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Editor
Mr. Gregory W. Sutton

Managing Editor
Ms. Patti J. Vocke

Art and Graphics
Mr. Danny L. Palmer

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THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT

Welcome to the September 2008 issue of the DISAM Journal! Thank you everyone who submitted articles for publication, and a special thanks to our Marine Corps comrades who authored this issue's feature articles.

This issue's feature articles, along with a good number of others, highlight that Security Cooperation (SC) is now a core mission for a much broader group than our traditional DISAM Journal readers. The various organizations now participating in SC activities and the diversity of students coming to DISAM, whether for resident or non-resident training, further reflects this. The context and intent of the recently-released new National Defense Strategy and the President's FY09 International Affairs Budget Request, also included in the articles of this edition, continue to make this evident.

Other articles continue to underscore our dynamic environment. Congressman Howard Berman, Chairman of the House Committee on Foreign Affairs, stresses the need for reform and rewrite of the Foreign Assistance Act, which currently dates back to 1961, in his remarks before the House Foreign Affairs Committee. He notes that this will be a challenge for both Congress and the new Administration.

This issue also includes an overview of the newly christened International Acquisition Career Path. This is an important development for not only the acquisition community but also the security assistance community. The new career path marks a milestone in a two year cooperative effort between USD (AT&L) [Under Secretary of Defense for Acquisition, Technology, and Logistics] / DAU (Defense Acquisition University) and DSCA (Defense Security Cooperation Agency) / DISAM. We look forward to an ever-increasing cooperative effort between our two communities in pursuit of excellence for both.

Of regional note, we have devoted press to the Americas from the Council of the Americas 38th Annual Meeting held earlier this year. In addition to providing Secretary Rice's comments made at the forum addressing issues of importance in this hemisphere, we also have a more focused article on the Merida Initiative, a key request which will support Central American governments in combating organized crime and gang activity in the region.

Included articles on counterterrorism, the Proliferation Security Initiative, and requirements for U.S. firms to report Off-Set Agreements to the Department of Commerce demonstrate the great breadth of topics which now fall into the context of Security Cooperation. As always, I believe we have something of interest to everyone!

Lastly, Major Barbara Ochsner provides an overview of DISAM's on-site training offerings. Major Ochsner, DISAM's coordinator for on-site activity, emphasizes the advantages to training at your own location for significant numbers of employees including overall time and money savings and a deeper focus on the Security Cooperation aspects that apply more to your organization and employees. While not necessarily applicable to all, this is a viable opportunity for many—DISAM does a lot more than the training conducted on our campus.

Please remember that you are the news! We need your help to document your efforts and successes for our broad constituency. We are always looking to let others know about what you are doing. As always, best wishes!

RONALD H. REYNOLDS
Commandant

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FEATURE ARTICLES

U.S. Marine Corps Security Cooperation

By

LtCol J.P. Hesford
and
Mr. Paul Askins

Overview

Undeniably, the most visible elements of U.S. Marine Corps (USMC) security cooperation are the deployed Marines assisting partner nations in building or strengthening their desired capabilities. These Marines build partner capacity across the continuum of operations, from military-to-military contacts and humanitarian assistance/disaster relief operations in Phase Zero to transition teams providing training in support of current operations such as Operation Iraqi Freedom and Operation Enduring Freedom. These efforts, led by the Regional Marine Component Commands, support their respective Combatant Commander's objectives for each geographic region.

While overseas advisory or training assistance are the most prolific aspects of Marine Corps security cooperation, with hundreds of Marines deployed in these roles around the world, it's far from the entire story.

The Marine Corps employs a coordinated approach to security cooperation. Currently this approach is guided by the Secretary of Defense's Security Cooperation Guidance. Based on that guidance, the Commandant of the Marine Corps publishes an Implementation Strategy that compliments and supports the Theater Security Cooperation Plans published by the Geographic Combatant Commanders. With the recent publication of the Guidance for Employment of the Force, the Marine Corps is now developing its Campaign Support Plan to support the Campaign Plans these Geographic Combatant Commanders will use as their guides to security cooperation in the future.

Even though the Regional Marine Component Commands remain the focal point for execution of security cooperation within their regions, the cohesiveness and unity of purpose of the Corps overall security cooperation effort is achieved through the communication and integration of efforts of three major security cooperation organizations within the National Capital Region— the International Issues Branch, Strategies and Plans Division, Deputy Commandant for Plans, Policies, and Operations, located at Headquarters, Marine Corps; the Security Cooperation Education and Training Center, Training and Education Command located in Quantico, VA; and International Programs, Marine Corps Systems Command also located in Quantico, VA.

The International Issues Branch (PLU) acts on behalf of the Deputy Commandant for Plans, Policies, and Operations as the coordinating and oversight authority for implementing Marine Corps policy in security cooperation and technology transfer matters, thereby ensuring Marine Corps security cooperation efforts are consistent with U.S. strategic plans. The Branch develops Marine Corps recommendations to the Joint Staff on policy and program aspects of security cooperation and is the author of the Commandant's Security Cooperation Implementation Strategy and pending Security Cooperation Campaign Support Plan.

To facilitate communication and integration, PLU hosts monthly sessions with the other Marine Corps security cooperation organizations within the region and annually sponsors the Marine Corps Security Cooperation Conference that brings together all Marine Corps security cooperation personnel for a plenary and planning session. As a part of the Branch's policy development role, personnel from PLU support various DoD and Joint Staff working groups on a variety of building partner capacity issues including the Train, Advise, and Assist Working Group; the Building Partnerships Capabilities Portfolio Management; and the Quadrennial Defense Review Roles and Missions Analysis.

Regional desk officers within PLU closely coordinate with partner nation personnel, their Marine Component Command counterparts, and with their counterparts in the other key Marine Corps security cooperation organizations as an ongoing part of communication and integration. PLU also coordinates the Marine Corps International Affairs Officer Program which includes Marines assigned to security cooperation billets worldwide.

The Security Cooperation Education and Training Center (SCETC) is responsible for implementing and evaluating Marine Corps security cooperation education, training, and programs in order to support Marine Component Command efforts to build partner capacity. SCETC consists of three branches—the International Programs Branch, the Operations and Training Branch, and the Civil Military Operations Branch. The roles and missions of these branches are as follows:

International Programs Branch plans, coordinates, administers, and tracks all Marine Corps security cooperation education and training programs. The branch's regional program managers are in constant contact with partner nation, country team, and service counterpart personnel to build partner capacity through various security cooperation programs such as Foreign Military Sales (FMS), International Military Education and Training (IMET), Foreign Military Financing (FMF), Countering Terrorism Fellowship Program (CTFP), and Counter-Drug Training Support. The branch is currently working on several new initiatives to expand international education and training opportunities within the Marine Corps for partner nation personnel. These include the implementation of the Marine Corps University International Fellows Program, the expansion of the Command and Staff College Distance Education Seminar Program, and the development of the Expeditionary Warfare School Distance Education Seminar Program. The branch is also leading the center's effort to develop a new security cooperation planner's course designed for Marines at all command and headquarters levels who are involved in planning security cooperation missions.

Operations and Training Branch is responsible for establishing security cooperation training standards for all Marine Corps units and personnel. These include the identification of appropriate security cooperation mission essential tasks and the publication of the security cooperation training and readiness manual that will guide Marines and Marine units executing security cooperation missions. The branch currently supports training for deploying transition teams, trains designated security cooperation advisor/training teams from both the Marine Corps and other government agencies, and coordinates military-to-military events not supportable by the Regional Marine Components.

