [the U.S.]" in order for the material being shipped to be SOFA-acceptable and therefore to clear customs duty-free.

### **The European Union Rule**

The EU, which under the *Treaty of Rome and Regulation European Economic Community* (EEC) Number 2913/92 is treated as a single entity for purposes of customs and import/export regulations, executes this requirement of the SOFA through Regulation EEC Number 3690/86 Article 4 and Regulation EEC Number 4283/88 Article 5, which establish what is known as the "Form 302" as the means of customs clearance for SOFA shipments to any of the European Union's NATO members. Regulation EEC 3648/91 Article 2 Paragraph 1 provides for the entire EU to be treated internally as a single entity for the purposes of the Form 302, allowing military equipment with an approved Form 302 to be moved to any point in the EU so long as it has cleared customs in one other point. When properly completed and used, Form 302 allows, under the SOFA, the United States, or any other NATO country, to ship material for its military forces customs-free into Germany or any other EU NATO member and to transfer that equipment from one EU/NATO member's territory to another without the need to clear customs a second time.

Article XI Paragraph 4 of the SOFA provides only for equipment "for the exclusive use of the force" (emphasis added)—in this case the United States'—to be shipped customs free. No part of the SOFA makes any mention of equipment destined for a third party being exempt from customs or duties. This means that FMS shipments, since they are by definition not for the exclusive use of American forces, cannot use the SOFA or the implementing Form 302 to be shipped duty-free into the European Union NATO member states. The U.S. European Command (USEUCOM or EUCOM) Judge Advocate General (JAG) Office notes the German refusals to accept U.S. Form 302 on FMS cases is, indeed, legally correct and the U.S. Form 302 could not be used by the United States to ship FMS material duty-free. In fact, under Regulation EEC 3648/91 Articles 3-4, EU member states are

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required to collect any duties or customs avoided by another nation's shipment of equipment under an inappropriate Form 302. USEUCOM JAG opined that it may be possible that a Country Specific Form 302 would be acceptable if provided to the German authorities by the party receiving the FMS shipment, provided they are a NATO member eligible under the SOFA (Timm 2009).

### **Current Status: Shipments via Ramstein, Germany's Ministry of Finance, and European Union Law**



The German Ministry of Finance (MoF) and USEUCOM have met to sort out the details of U.S. FMS shipments through Ramstein AB. A March 2008 meeting of EUCOM and the German MoF resulted in arms, ammunition, and explosives (AA&E), cryptic materials, and classified or otherwise sensitive FMS shipments being shippable through Ramstein when their final destination was another NATO country<sup>1</sup> or a non-NATO member country deemed acceptable by the Ministry of Finance.<sup>2</sup> Under this MoF agreement, other types of cargo or cargo being shipped to a destination other than those explicitly listed cannot be moved through Ramstein AB.

The current process of shipping FMS material through Ramstein—limited again to AA&E, cryptic, and sensitive materials—is a complicated one. Because the German MoF now requires the purchasing country to be on hand to customs clear its material, a great deal of close coordination is required between a number of U.S. actors and the purchasing country. When FMS material is ready to be shipped, a Notice of Availability (NOA) must be sent to the purchasing country and copied to the 21st Theater Sustainment Command (TSC), which “provides theater sustainment throughout European Command in support of U.S. Army Europe [USAREUR] and Seventh Army and as directed in support of Africa Command’s area of operation”, see: [www.21tsc.army.mil](http://www.21tsc.army.mil) for more information. The purchasing country must then confirm receipt of the NOA and coordinate transportation with 21st TSC. Once transportation from Ramstein has been coordinated, the 21st TSC must send an NOA response back to the shipper and to the Ramstein Air Base Airlift Clearance Authorities (ACA). The shipper must then answer the NOA response by arranging shipment details with the ACA/Cape Forecasting, who must coordinate with relevant air bases, including Ramstein, regarding transshipment. When this coordination is complete, the ACA will clear the FMS material for shipment. The material may then be shipped into Ramstein, where the purchasing country is responsible for picking it up in accordance with the pre-established movement and security plan created with 21st TSC. The purchasing country must then customs clear the material with German authorities, at which point they may deliver it to their territory (EUCOM CONOPS 2009).

### **Imports-Exports, Tariffs, and Taxes**

In the meantime, this exposes the FMS shipments to EU customs duties. The EU provides for a common system of customs and tariffs through *Council Regulation*, EEC Number 2913/92, which establishes the Community Customs Code (CCC), a universal guide to import and export regulations for all EU member states. Originally little more than a compilation of the relevant regulations scattered throughout EU law, the CCC is now the definitive registry of all EU import-export

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1. These countries are Belgium, Bulgaria, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, and United Kingdom.

2. These countries are Austria and Switzerland. The decision to add these countries seems to stem from existing EU law which regards them as part of the same customs union as the EU (despite, in the Swiss case, its lack of EU membership) and, in the case of Austria, because of conditions built into some EU laws—particularly EEC Number 2913/92—which consider portions of Austrian territory as EU members tied to Germany for customs and trade purposes before Austria was granted EU membership.

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guidelines. The CCC defines the boundaries of the community—including Germany—for its purposes (Article 3, Section 1) and defines “community goods” and “non-community goods” (Article 4, Section 7-8). “Community goods” are defined as goods produced entirely within the EU or imported to the EU and released for “free circulation” (i.e., to be sold by EU companies on an open market) or any combination of the two. “Non-community” goods are defined as any goods that do not fall explicitly into the definition of community goods. Clearly, FMS shipments fall into the non-community goods category. Article 20 of EEC Number 2913/92 provides for non-community goods to be subjected to tariffs. Since EEC Number 2913/92 is binding for all EU members, these tariffs would be the same if FMS material was imported via Germany, Italy, France, or any other EU member state.

### **The Principle of Subsidiarity**

Laws passed by the EU are applied to the member states by what is called the “Principle of Subsidiarity,” a legal theory of EU treaties which essentially holds that laws should be implemented and executed by the lowest subdivision that has the legitimacy and resources to do so (in this case, the member states of the EU). The EU implements and executes its power through its member states. That is, when the EU’s legislative body passes a regulation, member states must pass that regulation in their own national legislatures and enforce it within their borders, using their agencies and resources. A somewhat analogous example is the United States’ federalism (though the EU’s takes place on a larger scale and not a direct parallel). For example, the U.S. drinking age, a federal law passed in 1984 mandates each state set their minimum drinking age at 21; and each state is required to enact through their legislature and enforce through their law enforcement bodies a law containing that requirement. The EU system of what is sometimes called “supranational law” works in much the same way.



