
DoD Views on the Administration's Proposed FY 1996 Military Assistance Programs

By

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Good afternoon, Mr. Chairman (Benjamin A. Gilman, R-NY) and members of the committee. I appreciate the opportunity to appear before you today to present the Department of Defense views on FY 1996 military assistance programs funded in the International Affairs budget.

INTRODUCTION

The Defense Security Assistance Agency (DSAA) directs, administers, and supervises the execution of military assistance programs and is the Department of Defense (DoD) primary policy and management oversight organization for these programs. Military assistance programs include: Foreign Military Sales (FMS), the government-to-government channel for selling U.S. defense equipment, services, and training; Foreign Military Financing (FMF), which finances military sales for selected countries; International Military Education and Training (IMET) program, the highly effective low-cost grant program that provides professional military education and training to more than 3,500 foreign military and civilian personnel annually; and the Excess Defense Articles (EDA) program, which allows the transfer or sale to eligible countries of older defense equipment no longer needed by our own armed forces.

The Agency's mission continues to be important in the post-Cold War era, and, in many ways, has grown with the increased involvement of DoD in regional policy issues and coalition defense. As the overseas presence of U.S. military personnel continues to decline, the importance of U.S. security assistance personnel overseas in representing U.S. interests and commitment increases.

Our legislative program for FY 1996 and beyond includes both authorization and appropriations components. It supports initiatives that will allow U.S. defense personnel to interact with foreign defense personnel on a systematic and cooperative basis to achieve national security objectives. It directly supports the National Security Strategy and the National Military Strategy of the United States by supporting peacetime engagement, deterrence and conflict prevention, and ultimately our ability to fight and win. Military assistance programs promote U.S. forward presence—our ability to both influence and provide security assurances to our friends and allies around the world.

Over the years, U.S. military power and assistance have supported U.S. foreign policy interests. They have contributed to historic progress in resolving regional conflicts and bolstering emerging democracies. For example, during the past year, U.S. armed forces were again called to join with our regional partners in the Persian Gulf to stop Iraqi aggression. Closer to home, we and our coalition partners helped restore the duly elected President of our close neighbor Haiti and paved the way for the peacekeepers of other nations to carry on the mission.

This year saw Israel and the PLO, and Israel and Jordan enter into historic peace agreements. We believe that U.S. military assistance provides both influence and assurance in the region, enabling these regional actors to take such bold steps toward peace. In Europe, we began working with our NATO allies to develop a new "security architecture" and continued to work to reduce the threat posed by the nuclear arsenals of the former Soviet Union. In addition, we helped to launch a renewed regional security dialogue with the nations of the Asia-Pacific region.

In spite of this progress, threats to U.S. national security persist. Rogue regimes continue to try to build and acquire weapons of mass destruction. Hostile regional powers still use aggression and terror to intimidate and dominate their neighbors. Internal civil conflicts continue to have the potential to undermine regional stability and democracy.

Our FY 1996 security assistance budget request represents the minimal amount of military assistance we believe is needed to maintain and expand U.S. defense presence and influence around the globe. At the center of this effort is the International Military Education and Training (IMET) program. We believe, and this is continuously and strongly reinforced by the regional CINCs, that this program is the most cost-effective component of military assistance and essential to the success of our regional strategies.

Our total FY 1996 Foreign Military Financing (FMF) grant request is \$3.35 billion. Our request for the Middle East includes \$3.13 billion to support the traditional amount for the Camp David countries and a modest request for Jordan. Our \$85 million request for Central Europe and the NIS will fund the Baltic Peacekeeping Battalion, the Central Europe (CE) Defense Infrastructure program, and the Warsaw Initiative. The request also includes \$89.89 million in loan subsidies to support U.S. Treasury rate loans to Turkey and Greece. So, Mr. Chairman, if we subtract the \$3.1 billion set aside for Israel and Egypt, we are left with only \$250.91 million to fund our worldwide Foreign Military Financing requirements.