Civil Military Operations Branch provides outreach to service and partner organizations and coordinates civil military operations education and training. This branch is currently involved in developing a civil affairs military occupational specialty qualifying course; providing training and support for Marine Corps Civil Affairs Groups (CAGs), artillery battalions (currently serving as provisional CAGs), and various other Marine Corps forces; supporting the Marine Corps Training Detachment at Maritime Civil Affairs Group School in Little Creek, VA; developing a civil military operations planner's course; developing civil military operations distance learning options for Marines; and providing observers/controllers for Marine expeditionary force mission readiness exercises.

International Programs (IP) of the Marine Corps Systems Command is responsible for planning, coordinating, implementing, and executing all Marine Corps related security cooperation acquisition and logistics matters, procedures, instructions, technology transfer programs, disclosure of classified information requests, and technical data packages to provide military assistance to partner nations.

IP acts as Case Administering Office (CAO) for Foreign Military Sales, Foreign Military Financing, or cases from other security cooperation programs assigned to the command. IP case managers exercise direction and control over assigned case acquisition programs and related activities as well as financial authority and responsibility over assigned cases.

While IP's FMS portfolio is too broad to review here, its work on the Mine Resistant Ambush Protected (MRAP) vehicle program has been critical over the past several years. The MRAP family of vehicles provides warfighters multi-mission platforms capable of mitigating Improvised Explosive Devices (IEDs), underbelly mines, and small arms fire threats which are currently the greatest casualty producers in the Global War on Terror. Three categories of vehicles are being produced; and the totals to date, $22.4B in funding and 14,058 units, speak to the enormity of the project. Carrying a DX rating, and considered absolutely essential as a force protection measure in theater, Marine Corps Systems Command IP's program managers have worked doggedly to ensure the acquisition requirements of our international partners are serviced in consonance with the overall DoD demands.

The Director of International Programs is essential in the approval process of the Department of State and Department of Commerce munitions and commodities export licensing for Marine Corps items.

IP coordinates and reviews leases of Marine Corps equipment to partner nations and selected international co-production related to Marine Corps equipment. IP negotiates and concludes Cooperative Logistics Supply Support Arrangements (CLSSA) with partner nation governments and prepares service to service implementing procedures regarding logistics support for Marine Corps weapons systems and equipment. IP also coordinates Marine Corps proposals for Non-Developmental Item Foreign Comparative Testing and Defense Acquisition Challenge.

IP has delegated authority to determine releasability of classified and unclassified end items and associated information for Marine Corps weapons systems and equipment.

There is one other key Marine Corps organization that plays a crucial role in coordinating Marine Corps security cooperation, especially those aspects regarding deployed training or advisory assistance. The Marine component of Joint Forces Command, Marine Forces Command, coordinates force provider responsibilities for security cooperation missions. Through the utilization of force requirements data systems and a periodic synchronization conference, this component command addresses all force requirements involving Marine Corps equity, recommending sourcing solutions as appropriate. This is critical to building partner capacity because the current operational tempo makes sourcing deployed training or advisory requirements a continual challenge.

Recent Events and "Where we are" on Security Cooperation

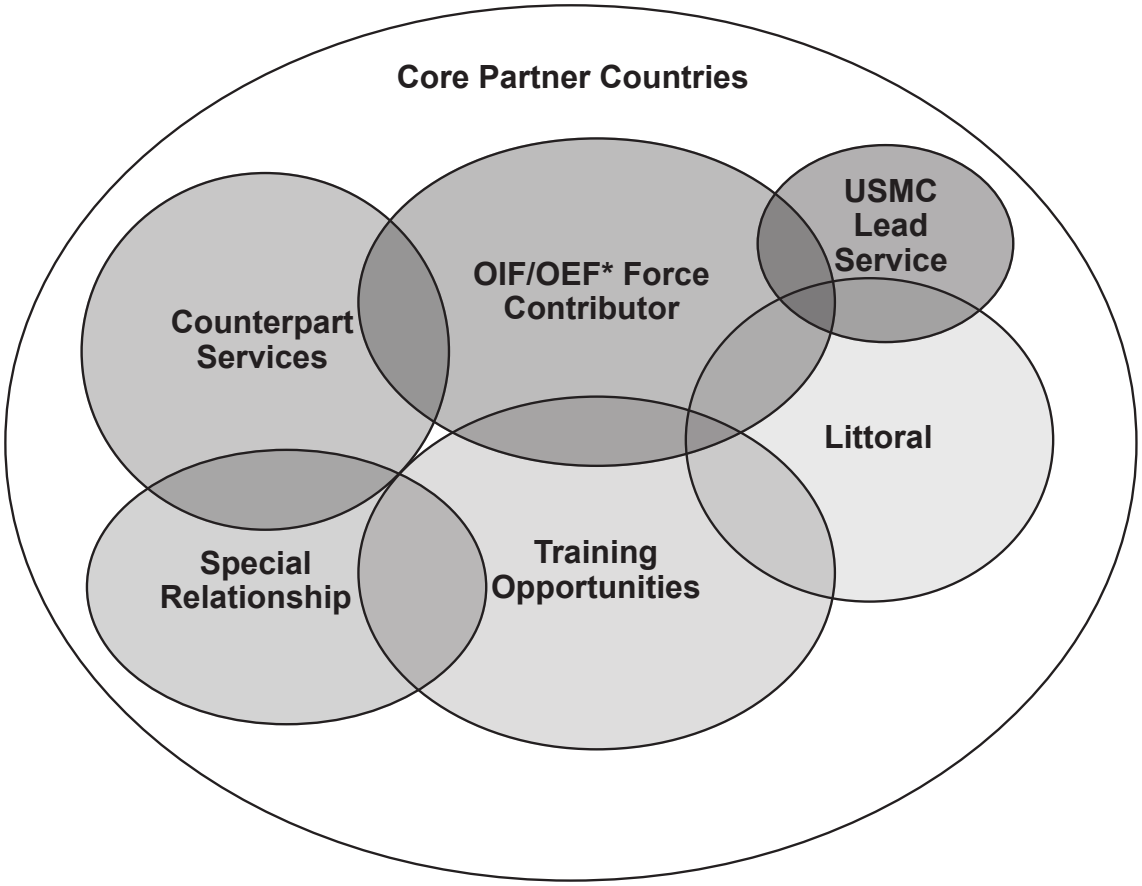
The Director, Strategy and Plans Division (PL) hosted the fourth annual USMC Security Cooperation (SC) conference at the Gray Research Center aboard Marine Corps Base (MCB) Quantico, VA, 11-13 March 2008. Keynote addresses at the conference were delivered by Deputy Assistant Secretary of Defense for Partnership Strategy, Dr. Jeb Nadaner, and Director, Defense Security Cooperation Agency, VADM Jeffrey Wieringa. This annual conference, which garners participation from each of the regional Marine Forces (MARFOR) component commanders' security cooperation planning staffs, as well as the three Marine Expeditionary Forces and various representatives from the services and other DoD agencies, is the cornerstone of the Marine Corps Security Cooperation planning cycle. Collecting the most significant

stakeholders together and candidly discussing pressing issues from the previous and forthcoming fiscal years has proven to be an invaluable exercise, and this year was no exception.

In addition to providing a general update on "where things stand" with regards to USMC SC issues, the conference this year served as an opportunity to generate an awareness of the increasingly central position security cooperation currently holds in U.S. security strategy. While the introduction of the Global Environmental Fund (GEF) will engender a number of significant changes to all facets of USMC SC, it also serves to demonstrate the collective mindset of our civilian leadership. The leadership of the Marine Corps believes this represents somewhat of a benchmark for SC policy. It fundamentally underpins the rationale behind the USMC Long War Concept (see below for amplification) and should serve as an impetus for the budgetary, personnel, and organizational changes that initiative entails.