Germany’s membership in the EU is regulated through a series of treaties, the most important of which for the consideration of economic matters is the *Treaty of Rome*, which established the EU’s predecessor, the EEC, as a single entity for the purposes of imports, exports, duties, and interstate trade. Under the EEC, its member states agreed to a common customs code much like the CCC currently in use throughout the EU. The provisions of the *Treaty of Rome* and the EEC, though re-codified and updated, are still the foundation of interstate commerce in the EU: <http://www.internetratgeber-recht.de>, “Introduction into the German Law System—European Law”.

### **Tax Variability**

The actual rate of tariffs or duties applied to goods entering the EU varies. Imported goods can have three categories of duties placed on them. The first is ad valorem, or Value Added Tax (VAT), in which the tariff is a fixed percentage of the good’s total value. The second, called specific tariffs, are tariffs based on the weight or volume of a good or any of its components or on the number of completed units being imported (for example, milk imports may be taxed on the volume in gallons, the absolute number of containers of milk, or have a tax placed on its fat content by percent of its total composition). The final method of applying a tariff for EU imports is a combination of ad valorem and specific tariffs—i.e., a tariff on the total value of the shipment of milk and on its fat content percentage ([useu.usmission.gov](http://useu.usmission.gov), “EU Import Duties”). There is no universal formula for determining which tariff applies to which good, nor what the rate of the tariff is once the exact type of tariff has been determined. Rather, each code category of the Community Customs Code can have its own tariff, sometimes with a different rate per sub-heading, although this is generally only the case with agricultural or some chemical products. The VAT is by far the most common. The EU VAT is

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set by Council regulations. EU member states may adjust their own VATs; but by Council law any import VAT is required to be set at least at 15 percent and may be as high as 25 percent, with certain exceptions being charged as little as 0 percent. Germany charges a flat rate of 19 percent as a VAT on all imports, except for certain agricultural or cultural items, which receive a reduced 7 percent tax ([www.german-business-portal.info](http://www.german-business-portal.info), “Tax and Duty”). Germany implements these EU requirements through the *Implementing of the Foreign Trade and Payments Act of 1986* (*Federal Law Gazette I*, 1934, 2493), amended 1993 and 2007, is a comprehensive regulation of all German import and export laws and procedures.

Some FMS material, however, seems to be tariff-exempt regardless of the method in or location to which it is shipped. EU Regulation EEC Number 150/2003 suspends import duties on certain types of military equipment. Adopted so that EU members can “procure for their military forces the most technologically advanced and suitable weapons and military equipment,” much of it, the legislation concedes, produced in “third countries,” EEC Number 150/2003 provides for “the suspension of import duties on certain weapons and military equipment imported by or on behalf of the authorities in charge of the military defence of the Member States from third countries” (Article 1). Like in American federalism, EU Council law supersedes the laws of its member states; so this would appear to say that such materials as listed in EEC Number 150/2003 may be imported by the United States as FMS to an EU member state with no customs or duty obligations, despite the tariffs imposed on imports by individual member states. According to EU legal theory, these provisions should be overridden by EEC 150/2003. Items listed in EEC Number 150/2003 include “tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles”; firearms and ammunition; helicopters and fixed-wing aircraft; clothing (including helmets); and radar and radio equipment, to name only a few. (See Table “CCCs Provided in Annex I of EEC 150/2003” for a full list of items).

### **Possible Legal Solutions: Foreign Military Sales Material Shipment via Ramstein for the Future**



There are currently limited amounts of FMS material that can be shipped through Ramstein AB. However, it would be beneficial to work out an agreement with the German government allowing duty-free shipping of FMS materials and, more importantly, at least more types of—if not all of—FMS shipments to be routed through German territory when necessary. There seems to be a limited number of options that could allow for such a situation.

- As EUCOM’s JAG section observed, while a U.S. Form 302 is not acceptable from the United States, the EU/NATO foreign purchaser receiving the equipment may be eligible to file a country specific Form 302 with German customs for the receipt of U.S.-delivered FMS materials. If this were the case, after receiving the NOA, the purchasing country would be required to process their Form 302 and take delivery (which they already do for EU and NATO countries) of the FMS equipment on arrival at Ramstein. This would require that the purchasing country be a NATO member in order to be eligible under the SOFA; it would further require the purchasing country to be an EU member in order for EEC 3648/91 to be applicable. If this were the case, however, the purchasing country would theoretically be able to pick up the FMS material from Ramstein AB without the purchasing country paying customs on the material under the purchasing country’s Form 302 and move the material overland without further customs requirements. It is possible that the

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Form 302 would cover the U.S. shipment of material into Ramstein, meaning the only U.S. responsibility for clearing customs would be to deliver the material since it is owned by the EU/NATO purchasing country and covered by their Form 302.

- For EU/NATO purchasing countries, an option that has been suggested is for the U.S. to change its FMS regulations such that the U.S. legally retains title to the material until it is picked up by the purchasing country in Ramstein. This would allow the U.S. to ship the material into Ramstein AB as though it were any other U.S. owned equipment after all, with the U.S. still holding the title, it would be exactly that duty-free under Form 302. The receiving nation would only take title of the equipment after delivery into its own country.

A note of caution with this approach, when material is shipped DTS on an AMC channel mission and the mission number changes upon landing, German customs considers this a terminating mission. Any onward movement is then subject to EU/German customs regulations. This possible solution will only work if the Channel Sequence List does not modify the aircraft/mission number when it arrives in Ramstein. This check must be made prior to shipment.

If the purchasing country is an EU/NATO member, it seems plausible they would be able to file their own Form 302 for the equipment with the German government at such time as they received the title to the material and move the material back to their territory without having to pay duties. If this was not acceptable, the customs clearance burden would seemingly be shifted from the U.S. to the purchasing country, who would then have to pay duties on such FMS equipment. It appears doubtful such a workaround would be acceptable to the EU or the German MoF.