Our military assistance request for Latin America and the Caribbean will allow us to provide aid important to the ongoing effort to reorient Haitian security forces and thereby complete the U.S. and U.N. mission in that country. Our \$3 million FMF request will also allow us to provide much-needed support to Caribbean security forces that have been so important to the multinational operation in Haiti and potentially to provide \$7 million to fund a reconstructed security force in Haiti. We are also proposing funding for Cambodia as it seeks to restructure, as well as \$10 million for demining programs that will complement the \$10 million request in the defense budget to continue critical demining efforts around the world.

We have also requested \$24 million to fund Defense Administrative Costs. These funds pay the operating costs for all non-Foreign Military Sales (FMS) security assistance activities, such as IMET, grant EDA transfers, and our overseas security assistance organizations' (SAOs) continuing responsibility to monitor the end-use and disposition of end-items transferred to allies and friends over the years. SAOs are a key component of our military forward presence overseas; indeed in many countries they are our only military presence. They represent the U.S. commitment to security cooperation and the key to the development and effective management of security assistance programs.

Of the \$24 million requested for Defense Administrative Costs, \$17 million will support our SAOs, representing almost half of their operating budget (the balance of the SAOs operating budget is funded with administrative funds collected on Foreign Military Sales, supporting that portion of the SAOs work that directly relates to FMS). The modest increase reflected in our request for Defense Administrative Costs is highly important to our ability to establish an SAO presence throughout Central Europe over the next several years. The expansion of ongoing

programs in that region, primarily IMET, non-lethal EDA transfers, and our commitment to the Baltic Peacekeeping Battalion require dedicated security assistance personnel to plan and manage these programs effectively. The launching of major new programs in furtherance of the Partnership for Peace and closer bilateral defense relations makes the establishment of these SAOs all the more urgent.

Mr. Chairman, our budget request represents only a part of our legislative priorities for FY 1996 and the future. We also intend to pursue enactment of several important military assistance authorization initiatives. Some of these initiatives involve changes to security assistance policy. They include rationalization of excess defense articles authorities and the exemption of IMET-funded training from Brooke and Pressler amendment sanctions. Others are what I like to call "Good Government" initiatives. They include initiatives to restore common practices for FMS and commercial defense sales and to streamline FMS logistics support procedures.

First, I would like to review our FY 1996 military assistance budget request in some detail. Second, I will explain our highest priority authorization initiatives.

FY 1996 INTERNATIONAL AFFAIRS BUDGET REQUEST

IMET

The International Military Education and Training (IMET) program is one of the most cost-effective components of U.S. foreign policy. This program provides grant military education and training to over 3,500 foreign military and civilian personnel from over 100 friendly and allied nations each year. It allows foreign military students an opportunity to enhance their military professionalism along western lines, strengthen their own training capabilities, and provide for U.S. access and influence through a sector of society which often plays a critical role in the transition to and maintenance of democracy.

The Expanded IMET program comprises IMET courses specifically structured to impart to foreign students defense management concepts and American values. These values include respect for democracy, human rights, military justice, and the concept of civilian control of the military. The Expanded IMET program also provides training for foreign officials from ministries other than Defense, members of national legislatures responsible for oversight and management of the military, and nongovernmental organization personnel. This year, we expect to meet and exceed the Congressional target of \$5 million for Expanded IMET activities.

Since FY 1991, we have started 28 new IMET programs in new and emerging democracies, primarily in CE and the NIS. One third of the increase we are requesting in the FY 1996 program is for these countries—to enable us to follow-through on our investment in their democratic development. Another investment to which we continue to lend robust support is the Middle East Peace Process, where IMET programs increase our influence and impact on these countries important to peace and broader regional stability. Finally, we are seeking to restore some of the programs in Latin America, Africa, and Asia devastated by funding reductions since FY 1994. The CINCs tell me these programs are essential to their regional strategies.

It is important to understand that although we are requesting a funding level close to pre-FY 1994 levels, we are not returning to the past program. Our current program is structured to meet contemporary security challenges and opportunities.