Despite the changes, regional MARFORs will remain the focus for all USMC SC related activities. While the manner in which global SC operations will be planned and executed will be affected by the adoption of Theater Campaign Plans and Campaign Support Plans, regional MARFORs will continue to be the "primary arbiters" of Marine Corps SC operations, primarily in support of Combatant Commander objectives. Based on our relatively small size as a service and our inherently expeditionary nature, the Marine Corps typically seeks out tightly-focused and short duration security cooperation operations that capitalize on our unique character. The following chart illustrates the criteria we consider when apportioning forces and dedicating assets.

USMC Security Cooperation (SC) Orientation



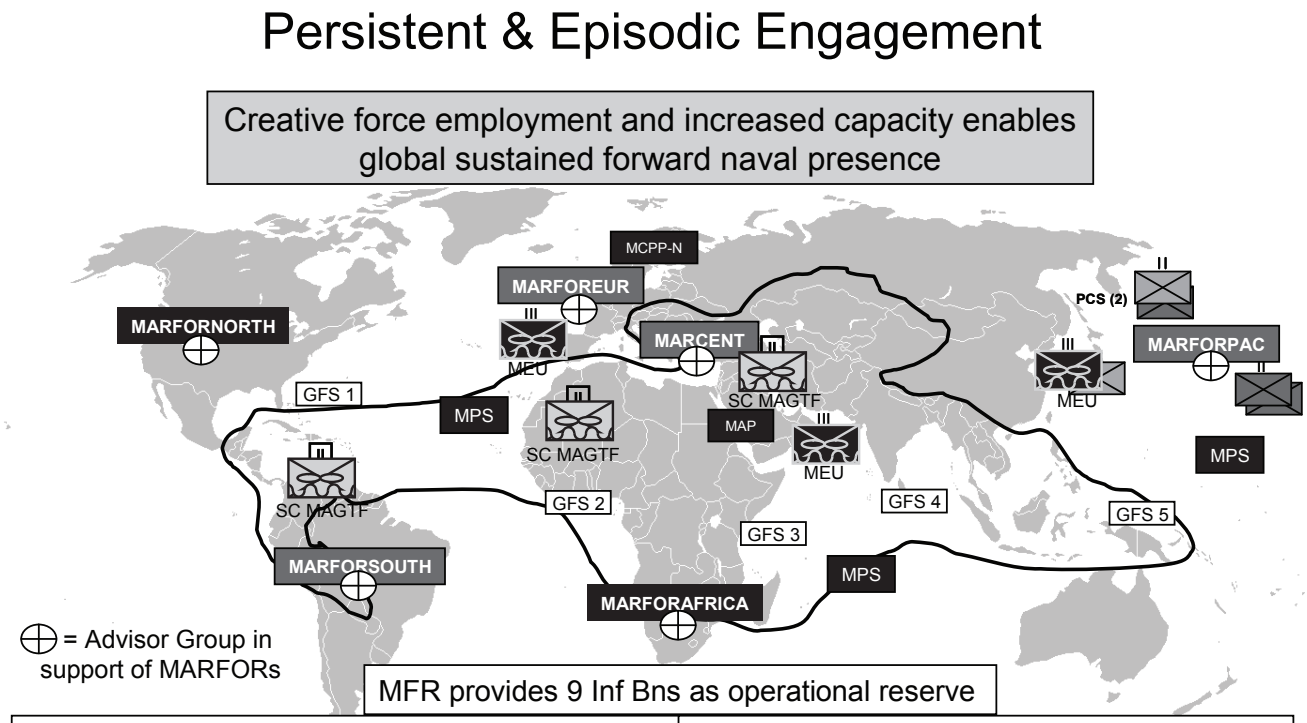
** OIF (Operation Iraqi Freedom)/OEF (Operation Enduring Freedom)*

The USMC Long War Concept

Given the general consensus that has evolved regarding the changing nature of the threat to America's security (namely the rise of non-state actors such as ideological extremists, ethnically-based militias, and transnational criminals) and the belief that these threats will present the most likely challenge to our national security interests for the foreseeable future, the Marine Corps has developed a new force employment concept.

Seeking to support the regional combatant commanders through the employment of a multi-capable Marine force tailored for regional engagement activities, the principle goal of the concept is to leverage partner nations' security forces while confronting the underlying conditions that foster instability. As an expeditionary force in readiness, the Marine Corps will always remain prepared to defeat our enemies though direct, kinetic operations; however, we likewise understand the strategic imperative to minimize, to the extent we can, the requirement for putting Marines in combat. Under the general rubric of Building Partner Capacity (BPC) and through the use of the full spectrum of security cooperation tools, the Marine Corps is embracing an operating concept that includes the establishment of a Security Cooperation Marine Air Ground Task Force (SC MAGTF) capability.

The development and employment of SC MAGTFs will capitalize on the overall USMC growth to 202,000 (202K) personnel and the subsequent force planning construct this structure increase will yield. At 202K, the Marine Corps will realize 27 active-duty infantry battalions, nine of which will remain forward-deployed, for a sustained 1:2 deployment-to-dwell ratio. In addition to SC MAGTFs organized for specific training and operations events, three Marine Expeditionary Units (MEU) will be continually



Force Planning Construct:	Global Fleet Stations:
• 9 Inf Bns forward (3 MEU/3 UDP/3 SC MAGTF)	• Maritime security cooperation
• 18 Inf Bns conducting full spectrum training	• Operationalizes Naval Operations Concept
• 27 Inf Bns Total (202K) operating on 1:2 dwell	• Sea-based naval headquarters

deployed for episodic security cooperation operations and short-notice, first responder duties in the event of crises requiring direct action. Additionally, the Unit Deployment Program (UDP), which provides for the deployment of Marine forces from CONUS (Continental U.S.) locations to Okinawa, will provide forces to support a global force-laydown that most effectively supports our national interests.

While the MEU and UDP battalions will constitute an essential element of the Marine Corps overall BPC and SC portfolio, the SC MAGTF will be task-organized to provide a forward deployed presence for specific, discrete engagement opportunities. Organized for specific events, the SC MAGTF will consist of a Ground Combat Element (GCE), a Logistics Combat Element (LCE), and an Air Combat Element (ACE). For SC activities where the traditional MAGTF structure is unnecessary, the force will be tailored to meet those tasks particular to the mission, normally focusing on conducting foreign internal defense and training, advising, and assisting in developing military and security forces. While certain augmentees to the SC MAGTF that handle basic functions such as civil affairs planning and civil-military operations will likely be a staple for deployments, specialized elements can be included based on specific regional factors. For example, in rural areas where an agricultural lifestyle is predominant, a veterinary unit assigned from the U.S. Army can be included to provide training and education on current animal health practices.

Additional support to the SC MAGTF is envisioned by means of the recently established Marine Corps Training and Advising Group (MCTAG). Based in Ft. Story, VA, MCTAG is currently manned by a mix of officers and enlisted Marines who have been tasked with a wide variety of SC tasks. Principle among these, MCTAG will prove indispensable as the coordinator and facilitating agency for ensuring that the requisite advance planning is completed and that SC MAGTFs (and their supporting commands both on home station and under the regional MARFOR), as well as other SC units, are getting the training, education, and resources they need to best conduct training with our partner nations. Though final details have yet to be worked out, MCTAG may have an operational role as well. A MCTAG-led team has already participated in SC operations in Africa, advising and training peacekeeping forces under the ACOTA (African Contingency Operations Training and Assistance) program.

Though the full implementation of the Long War Concept and the SC MAGTF depends on a significant drawdown of USMC forces in the Central Command (CENTCOM) Area of Responsibility (AOR), preparations are underway to roll-out a limited, proof-of-concept SC MAGTF during FY09.

Realizing that the future expansion of security cooperation operations will require a corresponding increase in the number and availability of those who facilitate it, PLU, Intelligence, and Marine Corps University (MCU) have initiated an effort to analyze and recommend changes to the global laydown of externally assigned officers in the Marine Corps. Externally assigned officers is an informal naming convention that includes Marine attachés (MARA), security assistance officers (SAO), personnel exchange program participants (PEP), officers attending foreign PME (Professional Military Education) schools, and liaison officers (LNO).