- Perhaps the most fruitful alternative would be a closer examination of EU law regarding the import of military equipment. As has already been briefly discussed, EEC 150/2003 provides for the complete exemption of a great deal of military equipment from EU customs, covering virtually anything that could be sold under FMS by the U.S. It seems possible at first reading that this provision would allow the U.S. to move FMS equipment into EU member states without the need to worry about duties or ways to avoid them so long as normal commercial customs procedures were completed. Furthermore, import under EEC 150/2003 would require no changes to how the legal status of FMS material is handled. In fact, since EEC 150/2003 states clearly such imports must be conducted either by the state or under its authority, it may actually be advantageous to retain the current system of the legal change of title occurring at point of origin. This way the U.S. would only be the agent importing material on behalf of the EU state—American responsibility for clearing customs for the FMS material would end as soon the equipment enters the DTS. Sections 1 and 2 of Article 2 of EEC 150/2003 state in full:
  - The duties of the Common Customs Tariff applicable to imports of the goods listed in Annex 1 shall be totally suspended when they are used by or on behalf of the military forces of a Member State, individually or in cooperation with other States, for defending the territorial integrity of the Member State or in participating in international peace keeping or support operations or for other military purposes like the protection of nationals of the European Union from social or military unrest.
  - Such duties shall also be totally suspended for:
    - (a) parts, components, or subassemblies imported for incorporation in or fitting to goods included in the list in Annex I and II or parts, components, or subassemblies thereof, or for the repair, refurbishment, or maintenance of such goods;

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(b) goods imported for training or testing of goods included in the list at Annex I and II.

[See Table “CCCs Provided in Annex I of EEC 150/2003,” on page 128.]

The remainder of EEC 150/2003 provides for end-use monitoring of equipment imported under this regulation for a period of three years after importation, the necessary documentation and certificates that member states are required to submit to the EU for the purposes of customs-free imports, and the requirement that member states notify EU authorities within six months of any equipment imported duty-free under EEC 150/2003. It is possible that EEC 150/2003 applies only directly to the territory of a member state—for example to import FMS equipment destined for Poland duty-free under EEC 150/2003, the equipment must be shipped directly into Poland, not into Ramstein for Polish pickup. It would appear prudent to examine the possibility that EEC 150/2003 could make duties when shipping FMS equipment via Ramstein a non-issue and perhaps more importantly would allow the U.S. to ship any type of equipment listed under EEC 150/2003 into Ramstein.

The rationale for this argument stems from variance in how other business imports and exports are regulated under German law, as commercial imports under EEC 150/2003 seem to follow a different track. In order for commercial goods, especially those which may have a military or civilian application regarded as “dual-purpose,” to be imported to Germany, the importer must obtain a license from German customs. Since under EEC 150/2003 the EU state itself is importing the goods, there is no licensing requirement. The normal customs declaration required under standard German law may be replaced by a certificate, which is required under the law regardless of how it enters, certifying the goods are being imported on behalf of an EU member state. Only the member state is required to process such forms, and only the importing state must be a member. EEC 150/2003 makes no mention of requirements for the exporting state or body, provided the receiving nation is a member state of the EU. In addition to the certificates required when the goods are imported, the receiving nation/member state is required to submit documentation twice a year detailing a summary of all certificates issued and submitting to end-use monitoring for a three-year period after the import of the goods. The burden of complying with these EU requirements falls squarely on the shoulders of the receiving nation/member state—it appears the agent selling and delivering goods to the EU member is under no obligation to do anything but fulfill its contract with the member state. If this rule was equally applied to FMS material, the U.S. Government would have no responsibilities but delivering the FMS material under the agreement with the purchasing EU/NATO country.

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**Community Customs Code in Annex I of  
Regulation European Economic Community 150/2003**

These are the codes provided in Annex I of EEC 150/2003, which provides for duty-free import of certain defense-related articles. The corresponding code descriptors come from those provided at the Intrastat Combined Nomenclature (ICN) online database at [uktradeinfo.com](http://uktradeinfo.com).

<b>Number</b>	<b>Description</b>
2804	Hydrogen, rare gases, and other non-metals
2825	Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides, and peroxides
3601	Propellant powders
3602	Prepared explosives other than propellant powders
3603	Safety fuses, detonating fuses, percussion or detonating caps, igniters, electric detonators
3604	Fireworks, signaling flares, rain rockets, fog signals, and other pyrotechnic articles
3606	Ferro-cerium and other pyrophoric alloys in all forms, articles of combustible materials
3701	Photographic plates and film in the flat, sensitized, unexposed, of any material other than paper, paperboard, or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs
3702	Photographic film in rolls, sensitized, unexposed, of any material other than paper, paperboard, or textiles; instant print film in rolls, sensitized, unexposed
3703	Photographic paper, paperboard, and textiles, sensitized, unexposed
3705	Photographic plates and film, exposed and developed, other than cinematographic film
3707	Chemical preparations for photographic uses (other than varnishes, glues, adhesives, and similar preparations); unmixed products for photographic uses, put up in measured portions or put up for retail sale in a form ready for use
3824	Prepared binders for foundry molds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included
3926	Other articles of plastics and articles of other materials of headings 3901 to 3914
4202	Trunks, suitcases, vanity cases, executive-cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters, and similar containers; traveling-bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping-bags, wallets, purses, map-cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle-cases, jewelry boxes, powder boxes, cutlery cases, and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanized fiber or of paperboard, or wholly or mainly covered with such materials or with paper
4911	Other printed matter, including printed pictures and photographs
5608	Knotted netting of twine, cordage, or rope; made-up fishing nets and other made-up nets, of textile materials
6116	Gloves, mittens, and mitts, knitted or crocheted
6210	Garments, made up of fabrics of heading 5602, 5603, 5903, 5906, or 5907
6211	Tracksuits, ski suits, and swimwear; other garments
6217	Other made-up clothing accessories; parts of garments or of clothing accessories, other than those of heading 6212
6305	Sacks and bags, of a kind used for the packing of goods
6307	Other made-up articles, including dress patterns
6506	Other headgear, whether or not lined or trimmed
7308	Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections; lock-gates; towers; lattice masts; roofs; roofing frameworks; doors and windows and their frames; and thresholds for doors, shutters, balustrades, pillars, and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes, and the like, prepared for use in structures, of iron or steel
7311	Containers for compressed or liquefied gas, of iron or steel