First, we have tightly focused the program on professional military education and Expanded IMET by eliminating high-cost aspects of the earlier program, such as pilot training. We have substantially reduced technical training under the program and focused it on "training the trainers"—so that countries can assume more direct responsibility for their equipment-oriented

training. Second, much of the increase will be used to build upon our investments in English language training and other baseline activities in the 26 new programs in CE, the NIS, and Africa. With this request, our investment in new democracies in CE, the NIS, and Africa will have increased over 160 percent since FY 1993. And although the majority of the increase we are seeking for FY 1996 is for our more established programs, funding for those programs will still be more than 20 percent below their FY 1993 level. Finally, the proposal amount will buy less training than would have been possible in FY 1993: tuition costs for foreign students have increased significantly due not only to inflation, but also to a smaller pool of U.S. military students over which to spread overhead costs.

MIDDLE EAST

Supporting the Middle East peace process remains one of our highest priority national security and foreign policy goals. Military assistance is the foundation of the CENTCOM and EUCOM relationship with allies in the region. It establishes key contacts and provides a mechanism through which to work toward goals of interoperability and self defense.

Military assistance efforts in the region comprise three major elements: Foreign Military Sales of equipment, services, and training, including mobile training and technical assistance teams; Foreign Military Financing to enable such purchases for a few key countries; and IMET. These activities support the building of important regional defense arrangements (including U.S. access to bases in the region) and influence over the flow and use of arms in the region. They also provide a means of improving defense capabilities of regional friends, promoting interoperability and coalition defense, and strengthening military-to-military relationships.

Our Foreign Military Financing request supports our commitment to the Camp David countries. We are again requesting \$1.8 billion for Israel and \$1.3 billion for Egypt. The U.S. remains committed to maintaining Israel's qualitative edge against any combination of aggressors. The FMF request will allow Israel to continue the cashflow financing of major purchases and follow-on support for multi-year procurement programs such as new fighter purchases, SAAR corvettes, and upgrades of Apache and Blackhawk helicopters.

Egypt's FMF will be used to continue the modernization of its armed forces. Like Israel, Egypt's cashflow financing option is critical to its defense planning. Funding will be U.S.ed to continue four major programs—armor modernization, F-16 and Apache purchases, and supporting leased frigates. Egypt will also continue to upgrade secondary systems and increase its concentration on interoperability and sustainment. We have made important progress in raising the priority of sustainment of fielded systems in Egypt's defense planning.

We are also requesting \$30 million of FMF for Jordan. This funding is critical and will be used to restore equipment debilitated by maintenance, spare parts, and other sustainment deficiencies—a direct result of substantially reduced foreign assistance. It will also be used to enhance border security and internal stability as well as to facilitate Jordanian participation in U.N. peacekeeping missions. Jordan has taken a bold move in concluding a peace agreement with Israel in the absence of a regional agreement, and is committed to restructuring its forces to produce a smaller and more capable military better able to ensure security along its borders.

EUROPE

Our assistance program includes elements to respond to the dramatic changes in Europe of the past several years. These elements specifically support our broad transatlantic objectives of replacing historic division of the continent with a new, inclusive regional security architecture. Our vision for an integrated regional security structure includes several complementary "tracks": fully implementing NATO's Partnership for Peace; proceeding with our allies' shared

commitment to NATO enlargement; building a NATO-Russia relationship on a parallel track; strengthening the OSCE's [Organization for Security and Cooperation in Europe] unique role as an inclusive security organization; and supporting expansion of the European Union.

Until now, our security assistance efforts in the Central Europe and the NIS have been largely limited to IMET. For example in FY 1994 we sent 579 international students to the U.S. from CE and the NIS, and paid for seven English language laboratories in this region. But now, in order to further this new security architecture we envision in the region, the FY 1996 budget reflects an expansion of our security assistance efforts with two major complementary regional initiatives—the Warsaw Initiative and the CE Defense Infrastructure program.

NATO's historic Partnership for Peace program represents a major step in bolstering the security of not only the Partner states but also of the entire transatlantic community. PFP will create new opportunities for a wide range of cooperative multilateral security activities, including joint military exercises. PFP seeks to create a stabilizing web of security relationships among the states of the region.