To varying degrees, each of these officers acts as a de facto security cooperation officer, representing the Marine Corps to a foreign audience on a host of disparate initiatives and programs. As the role of security cooperation becomes ever more central to national security, the unique placement and skills (language and cultural) of these officers has the potential to reap important dividends. The USMC Long War Concept and the programs imbedded therein warrant a detailed analysis on how we might better leverage our array of externally assigned officers in their role as security cooperation enablers.

Based on a formal query co-sponsored by PLU and Marine Corps Intelligence, each Regional Component Commander has provided comment on its current laydown of externally assigned officers, as well as recommendations on potential changes within its AOR. An informal working group is set to analyze these responses and draft a recommendation for Marine Corps leadership that offers multiple

courses of action for re-aligning and expanding these billets. Ultimately, the goal is to achieve consensus on a viable, long-term plan to maximize the effect these officers can have on USMC security cooperation efforts globally. The following chart was created to serve as a guide for assessing the value of each particular billet.

Table 1
Security Cooperation Officer Relative Value Matrix

	Language	Culture	Access	Availability	Awareness	Overall
SAO	3	5	5	5	5	5
LNO	5	5	4	4	4	4
MARA	4	5	4	4	5	5
PEP	5	3	2	2	3	3
PME	5	3	2	1	3	2

Notes:

- *Estimated value for each category (5 being the highest) is subjective and situation dependent.*
- *Culture refers not just to the country but to the military culture within the armed forces, particularly at the service headquarters level.*
- *Awareness refers to the officer's presumed familiarity with the field of security cooperation, based on billet specific training.*
- *This matrix applies only to commissioned officer positions. The utility of externally assigned Non-Commissioned Officers (NCO) requires a case-by-case analysis and does not lend itself to generalization; i.e. a Disbursing Accounting Officer (DAO) SSgt in Ghana may be more useful than an Office of Defense Cooperation (ODC) GySgt in Berlin.*

Summary

The security cooperation landscape is undeniably changing. Partnership programs and policies that were once viewed simply as "additional" or "ancillary" tasks by combat-oriented Marine commanders have now evolved into core missions that are given equal resources and attention. Marine forces in every geographic region have a deep reservoir of first-hand experience on which to rely when executing security cooperation operations. Inside the Beltway and within the National Capitol Region, the Marine Corps security cooperation community clearly understands the Commandant's intent for the Long War and is working closely with the Office of the Secretary of Defense and Joint Staff to ensure that the guidance and support passed on to the fleet conforms to and enhances the vision of our military and civilian leadership. Though the past several years have unquestionably demonstrated the difficulty of predicting what the future holds for deploying units, the importance of security cooperation and the degree to which it can contribute to meeting our national security objectives are, by now, self evident.

About the Authors

LtCol J.P. Hesford is the Security Cooperation Head at Headquarters Marine Corps, Plans, Policies, and Operations, Strategy and Plans Division.

Mr. Paul Askins is the Director of International Programs at the USMC Security Cooperation Training and Education Center, Training and Education Command, in Quantico, VA.

Command and Staff College Distance Education Program (CSCDEP)

By

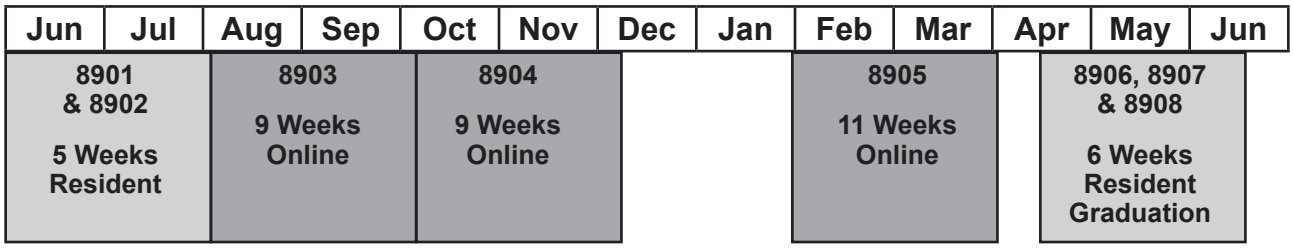
Gina Douthit
U.S. Marine Corps (USMC)
Security Cooperation Training and Education Center

What do you do when you can only send 20% of Marine Majors to a resident intermediate-level joint professional military education (JPME) and you can only support half the requirement for international military students in the Command and Staff College? Look for alternatives. Approximately 80% of Marines obtain their professional military education (PME) through some form of distance education. The Marine Corps has established regional seminars to allow these Majors to complete their education while they continue to do their "day jobs," but they miss out on the international exposure and viewpoints.

The Marine Corps developed a new Command and Staff College Distance Education Program in order to accommodate the increased demand for international professional military education and to offer U.S. Marines another alternative to the resident Command and Staff College to fulfill their JPME requirement. The CSCDEP is more than just another distance education program. It offers a unique blended seminar construct built within the Marine Corps' distance education program. This combined seminar approach offers the students a wider flavoring. The different points of view help the Marines understand how other country militaries think and operate, and likewise with the international students. This understanding is quite helpful in coalition partnerships.

This program, developed by the Marine Corps College of Continuing Education, is based on the intermediate-level Command and Staff College curriculum and includes two resident seminar periods. The first resident seminar period is 5-weeks set at the beginning of the program, and a 6-week resident seminar is at the end of the 1-year construct. In the middle of the program are three online seminars. The resident seminars are held in the brand new, state of the art classroom at the Security Cooperation Education and Training Center in Quantico, VA; and the online seminars include three courses of instruction using an interactive, internet-based Blackboard learning support system. Each individual course is designed to build the foundation leading to the next course of instruction. All course material is provided at the beginning of the resident sessions, so there is nothing to download from the internet and no ".mil" issues.

The diagram below provides an illustration of the course construct.



- 8901 Theory and Nature of War
- 8902 National and International Security Studies
- 8903 Operational Art
- 8904 Joint Warfighting
- 8905 Small Wars
- 8906 Marine Air-Ground Task Force (MAGTF) Expeditionary Operations
- 8907 Amphibious Operations
- 8908 Operations Planning

Instructor mentorship and student interaction throughout is key to the success of this program. The seminars provide a learner-centered course design with both online and face-to-face discussion as the primary learning methods; and both are faculty led, validating and evaluating the student's participation throughout.

The intent of the CSCDEP is to provide officers in the grade of O-4 with an understanding of the relationship among the strategic, operational, and tactical levels of war within a joint/multinational environment. In conjunction with the application of Marine Air-Ground Task Force (MAGTF) doctrine and techniques for the changing conditions of warfare, this understanding provides officers with the insights necessary to plan and conduct humanitarian and theater security cooperation operations, plan and participate in small wars operations, as well as plan and conduct conventional operations. The focus of the program is to develop officers who will apply the capabilities and potential roles of a MAGTF in a joint/multinational environment.

The pilot course was a marked success offering a diverse and holistic educational experience, engaging a mix of experiences and interpretations of the course material among the international and U.S. students. The class was balanced with an equal number of U.S. and international students, with the international students coming from Bahrain, Canada, New Zealand, Philippines, Slovakia, Sweden, and Saudi Arabia. The variety of military occupational specialties to include aviation, medical officer, air defense officer, logistics officer, artillery, infantry, and Light Armored Vehicles (LAV) officers offered an engaging mix of viewpoints, experiences, and interpretations of the course material. Additionally, the diversities in cultural sharing were tremendous and allowed everyone to benefit from differing perspectives.