**Community Customs Code in Annex I of  
Regulation European Economic Community 150/2003 (Continued)**

Number	Description
7314	Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel
7326	Other articles of iron or steel
7610	Aluminium structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections; towers; lattice masts; roofs; roofing frameworks; doors and windows and their frames; and thresholds for doors, balustrades, pillars, and columns); aluminum plates, rods, profiles, tubes, and the like, prepared for use in structures
8413	Pumps for liquids, whether or not fitted with a measuring device; liquid elevators
8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters
8415	Air-conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated
8418	Refrigerators, freezers, and other refrigerating or freezing equipment, electric or other; heat pumps other than air-conditioning machines of heading 8415
8419	Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens, and other equipment of heading 8514), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilizing, pasteurizing, steaming, drying, evaporating, vaporizing, condensing, or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric
8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases
8424	Mechanical appliances (whether or not hand-operated) for projecting, dispersing, or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam or sandblasting machines and similar jet projecting machines
8427	Fork-lift trucks; other works trucks fitted with lifting or handling equipment
8472	Other office machines (for example, hectograph or stencil duplicating machines, addressing machines, automatic banknote dispensers, coin-sorting machines, coin-counting or -wrapping machines, pencil-sharpening machines, perforating or stapling machines)
8479	Machines and mechanical appliances having individual functions, not specified or included elsewhere
8502	Electric generating sets and rotary converters
8516	Electric instantaneous or storage water heaters and immersion heaters; electric space-heating apparatus and soil-heating apparatus; electrothermic hairdressing apparatus (for example, hairdryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electrothermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 8545
8518	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures; headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers; audio-frequency electric amplifiers; electric sound amplifier sets
8521	Video recording or reproducing apparatus, whether or not incorporating a video tuner
8525	Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras, and video camera recorders
8526	Radar apparatus, radio navigational aid apparatus, and radio remote control apparatus
8527	Reception apparatus for radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock
8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus

**Community Customs Code in Annex I of  
Regulation European Economic Community 150/2003 (Continued)**

Number	Description
8531	Electric sound or visual signaling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms), other than those of heading 8512 or 8530
8535	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, fuses, lightning arresters, voltage limiters, surge suppressors, plugs and other connectors, junction boxes), for a voltage exceeding 1000 V
8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp holders and other connectors, junction boxes), for a voltage not exceeding 1000 V; connectors for optical fibers, optical fiber bundles or cables
8539	Electric filament or discharge lamps, including sealed beam lamp units and ultraviolet or infrared lamps; arc lamps
8543	Electrical machines and apparatus, having individual functions, not specified or included elsewhere
8544	Insulated (including enameled or anodized) wire, cable (including coaxial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fiber cables, made up of individually sheathed fibers, whether or not assembled with electric conductors or fitted with connectors
8701	Tractors (other than tractors of heading 8709)
8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars
8704	Motor vehicles for the transport of goods
8705	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units)
8709	Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas, or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles
8710	Tanks and other armored fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles
8711	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars
8716	Trailers and semi-trailers, other vehicles, not mechanically propelled, parts thereof
8801	Balloons and dirigibles, gliders, hang gliders, and other non-powered aircraft
8802	Other aircraft (for example, helicopters, airplanes); spacecraft (including satellites) and suborbital and spacecraft launch vehicles
8804	Parachutes (including dirigible parachutes and paragliders) and rotochutes; parts thereof and accessories thereto
8805	Aircraft launching gear; deck-arrestor or similar gear; ground flying trainers; parts of the foregoing articles
8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges, and similar vessels for the transport of persons or goods
8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes
8906	Other vessels, including warships and lifeboats other than rowing boats
8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing stages, buoys, and beacons)
9004	Spectacles, goggles, and the like, corrective, protective, or other
9005	Binoculars, monoculars, other optical telescopes, and mountings therefor; other astronomical instruments and mountings therefor, but not including instruments for radio-astronomy
9006	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading 8539

**Community Customs Code in Annex I of  
Regulation European Economic Community 150/2003 (Continued)**

<b>Number</b>	<b>Description</b>
9008	Image projectors, other than cinematographic; photographic (other than cinematographic) enlargers and reducers
9013	Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere
9014	Direction finding compasses; other navigational instruments and appliances
9015	Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological, or geophysical instruments and appliances, excluding compasses; rangefinders
9020	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters
9022	Apparatus based on the use of X-rays or of alpha, beta, or gamma radiations, whether or not for medical, surgical, dental, or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, examination or treatment tables, chairs and the like

**Glossary**

**North Atlantic Treaty Organization Status of Forces Agreement (NATO SOFA)** – A 1951 agreement establishing conduct and disposition of a NATO member's forces in the territory of another NATO member. Article XI Paragraph 4 of the agreement allows NATO members to move equipment into another NATO member state's territory without customs fees or duties. This equipment must be specifically for the use of the force importing it.

**United States Custom Clearance Form 302** – A country-specific form which the European Union uses to execute the provisions of Article XI Paragraph 4 of the SOFA; equipment for a force deployed in an EU NATO member state shipped under a Form 302 allows it to be brought into the EU duty-free.

**European Economic Community (EEC) Number 3690/86** – EU legislation adopted in 1986 that, together with EEC Number 4283/88, establishes Form 302 as the EU's SOFA documentation.

**EEC Number 3648/91** – EU legislation adopted in 1991 that regulates the use of Form 302 to transfer equipment from the territory of one EU member state to another, also articulates the duty of member states to ensure the proper use of Form 302 and collect any fees avoided by its improper use or as punitive measures.

**EEC Number 2913/92** – EU legislation adopted in 1992 that establishes all EU member state territories as a single entity for the purposes of customs and tariffs and any other import/export regulations. It also defines what goods may be subjected to tariffs upon entering the EU.

**EEC Number 150/2003** – EU legislation adopted in 2003 that exempts certain items, when imported by the military or security forces of an EU member state, from normal customs or duties.

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# Defense Security Cooperation Agency Security Assistance Management Manual Tips

## **Support for Non-Ministry of Defense Agencies or Functions**

Defense articles and/or services are not sold or granted to foreign recipients under the *Arms Export Control Act* unless they are part of the national defense establishment, under the direction and control of the ministry responsible for defense matters. Requests for training non-Ministry of Defense (MoD) personnel must be directed to the Department of State (DOS) and to the Agency for International Development (AID) through U.S. Embassy channels. DSCA and relevant implementing agencies should be informed of the request. Prior DSCA and DOS approval must be obtained for the sale, grant, or lease of defense articles, defense services, or training to foreign organizations or personnel if they are engaged in on-going civilian police functions under the direction and control of the ministry responsible for defense matters. See the Security Assistance Management Manual (SAMM) Chapter 4, Section C4.2.2. for more details. For questions or further information on this topic, please contact DSCA Policy Division, Strategy Directorate.