In July 1994, President Clinton made a commitment to request \$100 million in FY 1996 funds to help new democratic European states advance PFP goals. Known as the Warsaw Initiative, this program is designed to build the foundations of Partner participation in PFP, improve defense force interoperability, and prepare countries emerging from communist governments for eventual NATO membership. This program is designed to relieve some of the logistical and resource deficiencies, equipment obsolescence, and operational shortcomings which have hampered Partnership participation.

We need FY 1996 appropriations for both the Department of State and the Department of Defense to fund the Warsaw Initiative fully, using existing authorities. The State Department requests \$60 million to implement the bilateral military assistance programs that support equipment transfers and training. Bilateral assistance will be used to support the transfer of equipment such as, search and rescue equipment, tactical radios, and other command and control equipment. The Department of Defense requests as part of its budget the balance of \$40 million to be allocated among programs to support individual Partner participation in joint exercises and other PFP activities as well as programs for advancing NATO-PFP interoperability.

We note that H.R. 7 proposes an assistance program, focusing on prospective NATO membership. The President's Warsaw Initiative program for all Partners serves this end and deserves your support. We believe PFP related assistance should not prejudice potential NATO membership. PFP and NATO enlargement are mutually reinforcing. First, the Partnership is the pathway to membership for those nations ultimately joining NATO. Equally important, it also provides an invaluable link and assurance of NATO support to those Partners not doing so.

While the Warsaw Initiative encompasses all PFP partners including the NIS states, the CE Defense Infrastructure program is focused on selected countries in Central Europe. We are requesting \$20 million in Foreign Military Financing to support this program. Designed to aid the reorientation of the former Warsaw Pact militaries to peaceful, non-offensive roles, it will promote peace and regional stability by helping these newly democratic states to acquire new and used U.S.-origin equipment; enhance the compatibility of CE defense infrastructure with NATO; and encourage the CE states to assume greater security responsibilities in the post-Cold War world.

The CE Defense Infrastructure program is distinct from our proposed assistance to PFP partners under the Warsaw Initiative. The Warsaw Initiative has the immediate goal of facilitating PFP participation; while the CE Infrastructure program will address deeper infrastructure deficiencies, such as lack of airlift capability and incompatible radar and IFF

systems. Addressing these deficiencies may or may not facilitate PFP participation, but will promote the broader goal of improved NATO compatibility.

Our request also supports the continued military modernization efforts of key NATO allies, Turkey and Greece, with FMF loans. Our FY 1996 request for Turkey will enable the United States to fulfill its funding commitment to that country's Peace Onyx F-16 programs, and to assist Turkey in meeting its continuing sustainment requirements for fielded U.S.-origin systems.

AFRICA

Turning toward Africa, our resources and interests are more limited; however, the new era provides a unique opportunity to support U.S. policy objectives. Apart from the obvious benefits of military access through overflight and landing rights, encouraging regional stability and peaceful conflict resolution supports U.S. interests. African militaries are generally integral participants in their countries successful or unsuccessful transitions to democratic, stable governments. Our regional strategy assists African nations in their efforts to democratize and alleviate human suffering. Our focus is on humanitarian aid and national assistance activities not involving lethal technology. Some of our key initiatives include senior officer visits and medical training exercises, as well as IMET. Through professional interaction between U.S. and host nation forces, forward presence operations contribute to the promotion of democracy and professional military ethics.

In African countries, IMET is the most well known and sought after U.S. program. We are requesting \$6.6 million of IMET funding which will allow us to continue our current range of professional military education and Expanded IMET, including regional Defense Resources Management Institute programs. U.S. military contacts with, and assistance to, African militaries promote a positive view of the role of armed forces in democratic states as well as respect for human rights and conflict resolution. These activities, if continued, should help reduce the likelihood that U.S. military intervention will be needed. And, should contingency operations to protect U.S. interests become necessary, the exposure of U.S. forces to Africa will increase their effectiveness.