Beginning with the first resident period of study, the students were introduced to U.S. military, U.S. history, the U.S. Marine Corps, human rights and ethics, an academic orientation, and the first two courses of the program. The online seminar included three courses of instruction using an interactive, internet-based Blackboard learning support system. The final resident period

concluded with the last three courses of the program, a final exercise, and then a graduation ceremony, alongside the resident Command and Staff College students.

Guest speakers offered their perspectives relative to the various courses. Retired Marine Commandant Alfred M. Gray spoke on the importance of continuing education and professional development for field grade officers. As Commandant, it was the General's dream to create a Marine Corps University that would provide professional military education and instill professional values in today's Marine Corps leaders. He also addressed his perspective on the Marine Corps focus on the importance of U.S. joint/coalition interoperability and implications in the Long War.

As part of the National and International Security Studies course, Ambassador Sam Zachem, former U.S. Senator and Ambassador to Bahrain, addressed his perspectives on what the current and future U.S. role should be in the Middle East and the importance of understanding differing cultures in strategic level decision-making.

Throughout the course, the students read selected works of history's greatest military theorists and generals and then discussed the comparison and contrast of their theories and practices. By applying these theories to selected eras and events in military history, students analyzed the evolution of warfare from the 17th century to the present and the nature of change in the characteristics of war in selected time frames. The students explored the concept of an "American way of war" and how it helped frame how Marines think about and conduct combat operations today.

The camaraderie and competition extended beyond the academic study and the ensuing discussions. The two resident periods included Field Studies Program events and other professional military education-type events. During the resident seminars, the students participated in several events outside the classroom. Kicking off the first seminar with a cook-out, they quickly got to know each other in a casual, informal setting. As part of their orientation to the Marine Corps, they visited the Officer Candidate School and The Basic School to tour the training areas and receive briefings on how future Marines are screened and

selected for commissions and then how they are trained after they are commissioned. They also visited the Weapons Training Battalion and observed a weapons demonstration.

As part of their Field Studies Program (FSP), they enjoyed visits to the District of Columbia, the Pentagon, Congress, and Arlington National Cemetery. They attended the Evening Parade at Marine Barracks 8th and I; the Mariners' Museum in Norfolk, VA; and the National Museum of the Marine Corps outside the main gate at Quantico. The National Museum of the Marine Corps was dedicated on 10 November 2006 and is a must see for all FSPs on the east coast. The students also organized a few of their own events such as a golf outing and a soccer match. On top of that, the international students were able to enjoy two of our best national holidays, Memorial Day and Independence Day!

Additionally, the students enjoyed a battlestaff ride to the U.S. Civil War battlefield at Chancellorsville as part of their Theory and Nature of War package. The study of the Chancellorsville battle establishes the prelude to events at Gettysburg and also addresses operational and strategic planning considerations and impact throughout the remainder of the Civil War. Theory and Nature of War introduced students to military theory and described its impact on the conduct of war. The Chancellorsville study allowed the students to discuss commandership; that is, how commanders behave and why they make the decisions they make. Each student picked a portion of the battle and led discussions looking at it from a commander's perspective.

After having established face-to-face relationships with the faculty and other students, the non-resident, online seminars proved to be just as successful and beneficial. During the non-resident portion, the students received their assignments and posted their work and received faculty and student feedback via the internet. Building onto what they learned during the resident seminar and establishing the foundation for the second resident seminar, the students studied the concept of operational (theater level) warfare and the relationship among the three levels of war: strategic, operational, and tactical; the organization of joint and combined forces, information operations, and cultural affect on operations; and the considerations associated with operational planning in a joint/multinational environment and war termination. The students analyzed strategic guidance provided by the President and Secretary of Defense and how to translate that guidance into operational direction in the form of a campaign plan designed to achieve military objectives.

The Joint Warfighting course focused on operational planning and the types of joint planning tools, forces, and specialized operations. The students gained an insight into the world of the combatant command, componentcy, joint planning systems and tools, joint operational capabilities, joint targeting, specialized joint operations, multinational operations, and the potential role in homeland security/defense in coordination with the interagency community.

The aspects of military operations that focus on deterring war and promoting peace and stability in an environment characterized by other than large-scale combat operations were examined during the Small Wars course. It offered a study in culture and ethics and focused on those very difficult aspects of stability and reconstruction operations. Insurgency and counterinsurgency were also key topics within the course. Small Wars considered how the U.S. becomes involved in entangling situations then must use all elements of national power to accomplish national goals and aspirations. This course provided a foundation on which to assess a situation, decide whether military response is appropriate, and justify the validity of that decision.

During the second resident seminar, the students continued to scrutinize the strategic, military, and cultural insight into the American Civil War during a battle study of Gettysburg. This Civil War battle reinforced concepts addressed in the Theory and Nature of War, Operational Art, MAGTF Expeditionary Operations, and Operation Planning courses. Students were provided an extensive study of both the strategic implications of the battle itself, the primary decisions made by the operational leadership within

both the Union and Confederate forces, and the impact that those decisions had on the battle and the remainder of the Civil War.

Visits to the Joint Forces Warfare Center, the Naval Station, and to the Little Creek Amphibious Base in the Norfolk area served to reinforce studies which they focused upon during their non-resident piece and also the MAGTF Expeditionary Operations and Amphibious Operations periods of instruction. The courses illustrated the emerging naval concepts which address Phase 0 through Phase 5 operations. The visits to Norfolk and Little Creek highlighted for the students the organizations responsible for joint and coalition interoperability, Theater Security Cooperation, and naval and expeditionary warfighting operations. The students visited and toured the newest amphibious ships (Landing Platform Dock, LPD-19), viewed the assets which provide transit ship/seabase to shore, and were introduced to naval organizations which support the Expeditionary Strike Groups (ESGs) and Marine Expeditionary Units (MEUs) and emerging naval concepts such as seabasing.

The Operational Planning course is the culminating course for the CSCDEP. Focusing on military operational planning using the Marine Corps Planning Process, Operational Planning offered the student the most current information on Marine Corps planning and real world planning lessons learned. The heart of this course, however, was the opportunity each student was given to develop planning products for an operations plan, based on a realistic operational scenario, using everything learned in the program. The practical exercise was imbedded throughout the course.

The graduation ceremony for this program is conducted in conjunction with the resident Command and Staff College graduation ceremonies. Each student from both the resident school and this program will have their diplomas presented by the distinguished guest, the Director of the college, and the President of the Marine Corps University.

The CSCDEP is offered to officers in the grade of Major (O-4). Officers in the grade of Captain (O-3) or Lieutenant Colonel (O-5) may apply for a grade requirement waiver. The English Competency Level (ECL) for students enrolling in the CSCDEP is 80SA.

A similar program is currently in development for the Expeditionary Warfare School curriculum and should be available in 2010.

About the Author

Gina Douthit is the U.S. European Command and U.S. Africa Command Regional Program Manager at the USMC Security Cooperation Training and Education Center, Training and Education Command, in Quantico, VA.

Legislation and Policy

President's Fiscal Year 2009 International Affairs Budget Request

By
Secretary of State Condoleezza Rice

[The following is a verbatim transcript of the Secretary's statement before the Senate Appropriations Committee, Subcommittee on State, Foreign Operations, Export Financing and Related Programs, April 9, 2008.]

Secretary Rice: Thank you very much, Mr. Chairman. Let me thank the members of this Committee for the work that we have done together over the last several years. I think that despite sometimes differences on policy or on tactics, we have always tried to work in the interests of the United States of America. And I think that we have agreed that that has meant that America needed to represent not just power but also principle. We've worked together to put together an agenda, a compassion agenda that we see in evidence in places like Africa, with the President's Emergency Program For AIDS Relief, for the malaria program that we have. We have been able to quadruple development assistance to Africa, to triple it worldwide, and to double it for Latin America.