## **Leases of Defense Articles under the Arms Export Control Act**

The President may lease Department of Defense (DOD) articles to eligible foreign countries or international organizations for a period not to exceed five years and a specified amount of time for completion of major refurbishment work prior to delivery. Leasing authority is delegated to the DOD. There must be compelling foreign policy and national security reasons for leasing defense articles and the articles must not be needed for public use at the time. Details as to legislation, who can lease and what can be leased, as well as procedures for preparing leases may be found in SAMM Chapter 11, C11.10. For questions or further information on this topic, please contact the DSCA Policy Division, Strategy Directorate.

## **Military Articles and Services List**

The *Military Articles and Services List* (MASL) identifies defense articles and services and is a required entry on each Letter of Offer and Acceptance (LOA) line item. Defense articles that are Significant Military Equipment (SME), require Enhanced End-Use Monitoring (EUM), are restricted under the Missile Technology Control Regime (MTCR) restrictions, or are classified items must be identified clearly on the LOA using defined order MASLs. Such items cannot be listed on a blanket order line or a defined order line coded as non-SME, Routine EUM, or non-MTCR. Nor can they be added in the line item description or in a line item note under such a blanket or defined order line. For more details on MASLs, see SAMM Chapter 13, Section C13.6., and the MASL Handbook at [http://www.dsca.mil/programs/biz-ops/MASL\\_Handbook\\_Formatted.pdf](http://www.dsca.mil/programs/biz-ops/MASL_Handbook_Formatted.pdf). For questions or further information on this topic, please contact the DSCA Strategy Directorate.

## **Manpower**

Manpower in support of specific foreign military sales (FMS) and security cooperation cases is provided on applicable services lines or included directly in the price of materiel and/or services lines. It is critical that manpower efforts be properly accounted to verify associated costs. When forwarded to the Defense Security Cooperation Agency (DSCA) for countersignature, a Letter of Offer and Acceptance (LOA) Manpower and Travel Data Sheet (MTDS) must accompany all LOA documents that contain manpower. An MTDS is also required for Amendments that change the scope of lines

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involving manpower, as well as for modifications that increase the value of lines involving manpower. The MTDS may be provided to purchasers upon request. SAMM, Chapter 5, Paragraph C5.4.9. and Table C5.T6. and Chapter 9, Paragraph C9.4.2. and Figure C9.F1. provide additional details. For questions or further information on this topic, please contact the DSCA, Strategy Directorate.

### **Security Assistance Management Manual Web Page**

The DSCA Internet contains a link to the SAMM and all of the DSCA Policy memos issued since 2000. There are also some memos that pre-date 2000 (1997 through 1999). All DSCA Policy memos must have a DSCA Policy memo number. Any associated SAMM changes must also have a SAMM E-Change number. As a reminder, both DSCA Policy memo numbers and SAMM E-Change numbers must be obtained by contacting the Policy Division, Strategy Directorate.

### **General Waivers to Cargo Preference Act**

The Cargo Preference Act requires at least 50 percent of the gross tonnage of grant, credit, or guarantee-funded cargo be transported in privately-owned U.S. flag vessels. DSCA policy, in support of the U.S. maritime industry, requires 100 percent of applicable cargoes to be carried by U.S. flag vessels unless a general waiver is granted by DSCA in coordination with the *Maritime Administration*. *General Waiver* applications are considered if the recipient country does not discriminate against U.S. flag vessels. Approvals normally cover one full calendar year and all approved CY 2009 general waivers will expire 31 December 2009. For further detail see Chapter 7, Para C7.12 of the SAMM. For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

### **Arms Export Control Act Section 36 Notifications**

There are three types of Congressional Notifications of foreign military sales (FMS) pursuant to *Arms Export Control Act* (AECA) Section 36:

- 36(b)(1) FMS Sale - Notification period of 15 calendar days for sales to NATO, Australia, Japan, South Korea, and New Zealand (NATO+4) for sales of MDE  $\geq$  \$25M, other defense articles and services  $\geq$  \$100m, or design and construction services  $\geq$  \$300M. For all other countries and organizations, 30 days for sales of MDE  $\geq$  \$14M, other defense articles and services  $\geq$  \$50m, or design and construction services  $\geq$  \$200M.
- 36(b)(5)(A) FMS Increase in Capability – Notification 45 days prior to delivery of any increase in sensitivity of technology or capability of a defense article or service previously notified under Section 36(b)(1).
- 36(b)(5)(C) FMS High Value Increase in Capability – If an increase in sensitivity of technology or capability of a defense article or service previously notified under Section 36(b)(1) includes an increase in value that would itself trigger a notification at the dollar thresholds listed for 36(b)(1) above, then the notification will be considered as if it were a separate notification and made for the time periods required for a new notification.

For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

### **Defense Security Cooperation Agency Supply Discrepancy Report Review**

Defense Security Cooperation Agency (DSCA) (Business Operations and Strategy Directorates) reviews and approves or disapproves Supply Discrepancy Report Reviews (SDRs) when the

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implementing agency determines the USG is liable for correction and recommends use of foreign military sales (FMS) funds in excess of \$50,000; or, the SDR involves an issue likely to be raised to DSCA or higher levels. DSCA makes the final decision within 30 days. For additional information regarding SDRs, reference C6.4.111 of the *Security Assistance Management Manual* (SAMM). For questions or further information on this topic, please contact DSCA Policy Division, Strategy Directorate.

### **Letter of Offer and Acceptance Information Document**

A Letter of Offer and Acceptance (LOA) Information document (SAMM Chapter 5, Figure C5.F4.) provides information describing some of the codes and language used on the LOA, and must be attached to the original LOA that is sent to the purchaser for review and/or acceptance. It helps the purchaser understand the information the USG enters on the LOA document such as Terms of Sale, Units of Issue, Source Codes, Type of Assistance Codes, Delivery Term Codes, etc. It also addresses the information the purchaser must enter on the LOA document upon its acceptance such as the Mark For Code and the Freight Forwarder Code, and provides guidance on financial arrangements and changes to the LOA Document. The SAMM is available at [www.dsca.mil/samm](http://www.dsca.mil/samm).

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# Security Assistance Community

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## Defense Security Cooperation Agency Participates in the Tri-Service Security Cooperation Conference

By  
**Paul J. Ebner**  
Defense Security Cooperation Agency

Security Cooperation professionals from around the world gathered at the 2009 Tri-Service Security Cooperation Conference, sponsored by the Air Force Security Assistance Center and held in Covington, Kentucky, November 3-4. “The conference’s theme, ‘Transforming the Enterprise to Meet the Needs of our Global Partners,’ is indicative of the security cooperation community’s commitment to its customers and the long lasting partnerships that result,” wrote Vice Admiral Jeffrey A. Wieringa, Director of the Defense Security Cooperation Agency (DSCA), in a welcome letter to attendees.