Finally, the assistance we are requesting under Voluntary Peacekeeping, as well as some IMET, will help to support African participation in international peacekeeping organizations, either bilaterally or under the auspices of regional organizations such as the Organization of African Unity (OAU). African militaries operating under the UN and OAU auspices have contributed forces to international peacekeeping operations in Cyprus, the Middle East, Cambodia, the Persian Gulf, Somalia, Mozambique, and Rwanda either in support of, or in lieu of, U.S. and Western forces. In the contemporary climate of ethnic instability, enabling African peacekeepers to come to the aid of Western forces is a practice which should be encouraged.

LATIN AMERICA AND THE CARIBBEAN

Closer to home, we are requesting IMET and FMF to assist the defense establishments of Latin America and the Caribbean. The economic and political maturation of the region's countries, with the exception of Cuba, has required a change in the structure and focus of our security relationship with the nations of the Western Hemisphere. From this hemispheric community came our political and diplomatic allies from the earliest days of our efforts to restore the duly elected President of Haiti. Their military support, though limited, has been encouraged.

We are requesting \$7 million for Haiti to support the restructuring, professionalization, and accountability of that nation's security forces. Success in establishing such a force is a key to completing the U.S. and U.N. operation in Haiti and putting Haiti onto a sustainable course of democratic governance. The extent to which the Haitian security force structure will include a

military component is currently under close review by the Haitian government. Its decision will impact how proposed U.S. assistance will be utilized.

We are requesting \$3 million of Foreign Military Financing to support the nations of the CARICOM Battalion and the Regional Security System (RSS). The CARICOM Battalion was one of the building blocks of the multinational force (MNF) in Haiti, and has agreed to continue when UNMIH takes over from the MNF. The CARICOM Battalion has been one of the principal components in the success of the U.S.-led coalition effort in Haiti.

U.S. military assistance programs are considered effective tools in SOUTHCOM's efforts to provide a reassuring presence in Central and South America. IMET contributes significantly to increased military professionalism and observance of human rights. SOUTHCOM has also observed improved cooperation between civilian and military institutions, and increased participation of the military with nongovernmental organizations. FMF programs with Bolivia, Columbia, and Caribbean countries have contributed significantly to counternarcotics campaigns. For FY 1996, counternarcotics-related military assistance is being requested in the International Narcotics Control Budget, in order to enhance coordination of all counternarcotics programs. By educating Latin American forces in efficient resource management and technical maintenance and logistics, the U.S. helps them maintain operational readiness and capabilities.

The success of the CARICOM Battalion and the Latin American nations in Haiti is a direct result of past U.S. military assistance. FMF and IMET assistance to this region over the years has allowed countries to build and maintain small, professional military forces. And we know that the best soldiers make the best peacekeepers. USACOM was able to use to best advantage the good will developed through our regional alliances to obtain the seaport and airfield basing rights necessary to facilitate deployment and migrant interdiction. Coalition building was contingent on programs such as combined exercises, FMF, IMET, and professionalization seminars and conferences which enhance our influence in the region. Because of these efforts, the U.S. was able to quickly recruit, train, and deploy CARICOM units.

One of the lessons learned from recent peacekeeping experiences is the need to improve the capabilities of other countries and regional organizations to conduct peace operations, reducing the reliance on U.S. forces and resources. The limited funding will help maintain individual and regional peace capabilities in the Caribbean as well as help provide interoperability with U.S. military forces in joint operations.

ASIA AND THE PACIFIC

The U.S. Pacific Command's "Strategy of Cooperative Engagement" goes beyond employing U.S. forces to meet crises as they arise. It attempts to bring to the region views that reflect our values and perspectives on economic growth, political progress, and military cooperation. The basis of this strategy is forward presence through the encouragement of bilateral and multilateral interaction that supports peace and democracy among the 45 nations in the PACOM area of responsibility. Because of our withdrawal from the Philippines, it is unlikely that new bases for future operations will be established. Therefore, continued access through bilateral and multilateral cooperation is key to achieving our strategic goals in the region.

Key to the establishment and maintenance of forward presence in the PACOM area of responsibility is the IMET program. In the case of the Philippines, IMET is one of the few means of building relationships with the younger generation of Philippine military officers. In the case of the newly independent countries of Oceania, IMET is a core element of our access to naval facilities there.