Without this committee, we would not be—not have been able to meet the challenges that we have had in having our diplomats and our civilians in some of the most dangerous places in the world. And I don't just mean Iraq and Afghanistan, although those are clearly very dangerous, but also in many unaccompanied posts around the world where our people go without family and work in harm's way and work in difficult conditions in some of the most remote parts of the world to try and help people build a better life. And without your help, we would not have been able to engage in what we call transformational diplomacy, trying to increase the number of well-governed democratic states that can provide for their people and act as responsible citizens in the international community.

With your forbearance, members of the Committee, I would just like to say one word about our people in Iraq in particular right now. It's a difficult time for our Embassy. We've had a number of incidents. It's been more difficult recently. And I just want to say that we keep them in our thoughts and we appreciate their service, and I know that you do too. Very often, we talk about the honorable service of our men and women in uniform; and it is to be honored. We also have a lot of civilians on the front lines who take risks daily. And so I'd just like to acknowledge their service.

I believe that the President's budget request this year for State Operations and for Foreign Operations will permit us to continue to pursue our efforts at securing our people, building reasonable facilities for them, increasing our efforts at public diplomacy and exchanges, something that we all agreed we should do at the beginning of my tenure and I think we have done precisely that. There is really no better commercial, if you will, for American democracy and the strength of America than having our people travel abroad and having people travel here. And we've tried, through public-private partnerships, more exchanges, more visitors, to give people access to the United States.

We are also requesting in this budget 1,100 new positions for the State Department and 300 new ones for USAID [U.S. Agency for International Development]. This represents a rebuilding, if you will, of our

civilian capacity to manage programs, to engage in diplomacy. I felt that it was important that we first do some important reallocation and redeployment of our people to demonstrate that we were prepared to make tough choices. And by moving close to 300 people out of Europe and into places like India and the further reaches of China, I think we've demonstrated that we are prepared to do what we can with the resources that we have. But the truth is that the diplomatic corps is stretched; USAID is even more stretched. We went through a period in the '90s of almost six years where we didn't hire, didn't bring in a single Foreign Service Officer. And so we do need to rebuild.

And it speaks, Senator Leahy, to the point that you've made about the role of the State Department and what I'll call reconstruction and development, or, if you wish, nation-building, which is that the Department does want to be at the forefront of those efforts. We need an institutional base from which to do that; and that is why we've requested funding for what the President announced in his State of the Union last year, which is the civilian reserve, a Civilian Response Corps, which we believe would be a very important way for civilians to lead the efforts at stabilization and reconstruction.

Finally, let me say that we have, I think, used our foreign assistance well to support efforts at Middle East peace, at consolidation of democratic forces in Latin America. In places like Pakistan where it is very difficult, we have, nonetheless, seen Pakistan now move from military rule to civilian rule, to have democratic elections for the first time in more than a decade. These are processes that I think we've been able to support with the assistance and with the efforts of our diplomats.

If I may just on two other points that were raised on—particularly in Latin America, just to underscore what Senator Gregg has said about the importance of the free trade agreement for Colombia, this is a country that was very near being a failed state at the beginning of this decade. It was a country where bombings in the capital were routine, where the government was unable to control almost 30 percent of its territory, either because of the FARC [Fuerzas Armadas Revolucionarias de Colombia (Revolutionary Armed Forces of Colombia)] or because of paramilitaries. It is a country that now has a foreign minister who was held six years in captivity by the FARC. And so it is a country that has come a long way back under President Uribe and his program for democratic security. He is, as a result, a very popular leader in Colombia. But I think that is because he has brought his people security and he is devoted to human rights and to furthering the democratic enterprise. I know there are a lot of concerns. But I will just say I was in Medellin very recently with a congressional delegation. And Medellin, which used to be synonymous with Pablo Escobar and trouble, is now a thriving city in which the Colombian citizens believe they can be secure.

Finally, let me just in response to something that Senator Gregg said, I really do hope that we can remove these restrictions on the ANC [African National Congress]. This is a country with which we now have excellent relations—South Africa. But it's, frankly, a rather embarrassing matter that I still have to waive in my own counterpart, the Foreign Minister of South Africa, not to mention the great leader Nelson Mandela.

So we have a lot of work to do. I continue to hope that during the remainder of our tenure that we will be able to make progress in providing for our people compensation reform, security facilities, and new positions. And I hope that we'll be able to make some progress on the great foreign policy issues of our day. But I have been enormously proud to serve as America's Secretary of State because George Shultz once told me that it's the best job in government. And I said, "George, why is that?" And he said, "Because there is no greater honor than representing the United States of America as its chief diplomat." And I have found that, and I want to thank you for helping me play that role. Thank you very much.

Foreign Assistance Reform in the New Administration: Challenges and Solutions?

By

Chairman (Congressman) Berman

[The following is a transcript of the opening remarks by Chairman Berman delivered to the House Foreign Affairs Committee, April 23, 2008.]

I would very much like to welcome our expert panel of witnesses to the committee today to discuss the daunting task that the next Administration and Congress faces—the reforming and rationalizing of the U.S. foreign assistance system. It is painfully obvious to Congress, the Administration, foreign aid experts, and NGOs [Non-Governmental Organizations] alike, that our foreign assistance program is fragmented and broken and in critical need of overhaul. I strongly believe that America's foreign assistance program is not in need of some minor changes; but, rather, it needs to be reinvented and retooled in order to respond to the significant challenges our country and the world faces in the 21st century.

This year, our committee will review our foreign assistance program to look at what actions are needed to achieve coherency and effectiveness in the U.S. foreign assistance framework. We will hold a series of hearings on various aspects of foreign assistance reform such as rebuilding U.S. civilian diplomatic and development agencies, the role of the military in delivering and shaping foreign assistance, and improving America's image around the world.

These efforts will help inform this committee on the direction that Congress and the next Administration should take in reforming U.S. foreign assistance. Many experts are calling for a partnership between Congress and the next Administration to come together and work on improving our foreign assistance programs. I'm committed to this partnership and will do everything I can to ensure that it yields results.

Next year, our committee intends to reform and rewrite the Foreign Assistance Act of 1961. That bill has not been reauthorized since 1985. This antiquated and desperately overburdened legislation—over 500 pages long—doesn't adequately provide the flexibility and necessary authorities for our civilian agencies to tackle global extremism, poverty, corruption, and other threats to our long-term national security goals.

As Congress and the next Administration come together on rewriting this legislation, we must give greater attention to core development programs, particularly basic education, child survival, maternal health, cultural exchanges, and agricultural development programs.

Recently, there have been a few stark examples of poorly performing programs which have resulted in waste, fraud, and abuse, such as the U.S. reconstruction programs in Iraq and Afghanistan. Our foreign assistance programs have also been crippled by a lack of resources, coordination, and a lack of critical capacity and authorities necessary to support such programs.

As a result, there has been an ad hoc effort to reform our foreign assistance programs through new programs, such as the Millennium Challenge Account, new mandates, and more congressional and administration directives. I welcome the effort to better coordinate our foreign assistance programs and to make those programs more accountable by providing merit-based assistance to good performing countries through the Millennium Challenge Account; however, I am concerned that these efforts merely provide a stop-gap to the problems which require broad-reaching and long-term solutions. With over 10 cabinet departments and over 15 sub-cabinet positions and independent agencies involved in implementing foreign assistance, our system has become plagued with poor oversight and accountability and a lack of meaningful coordination and coherency.

And I'm also concerned by the DoD's rapid encroachment into foreign assistance. Astonishingly, the proportion of DoD foreign assistance has increased from 7 percent of bilateral official development assistance in 2001 to an estimated 20 percent in 2006. DoD activities have expanded to include the provision of humanitarian assistance and training in disaster response, counter-narcotics activities, and capacity-building of foreign militaries. These activities should be carried out by the Department of State and USAID [U.S. Agency for International Development]. The military is overburdened and overstretched, and they must focus on the security threats facing our nation. While the civilian agencies should coordinate their activities with the military to ensure coherency of effort, we should no longer rely on the military to be the diplomatic and development face of America around the world.