“The conference was designed to bring together security cooperation professionals at what I would call a practitioner level,” said Brigadier General Joseph A. Lanni, Commander, Air Force Security Assistance Center. The conference was extremely successful with panels discussing transportation, foreign disclosure training, and many other topics.

The exchange of ideas was another important part of the conference. “The questions we got back from the audience were tremendous and really showed me the vibrancy of this, and I really applaud DSCA for funding us up front so that we could go ahead and host this,” said Lanni. “It was a great chance to meet new friends in the armed services [from other government agencies and contracting]. It was a real melting pot.”

Those who attended seemed to agree with Lanni about it being a great chance to meet, according to Freda Lodge, Chief Performance Officer for DSCA. “I think this was a great opportunity. All the participants from each of the military departments indicated that they loved getting together and having the opportunity to hear what is new in the area and network with other people about some of the issues in the community. What I kept hearing during breaks was that they loved the fact that we are coming together and that the work they are doing is meaningful. It is important, and people are paying attention to the hard work they are doing. This was the second Tri-Service Security Cooperation Conference set up with the premise that all three services, as well as DSCA, should come together on a practitioner level to bring the folks together to discuss the issues for security cooperation.”

“We were asked by DSCA to host this year’s conference and bring all of the services, our international partners, and vendors together in a forum that would provide a way that they could get together and discuss issues, discuss best practices, and discuss topics that we are using to transform the enterprise for our international partners,” said Colonel Mona Vollmer, Director of Plans and Programs, Air Force Security Assistance Center.

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While preparing for the conference was a lot of work for her, it included some personal rewards. “There really have been several rewards I have had personally,” said Vollmer, “but I think the best one that I would say was the most significant was to see the dialogue between all of the service members and international partners, to see them have the time to network and discuss the issues that were relevant to and very timely to each of them. They had some interaction within the conference, on breaks and in the evening activities. That was the best part to me, to see that true dialogue and networking. That was one of the goals going into this conference; and to see that become successful and to see the fruits of that labor, that is the biggest reward I have had.”

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## Defense Security Cooperation Agency Hosts Pakistan Security Assistance Working Group

[The below article originally appeared in the DSCA Newsletter, 6 November 2009.]

Defense Security Cooperation Agency (DSCA) hosted the 22nd United States Pakistan Security Assistance Working Group (SAWG) and Financial Management Review (FMR) from October 27 to 30, [2010]. Major General Nasir Mahmood, the Secretary, Ministry of Defense Production, and other representatives from the Pakistani services attended the four-day event and met with Beth McCormick, DSCA Deputy Director, and other DSCA personnel.

During the SAWG, delegations from the United States and Pakistan reviewed open action items from previous SAWGs and considered new issues for action. In addition, the two delegations also shared information on matters relevant to the process. This information included but was not limited to the United States Foreign Military Sales process and Pakistan's five-year modernization plan.

The most notable event during the four-day conference was the SAWG plenary session, which was attended by representatives from the United States military and the Department of State, co-chaired by McCormick and Mahmood. Thomas Countryman, Principal Deputy Assistant Secretary for Political-Military Affairs and David Sedney, Deputy Assistant Secretary of Defense for Afghanistan, Pakistan, and Central Asia in the Office of the Assistant Secretary of Defense for Asian and Pacific Security Affairs, each made remarks. Countrymen described the SAWG as "an important forum for bilateral discussions between two partners and allies."

Members of the delegation from both countries felt that the bilateral discussions were very successful. They agreed to continue to work together on the combined goal of delivering and maintaining U.S. origin defense articles and services which support the common security objectives of the U.S. and Pakistan. Pakistan Air Attaché Group Captain Ahmer described the 22nd SAWG as "the best bilateral exchange" that he has attended since arriving in the United States more than two years ago. The 23rd SAWG is scheduled for April 2010 in Islamabad, Pakistan. The government of Pakistan hosted the last SAWG in Rawalpindi, Pakistan.



DSCA Deputy Director and a Pakistani General, and staff.

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# The United States Responds to Natural Disaster in El Salvador

**Office of the Spokesman  
United States Department of State Washington, D.C.  
November 17, 2009**

On November 7-8, [2009], heavy rainfall related to Tropical Storm Ida caused floods and landslides in much of the central and eastern areas of El Salvador, including the capital city of San Salvador, which has resulted in more than 190 deaths and severe infrastructural damage and agricultural losses. At least 14,000 people have been forced from their homes and are staying in temporary shelters.

In response, to date the United States Government has provided more than \$840,000 in emergency assistance to El Salvador through the U.S. Agency for International Development's (USAID) Office of U.S. Foreign Disaster Assistance and the U.S. Department of Defense's Southern Command.

After the storm, USAID immediately released \$100,000 for the local purchase of essential emergency relief supplies and fuel for El Salvador's armed forces helicopters to transport supplies to communities in need, as well as to fly assessment missions over the affected areas. In addition, on November 11, 2009, USAID airlifted to El Salvador emergency relief supplies from USAID stockpiles in Miami. The airlift, valued at approximately \$180,000 included:

- Transport
- Rolls of plastic sheeting to build temporary roofs and shelters
- 5,000-gallon water bladders
- Ten-liter collapsible water containers
- Hygiene kits containing soap, detergent, and other essential supplies

For more information about USAID's emergency humanitarian assistance programs, please visit: [www.usaid.gov/our\\_work/humanitarian\\_assistance/disaster\\_assistance](http://www.usaid.gov/our_work/humanitarian_assistance/disaster_assistance).

U.S. Southern Command has committed an additional \$50,000 to finance five Humanitarian Assistance Projects to support homeless families in the hardest hit communities. These funds will be used to purchase and donate supplies, potable water, and canned food, as well as construction materials, mosquito netting, beds, and mattresses.