IMET also has a great impact on our relationship with Indonesia—the largest Muslim country in the world. The current leader of the Non-Aligned Movement, Indonesia possesses important natural resources and lies astride major international sea lanes. Our military forces enjoy solid professional relations, although the cancellation of IMET for Indonesia has been an impediment to that relationship as of late. We believe that continuing the suspension does not best serve our interest in promoting respect for human rights. It is through engagement of Indonesia defense and other governmental officials in training and education programs, particularly Expanded IMET, that we can influence values and practices. We must move our relationship with Indonesia forward by reinstating the IMET program in FY 1996. In a period during which we seek to broaden our efforts to build relationships with the armed forces of the regions, increase joint exercises, and enhance access to service facilities for our forward-deployed forces, IMET programs are invaluable.

In Cambodia we have requested \$3 million of Foreign Military Financing to purchase engineering, medical, and land, sea, and air transportation assets for reform, restructuring and development of the basic military infrastructure. In addition, IMET funding will expose current and future Cambodian leaders to military professional development, and continue the training of civilian and military officials in courses promoting civilian control of the military, military justice, and respect for human rights. For example, in the past month, we concluded two significant Expanded IMET seminars in Cambodia. These seminars in Military Justice/Human Rights and Civil/Military Relations brought together officials from the Ministry of Defense and General Staff, the Ministries of Justice, Interior, Foreign Affairs, and the Council of Ministers. We must provide increased funding to support their request for follow-on seminars.

FY 1996 AUTHORIZATION INITIATIVES

Mr. Chairman, in recent years, DSAA has worked closely with this committee on several efforts to streamline and update the Foreign Assistance Act and the Arms Export Control Act. Four years ago, this committee passed HR 2508. Although that bill was never enacted, the military assistance provisions have provided an excellent base for subsequent reform efforts. These provisions were further refined during the negotiations on the Peace, Prosperity and Democracy Act of 1994. Our FY 1996 legislative package includes several initiatives approved by this committee in HR 2508. They have been updated to reflect changes in policy goals and to encourage good management. The following are DoD's highest priority foreign assistance initiatives.

Our most important initiative is the repeal of the requirement to recoup nonrecurring costs (NC) on Foreign Military Sales of major defense equipment. Enactment of this provision will eliminate the distortion in recoupment policy between government-to-government and direct commercial sales of major defense equipment. The proposed repeal is in the U.S. national interest. By restoring a common recoupment policy for FMS and DCS, repeal will eliminate a substantial cost penalty for FMS (five percent on average; up to 25 percent in some cases) to the benefit of the U.S. Government, U.S. industry, and our friends and allies.

We have pursued this repeal for several years. In June 1992, President Bush decided to seek elimination of all NC recoupment requirements—policy and statutory—to increase the competitiveness of U.S. firms. By January 1993, all non-statutory NC recoupment requirements for new sales, including DCS, had been eliminated. The Clinton Administration endorsed this policy and the decision to seek repeal of the statutory recoupment on FMS of Major Defense Equipment. The necessary legislation was originally sent to Congress on August 5, 1993.

The repeal would have no impact on U.S. conventional arms transfer policies or the careful and completely separate interagency arms sales review press. Repeal will simply enhance the ability of U.S. firms to compete for foreign sales that the U.S. Government is prepared to

approve. Nor would the repeal constitute a government subsidy for arms sales. NC costs represent DoD's sunk investment in developing and producing systems for its own forces. Since weapons systems are designed to meet the needs of U.S. forces, and not solely for export, DoD incurs these costs regardless of whether there are any foreign sales. The U.S. already benefits from these sales in terms of their contributions to our own national security objectives and the U.S. industrial base, including in some cases lower DoD procurement costs. There is no logical basis for applying a different recoupment policy to Foreign Military Sales and Direct Commercial Sales. Therefore, we ask you to support the restoration of a common policy by repealing the Foreign Military Sales requirement.