I'd like to again welcome our witnesses today who will address the various challenges facing the U.S. foreign assistance structure and their recommendations for moving forward in the next Administration. I'm looking forward to hearing the witnesses' assessment(s) of the current system and the organizational and legislative obstacles facing the current system and their recommendations for organizational and legislative reform—specifically, should Congress and the next President merge USAID completely into the Department of State, or should we upgrade USAID to a cabinet-level Department for Development, or maintain the status quo? What should a foreign assistance reauthorization bill look like? And I'd also like our witnesses to answer the question: how do we balance our national security objectives with our development goals in our foreign assistance programs? Or are they mutually reinforcing? In addition, what role should the U.S. military play in providing foreign assistance? How do you propose to improve the capacity of U.S. civilian agencies to respond to the challenges of the 21st Century?

CRS Report for Congress
Section 1206 of the National Defense Authorization Act for Fiscal Year 2006:

A Fact Sheet on DoD Authority to Train and Equip Foreign Military Forces

By

Nina M. Serafino
Specialist in International Security Affairs, Foreign Affairs, Defense, and Trade Division, Congressional Research Service

Updated April 9, 2008

Summary

Section 1206 of the National Defense Authorization Act (NDAA) for FY2006 provides the DoD with authority to train and equip foreign military forces. The section authorizes DoD to draw on funds appropriated in a specified operations and maintenance account for Section 1206 programs. Thus far, DoD has used Section 1206 authority primarily to provide counterterrorism support. Section 1206 obligations totaled some $106 million in FY2006 and $289 million in FY2007. [As of this writing] No funds have been obligated yet in FY2008. Funds may only be obligated with the concurrence of the Secretary of State.

Section 1206 of the National Defense Authorization Act for FY2006 PL 109-163 provides DoD with a new authority to train and equip foreign military forces. The Section 1206 heading states the authority is to build the capacity of foreign military forces; DoD often refers to it as a "Global Train and Equip" authority. This is the first major DoD authority to be used expressly for the purpose of training other military forces. Generally, DoD has trained and equipped foreign military forces through State Department programs. DoD requested its own train and equip authority because it views the planning and implementation processes under which similar State Department security assistance is provided as too slow and cumbersome.[1]

Section 1206 provides the Secretary of Defense with authority to train and equip foreign military forces for two purposes. One is to enable such forces to perform counterterrorism operations. Nearly all Section 1206 assistance to date has been counterterrorism support. Most of that is in the form of equipment provided by contractors, according to information provided by DoD officials. The other purpose is to enable foreign military forces to participate in or to support military and stability operations in which U.S. armed forces participate. (DoD does not use this authority in relation to operations in Iraq and Afghanistan, however, according to DoD officials.) Congress turned down the Administration's request in 2007 to expand the authority to train and equip foreign police forces (see below).

1. The State Department program under which foreign military forces are trained is the International Military Education and Training (IMET) program. Equipment is provided through the State Department Foreign Military Sales (FMS) program. According to DoD, this "traditional security assistance takes three to four years from concept to execution," while "Global Train and Equip authority allows a response to emergent threats or opportunities in six months or less." U.S. DoD, FY2009 Budget Request Summary Justification, February 4, 2008, p. 103. Hereafter referred to as FY2009 DoD Summary Justification.

Funding Provisions

Section 1206 of the FY2006 NDAA authorized spending of up to $200 million per year for FY2006 and FY2007. Section 1206 of the John Warner National Defense Authorization Act for FY2007 (FY2007 John Warner NDAA, PL 109-364) amended the original legislation to raise the limit to $300 million and extend the authority through FY2008. Section 1206 programs are funded from the DoD Defense-wide Operations and Maintenance account. During the course of the fiscal year, DoD may transfer funds that it will not use for their originally budgeted purposes to Section 1206 programs. In FY2006, $106.1 million was obligated for Section 1206 programs; in FY2007, the amount was $289.2 million. (See Table 1.) No funds have yet been obligated in FY2008.

Conditions

Section 1206 of the FY2006 NDAA requires that programs conducted under its authority observe and respect human rights, fundamental freedoms, and the "legitimate civilian authority within that country." The authority may not be used to provide any type of assistance that is otherwise prohibited by any provision of law. It also may not be used to provide assistance to any country that is otherwise prohibited from receiving such assistance under any other provision of law. The legislation also requires a 15-day advance notification to the congressional defense, foreign affairs, and appropriations committees before initiating each program. This notification must specify, among other things, the program country, budget, and completion date, as well as the source and planned expenditure of funds.

Joint DoD-State Department Approval Process

As modified by the FY2007 John Warner NDAA (PL 109-364), Section 1206 authority permits the Secretary of Defense to provide such support with the "concurrence" of the Secretary of State. According to DoD and State Department officials, that term has been interpreted to mean the Secretary of State's approval.

Section 1206 requires both secretaries to jointly formulate any program and coordinate in its implementation. Their respective agencies have developed an extensive joint review process that some officials see as a potential model for other assistance programs. According to DoD, Section 1206 programs are developed under a "dual-key" authority (i.e., with the approval of both DoD and Department of State officials). U.S. embassies and the military combatant commands are encouraged to jointly formulate programs, and both parties "must approve each program explicitly in writing."[2]

DoD 2007 Request for Expanded Authority

On May 2, 2007, DoD requested that Congress expand Section 1206 authority and codify it as Title 10, Chapter 20, U.S. Code. In its request for a "Building Global Partnerships Act," DoD requested authority to train and equip not only foreign military forces but also "other security forces, including gendarmerie, constabulary, internal defense, infrastructure protection, civil defense, homeland defense, coast guard, border protection, and counterterrorism forces." Among its other provisions related to Section 1206 authority, the request proposed raising the authorized amount for annual spending to $750 million. It also proposed authority to waive any restrictions applicable to assistance for military and security forces. DoD funds could be used not only by DoD but also could be transferred to the Department of State or any other federal agency to conduct or support activities. Congress did not act on this request.

DoD FY2009 Request

In its FY2009 budget request of February 4, 2008, DoD asked for $500 million for Section 1206

2 FY2009 DoD Summary Justification, p. 103.

capacity-building purposes. Three days later, DoD submitted, as part of its proposed National Defense Authorization Act for FY2009, a request to amend Title 10 Chapter 20 by adding a new section to permit the Secretary of Defense to authorize, with the concurrence of the Secretary of State, programs to build a foreign country's national military and other forces. These other forces would include "gendarmerie, constabulary, internal defense, infrastructure protection, civil defense, homeland defense, coast guard, border protection, and counterterrorism forces." The proposal would authorize DoD to use or to transfer to the State Department and other federal agencies up to $750 million annually. (Section 1301 of the proposed legislation is accessible through http:\\www.dod.mil/dodgc/olc). DoD and the State Department would jointly formulate programs; the Secretaries of Defense and State would jointly coordinate implementation. Unlike the 2007 request, this proposed legislation would not itself waive restrictions but would grant waiver authority to the President and the Secretary of State.

Annual Obligations

The following table provides information on Section 1206 FY2006 and FY2007 programs approved by the DoD and the Department of State. It is compiled from information provided by the Office of the Secretary of Defense for Policy in February 2007. FY2008 programs are still in the planning or reprogramming stages, according to a DoD official.