Additionally, on November 11, 2009, a 45-member team from U.S. Southern Command's Joint Task Force Bravo (JTF-Bravo or JTF-B), located at the Honduran Air Force Base Soto Cano, arrived in El Salvador with four helicopters, including one equipped to support medical evacuations, to work with Salvadoran military and civilian authorities in the delivery of emergency supplies, food, and potable water to isolated communities. The team also included engineers to assist in the assessment of infrastructure repair projects and a medical assessment team which is working closely with the Ministry of Health to determine emergency medical needs. In its first day of operations, JTF-Bravo helicopters transported nearly 20,772 pounds of supplies to six villages, providing the first delivery of food and potable water to the worst hit and most isolated areas. As of November 15, 2009, JTF-B helicopters have delivered more than 315,200 pounds of relief material to the most remote areas damaged by floods and mudslides. For further information on U.S. Southern Command's relief efforts in El Salvador, please visit: <http://www.southcom.mil/AppsSC/factFiles.php?id=128>.

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## **8th Air Force to Become New Cyber Command**

**By**

**Staff Sergeant C. Todd Lopez, United States Air Force**

*Air Force Print News*

**3 November 2009**

During a media conference [November 2, 2009], Secretary of the Air Force Michael W. Wynne said the 8th Air Force would become the new Air Force Cyberspace Command.

I am announcing the steps the Air Force is taking towards establishing an Air Force Cyberspace Command, the Secretary said. The new Cyberspace Command is designated as the 8th Air Force . . . under the leadership of [Lt. Gen. Robert J. “Bob” Elder Jr.]. He will develop the force by reaching across all Air Force commands to draw appropriate leaders and appropriate personnel.

Secretary Wynne said the 67th Network Warfare Wing, now under 8th Air Force, and other elements already within the 8th, would provide “the center of mass” for the nascent Cyberspace Command. The Secretary also said Air Combat Command, Air Force Space Command, and Air Force Materiel Command are working to develop the new Cyberspace Command, while Air Force personnel specialists are working to develop educational plans and career paths for those Airmen that will work within the new command.

The aim is to develop a major command that stands alongside Air Force Space Command and Air Combat Command as the provider of forces that the President, combatant commanders, and the American people can rely on for preserving the freedom of access and commerce in air, space, and now cyberspace, Secretary Wynne said.

Air Force leaders will begin detailed planning for the new Cyberspace Command November 16 [2009] at the Cyber Summit. During the summit, Air Force leaders will chart a way ahead for the Air Force’s role in cyberspace, also called the cyber domain.

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# Weapons Suppliers Selling Abroad Arizona Defense Contractors Try to Diversify Amid Cuts

By  
**Andrew Johnson**  
*Arizona Republic (Phoenix) Contributing Author*

[The following article originally appeared in the *Arizona Republic (Phoenix)*, September 13, 2009.]

Arizona defense contractors have prospered from the wars in Iraq and Afghanistan during the last seven years, capturing billions of dollars in Pentagon contracts for missiles, helicopters, soldier vests, radios, and other equipment.

The Defense Department's budget for fiscal 2010 is lower than the current year's funding levels and includes major cuts to larger scale missile-defense, aircraft, and vehicle programs. That trend, combined with long-term plans to scale back the wars in Iraq and Afghanistan, has Arizona contractors increasing their focus on selling weapons internationally. Demand for everything from upgraded missiles and revamped helicopter engines to body armor in India, Japan, United Arab Emirates, and other nations could help the Defense Department's largest contractors—and some of the state's biggest employers—diversify.

Even though the U.S. Defense budget may be flattening somewhat and . . . reprioritized, we still have a lot of commercial customers overseas that . . . have a number of security needs and requirements, said Taylor Lawrence, President of Raytheon Missile Systems in Tucson.

The defense and aerospace industry provides more than 57,000 jobs paying an average annual salary of more than \$67,000, states a study released by Arizona State University last year. The Pentagon has spent about \$10 billion to \$12 billion annually in Arizona in recent years, mostly for weapons and aircraft-related programs. Raytheon, which employs about 11,500 Arizona workers, manufactures warheads, launch equipment, and related technology. The company is a winner and loser under the proposed fiscal 2010 Defense budget, which the Senate Appropriations Committee unanimously approved Thursday, sending it to the Senate floor. The House passed its version in July [2009].

The 2010 budget provides the Defense Department \$636.3 billion, including \$128.2 billion for operations in Iraq and Afghanistan. That is down from the current budget of more than \$660 billion, including supplemental war funding approved during the summer.

Raytheon's cuts include the termination of a multiple-kill vehicle, which would launch missiles into space to crash into enemy missiles, and the Kinetic Energy Interceptor, a land-based missile-defense program on which Raytheon was partnering with Northrop Grumman. The cut to the interceptor program reduced the company's order backlog by about \$2.4 billion to \$7.6 billion in the second quarter, according to a Securities and Exchange Commission filing.

Raytheon was disappointed by the cuts but sees opportunities domestically and overseas, Lawrence said, adding threats posed by Iran and North Korea have prompted increased neighboring countries' interest in its technology. On Thursday [2009], the company announced a \$77.4 million contract to produce infrared-guided missiles for South Korea and Taiwan. The contract was awarded

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by the U.S. Air Force as a foreign military sale, a transaction in which another country purchases U.S. equipment through the Defense Department.

As of September 1, [2009] foreign military sales were \$35.1 billion, said Paul Ebner, spokesman for the U.S. Defense Security Cooperation Agency. With September's sales figures remaining, the current fiscal year's total could top the \$36.4 billion in foreign military sales in fiscal 2008. Defense analysts expect the trend to continue but stress numerous factors play a role in the transactions.

International sales are not mutually exclusive, nor do they happen just because domestic business doesn't happen, said Howard Rubel, a stock analyst who tracks the industry for research firm Jefferies and Company Incorporated in New York. It is all a function of the threat or the desire by certain international partners of the United States to add systems to their defense establishment or their defensive organization, he added.

Still, overseas sales likely will increase given tensions over nuclear threats in North Korea and Iran.

We are seeing a lot of global opportunity right now, said Joe Coltman, Vice President of Personnel-Protection Systems for BAE Systems Inc.

BAE, a subsidiary of London-based BAE Systems PLC, employs about 530 workers in Phoenix. It makes armor vests and personal restraints for aircraft and ground vehicles. Soldier equipment has to be replaced over time, which is prompting some foreign countries to replenish their supply, Coltman said. International sales are not a new focus for BAE's U.S. operations or Raytheon. Coltman said the company predicted declines were coming domestically a few years ago and fine-tuned its strategy accordingly.

It is not a knee-jerk reaction to a [U.S.] reduction that we are seeing today, he said.

A major market BAE is targeting is India, where the company is seeing increased orders.

Terrorist attacks and greater border strikes have caused them to rethink the protective level for those troops, Coltman said.