We are also seeking a provision to authorize repairable exchange programs and permit the DoD to accept for return defense articles sold previously through FMS. Currently, items received for repair from FMS customers generally must be tracked through the entire repair cycle to ensure that the exact same item is returned to the FMS customer. This increases both the cost and the time taken to repair the item.

For most components and spare parts the U.S. armed forces use a different [repair] system. An item returned for repair is immediately replaced with a serviceable item from DoD stocks. Once the unserviceable item is repaired, it is returned to DoD stocks for future use. No individual tracking of items is required. Our proposal would simply allow FMS repairs to follow these same procedures. The proposal would in no way place foreign customer needs ahead of U.S. forces.

The return portion of the proposal would allow DoD to accept for return items previously sold to foreign countries when either the U.S. has a requirement for the item or when another eligible foreign country or international organization has a need to receive foreign country or international organization has a need to receive the item under FMS procedures. For example, during Desert Shield/Desert Storm, U.S. stocks of helicopter engine blades for T-64 engines fell to dangerously low levels. The U.S. Navy located stocks of these blades which had been sold to Germany, and Germany offered to return the blades to the U.S. Because we had no authority to complete this transaction directly, the U.S. used a much slower process authorized by the NATO Mutual Logistics Support Agreement. A return authority would have allowed this transaction to occur quickly to the benefit of our forces engaged in combat.

Another of our high priority legislative proposals is the rationalization of Excess Defense Article authorities under the FAA. We propose repealing the various discrete EDA authorities and replacing them with single, broader authority as proposed in the Peace, Prosperity, and Democracy Act of 1994. It would also authorize the sale or transfer of non-significant military equipment with an acquisition value of less than \$7 million without prior Congressional notification. I do not believe it is a productive use of the Administration's or Congress' declining workforce to have to notify and review in advance proposed transfer or sales of small amounts of nonlethal and otherwise mundane excess defense items.

There are but three of the initiatives we are pursuing. We need the statutory changes sought to enable us to effectively administer U.S. military assistance programs. We are currently pursuing these military assistance proposals for inclusion in the foreign assistance authorization and the DoD Omnibus bills. All of these initiatives deal with removing or minimizing mandated restrictive requirements, while others support the CINCs and Military Departments, as well as enhance customer service.

CONCLUSION

It is in the national security interest of the United States to train and equip friendly foreign defense forces and to otherwise develop their defense potential. Such military assistance

programs help achieve U.S. objectives on many levels. First, they enhance U.S. influence and assure U.S. friends and allies of the strength of U.S. commitments. Second, operating mainly in the realm of peacetime engagement, military assistance programs contribute to deterrence and conflict prevention as well as enhance the U.S. military's ability to fight and win if deterrence fails. Third, they preclude the U.S. from having to rely solely on unilateral means and resources to secure our national interest. U.S. security depends on durable relationships with allies and other friendly nations. As the U.S. armed forces continue to downside and the requirement increases for potential coalition operations in regions of conflict and tension, military assistance programs remain critical.

Ideally the CINCs, in support of U.S. ambassadors, will be able to tailor these programs within national policy guidelines to specific requirements, anticipating rather than reacting to the strategic landscape. Military assistance programs will encourage the development of viable cooperative defense arrangements, making U.S. direct intervention less likely. And should conflict develop, stronger coalition partners can increase the probability of military success with a reduced commitment of U.S. forces.

Our military assistance programs can also help shape foreign defense establishments' views and practices on such important issues as democracy, civilian control of the military, and respect for human rights. Our programs cannot work miracles in these areas or convince those who do not want to listen. They can, however, provide highly useful perspectives, skills, and knowledge to foreign leaders who want to reform or otherwise improve their defense establishments, as in the new democracies of Central Europe, the NIS, Africa, Latin America, and the Caribbean.

They also impart powerful ideas and offer role models to younger officials who can work for change from below and who, as later emerging leaders, initiate change from the top. Through such engagement our military assistance programs can not only help shape forces that can fight effectively alongside U.S. forces in defense of vital interests, but also that will ascribe to and help achieve our international democratic agenda.