International sales at Raytheon Missile Systems' parent, Massachusetts-based Raytheon Co., were \$1.2 billion, or 20 percent of net sales, in the second quarter. A year earlier international sales were \$1.1 billion, or 19 percent of net sales. Raytheon's Tucson operation has avoided layoffs in response to program cuts thus far by moving people to other projects but is concerned the cuts could affect employment down the road, Lawrence said.

Right now we're managing it; but, again, until we know the final budget numbers . . . we will not know for sure, he said.

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# Norway Industry Eyes \$3.5 Billion in Work from F-35 Deal

By  
Gerard O'Dwyer  
*DefenseNews* Contributing Author

[The following article originally appeared on the *DefenseNews* web site, 11 November 2009. <http://www.defensenews.com/>]

Norway anticipates \$3.56 billion in contract spinoffs from the F-35 Lightning II combat fighter procurement program against a backdrop of deepening talks between the country's defense industries and the aircraft's supplier, Lockheed Martin. The government's expectation of a multibillion dollar bonanza for Norwegian industries emerged after fifty of the country's defense and technology system groups met with Lockheed Martin representatives during the U.S. company's Global Business Opportunity Days in Oslo on November 9 and 10.

The conference included one-to-one meetings with Norwegian company chiefs to discuss the prospect of generating long-term strategic industrial partnerships centered around the aircraft program as well as the underlying potential for Norwegian manufacturers to deliver components to unrelated projects being run by Lockheed Martin.

We will consider business opportunities offered by the F-35 program itself, as well as what Lockheed Martin may offer in the margins of, or in addition to, this program, said Trond Giske, Norway's Economics Minister.

The government plans to use its Industrial Participation Plan (IPP) to identify viable opportunities for Norwegian suppliers. Several primary areas have already been flagged for the United States and Norwegian industrial alliances, including advanced composite structures, the Joint Strike Missile, Armor Piercing Explosive (APEX) ammunition, and systems for product lifecycle support. The fundamental goal is to ensure that the added value of industrial participation matches the total contract value of the combat aircraft program, said Giske.

Norwegian industry is gearing up to meet the challenges of competing on the basis of best value. This is not offset through the back door. Norwegian industry is ready for mutually beneficial cooperation with Lockheed Martin and its sub-contractors on the basis of being the best in terms of price and quality, said Giske.

Under the IPP agreement reached with Lockheed Martin, the U.S. company will shortlist Norwegian companies for specific component and system supply projects. The fighter procurement plan ties the deal to Norwegian companies securing a "sufficient number" of industry contracts.

We are not just looking to buy a few bags of screws and nuts. We are looking at highly technological components. This will enable even the smallest companies to stand out if they have the product we need, said Scott Harris, Lockheed Martin's Europe Director.

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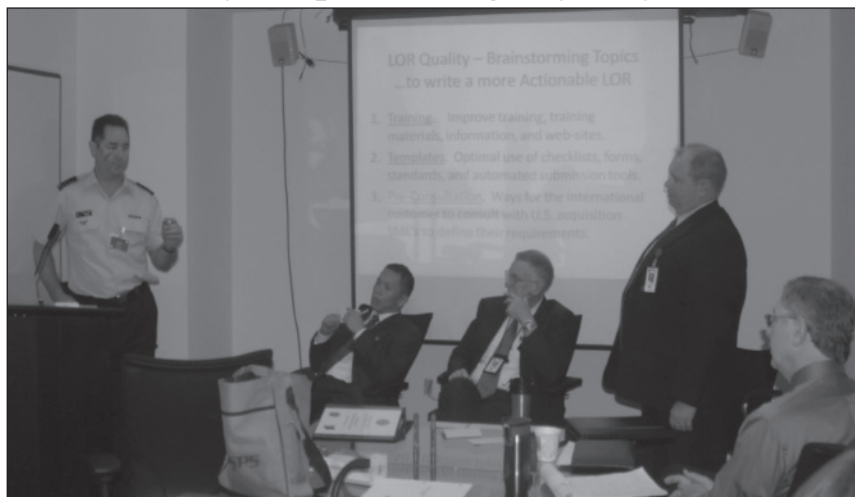
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# Lean Six Sigma Project Pursues Improved Letters of Request

By

Tom Keithly

Defense Security Cooperation Agency Project Green Belt



Australian Air Force, Wing Commander discusses LORs with other attendees at the Rapid Improvement Event.

Defense Security Cooperation Agency's (DSCA's) Letter of Request (LOR) Quality Lean Six Sigma (LSS) Project team recently began the second phase of a project focused on helping the agency's international partners write complete and informative LORs.

This LOR Phase II group was very productive, said Tom Keithly, Project Green Belt. We created lists of specific actions in three related areas: LOR Training, LOR Templates, and the use of pre-consultation discussions.

He also pointed out that one idea that got traction was to create a central online point, such as the DSCA home page, for customers and practitioners to go to for LOR reference information.

The main objective in all this is getting an actionable LOR, said Keith Rowe, the project sponsor. By that, I mean we need to get an LOR that not only matches what we have available in U.S. inventory, but an LOR that helps the recipient program office say, Yes, we have the information we need to start writing the Letter of Acceptance.

LORs are a vital element in the overall process of Foreign Military Sales (FMS). Through the submission of an LOR, a country does not just state what it needs, it must reflect considerable advance work defining and describing what is releasable and what suits the country's military requirements. There are also administrative issues presented in preparing the LOR such as what format it should be written in, who signs it, and who receives it. Additionally, issues of content are vital to enabling the recipient—normally a program or project office—to understand what is to be done.

Attendees of the event included DSCA personnel and representatives from various organizations who deal with LOR policy and handling including the Army, the Navy, the Air Force, the Defense Security Assistance Development Center, and the Defense Institute of Security Assistance

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Management (DISAM). The group reviewed information and drafted several solutions that could be implemented quickly. Frank Campanell from DISAM did an in-depth review of DISAM training materials and web sites. Each military department outlined its own training sites, LOR templates, and recent process improvements.

Wing Commander Peter Cluff, Australian Air Force, discusses LORs with other attendees at the Rapid Improvement Event.

JP deRooji from the Dutch Embassy and Peter Cluff from the Australian Embassy also briefed the group on work done by the Foreign Procurement Group and the customer perspective.

At the group's next meeting, an action plan will be drafted to execute its ideas.

For more information on LSS, go to the "Continuous Process Improvement/Lean Six Sigma (CPI/LSS)" section of the DSCA intranet.