Table 1
Section 1206 Funding: FY2006 and FY2007 Obligations
($ U.S. Millions, Current)

Recipient	Program	FY2006	FY2007	Totals
AFRICA				
Chad	Light Infantry Rapid Reaction Force Establishment		6.0	**8.0**
	Tactical Airlift Capacity Training		1.7	
	Tactical Communications Interoperability Aid		0.3	
Djibouti	Maritime Domain Awareness, Response, Interdiction, and Coastal Security Enhancement		8.0	**8.0**
Ethiopia	East Africa Regional Security Initiative		9.3	**9.3**
Mauritania	Light Infantry Rapid Reaction Force Establishment		4.5	**4.5**
Chad, Mauritania, Nigeria and Senegal	Civil-Military Operations Training in Support of the TransSahara Counterterrorism Program		3.4	**3.4**

Table 1 Section 1206 Funding: FY2006 and FY2007 Obligations ($ U.S. Millions, Current)				
Recipient	**Program**	**FY2006**	**FY2007**	**Totals**
Djibouti, Ethiopia, Kenya, Tanzania	East Africa Regional Security Initiative		14.2	**14.2**
Nigeria and Sao Tome and Principe	Gulf of Guinea Regional Maritime Awareness Capability Aid	6.8		**6.8**
Various (Algeria, Chad, Morocco, Nigeria, Senegal, and Tunisia)	Multinational Information-Sharing Network Aid	6.2		**6.2**
Various (Algeria, Niger, Chad, Morocco, Senegal, Mauritania, Nigeria, and Mali)	Partner Nation Intelligence Capability Aid		1.1	**1.1**
Various (Algeria, Benin, Cameroon, Cape Verde, Congo, Republic of Congo, Gabon, Ghana, Gambia, Guinea, Liberia, Morocco, Mozambique, Senegal, Sierra Leone, and Sao Tome and Principe)	Maritime Domain Awareness and Territorial Water Threat Response Capability Establishment		5.8	**5.8**
Total Africa		13.0	54.3	**67.3**
GREATER EUROPE				
Albania	Counterterrorism Capability Aid	—	6.7	**6.7**
Georgia	Counterterrorism Capability Aid	—	6.5	**6.5**
Kazakhstan	Coalition Counterterrorism and Stability Operations Capacity Aid	—	19.3	**19.3**

Table 1
Section 1206 Funding: FY2006 and FY2007 Obligations
($ U.S. Millions, Current)

Recipient	Program	FY2006	FY2007	Totals
Macedonia	Counterterrorism Capability Aid	—	3.0	**3.0**
Ukraine	Counterterrorism Capability Aid	—	12.0	**12.0**
Total Greater Europe		—	47.5	**47.5**
ASIA AND THE PACIFIC				
Indonesia	Integrated Maritime Surveillance System	18.4		**47.1**
	Eastern Fleet Regional Command Center	—	3.8	
	Eastern Fleet Maritime Domain Awareness	—	7.3	
	Celebes Sea and Malacca Strait Network	—	6.1	
	Coastal Surveillance Stations	—	11.5	
Malaysia	Eastern Sabah Maritime Domain Awareness Radars	—	13.6	**16.3**
	CENTRIX Stations	—	0.5	
	Strait of Malacca Maritime Domain Awareness Support	—	2.2	
Philippines	Maritime Train and Equip for Interdiction Purposes	—	2.9	**15.5**
	High Frequency Radios for Coast Watch South	—	1.8	
	Maritime Interdiction Capability	—	6.4	
	Interdiction and Offensive Capabilities Improvement (of UH-1 Aircraft)	—	4.4	

Table 1
Section 1206 Funding: FY2006 and FY2007 Obligations
($ U.S. Millions, Current)

Recipient	Program	FY2006	FY2007	Totals
Sri Lanka	Maritime Security Train and Equip for Interdiction Purposes	11.0	—	**18.4**
	Aircraft Command and Control Integration	—	6.0	
	Maritime Security and Navy Interdiction Capability	—	1.4	
Thailand	Strategic Sea Lanes Security (This program, initially funded at $19.0 Million, was cancelled after the Thai Coup)	5.0	—	**5.0**
Total Asia and the Pacific		34.4	67.9	**102.3**
MIDDLE EAST AND SOUTH ASIA				
Bahrain	Coastal Patrol Capability Development	—	24.5	**24.9**
	Defense Force Counterintelligence Analysis Center Development	—	0.4	
Lebanon	Military Assistance to Lebanese Armed Forces	10.6	30.6	**41.2**
Pakistan	Border Area Train and Equip and Marines Train and Equip Aid	27.6	5.7	**41.4**
	Enhance Shared Maritime Domain Awareness and Cooperative Maritime Security Aid	—	8.1	

Table 1
Section 1206 Funding: FY2006 and FY2007 Obligations
($ U.S. Millions, Current)

Recipient	Program	FY2006	FY2007	Totals
Yemen	Cross Border Security and Counterterrorism Aid	5.0	—	**31.0**
	Yemeni Special Operations Capacity Development (to enhance border security)	—	26.0	
Total Middle East and South Asia		43.2	95.3	**138.5**
WESTERN HEMISPHERE				
Dominican Republic, Jamaica, Bahamas, Honduras, and Nicaragua	Caribbean Basin Maritime Security Aid (Radios and Boats)	—	23.2	**23.2**
Dominican Republic and Panama	Joint Maritime Counterterrorism Capability Aid	15.5	—	**15.5**
Mexico	Counterterrorism Capability Aid	—	1.0	**1.0**
Total Western Hemisphere		15.5	24.2	**39.7**
TOTALS		**106.1**	**289.2***	**395.3***

Notes:

* *Totals May Not Add Due to Rounding.*

Fiscal Year 2009 Budget Hearing for Foreign Assistance

By

Henrietta H. Fore
U.S. Director of Foreign Assistance and Administrator
of U.S. Agency for International Development (USAID)

[The following excerpts are from Testimony before the Subcommittee on State, Foreign Operations, and Related Programs of the Senate Appropriations Committee, Washington, DC, March 4, 2008.]

Thank you for this opportunity to appear before the Committee today in support of the President's FY2009 Foreign Operations budget request and to discuss our nation's foreign assistance priorities. The degree of turmoil and poverty in the world right now poses both challenges and opportunities for our assistance programs and underscores the vital role of development in achieving our objectives: the dramatic election in Pakistan; the transfer of power in Cuba; Kosovo's declaration of independence; the safety concerns that so many of our staff and the staff of our partners face on a daily basis; the humanitarian crises in Darfur, Chad, West Bank Gaza, Iraq, Burma, and Democratic Republic of Congo…to name a few. Never has foreign assistance been more critical to our national security and to the citizens of the developing world.

The path from poverty to prosperity is a long one. Success can't be realized in a matter of months, by a single Administration, or by any one generation of development leadership. But already we have made progress this century. In 1981, 40 percent of the population of developing countries was in poverty. In 2004, that percentage had decreased to 18 percent and is projected to decline further to 10 percent in 2015. According to Freedom House, by the end of 2007, the number of not free countries dropped from 59 in 1980 to 43. The number of partly free countries increased from 52 to 60, and the number of free countries increased from 51 to 90.

We are here today to talk about the FY2009 Budget for Foreign Operations. As we discuss these numbers—which can often seem dry and abstract—it is important, as I know you are very aware, to remember what this funding will mean to our partners and recipients all around the world. The surest, truest compass point I know to remember the why of what we do is to see first hand the people we serve: the Peruvian farmer in the highlands, the Malian girl who just attended her first day at school, the Sudanese family who found safety in a refugee camp, a youth activist in Ukraine, a young trafficking victim from Vietnam, a landmine victim in Lebanon, a Kyrgyz business woman looking to expand her business. These are the people we serve—those who have the least means and opportunity yet still yearn to build their lives, their nations, and their futures. With that backdrop, I would like to describe some highlights of the President's Fiscal Year 2009 Foreign Operations request.

President Bush's Fiscal Year 2009 Foreign Operations Budget for the State Department and the United States Agency for International Development requests $22.7 billion, a 2.7% increase above the Fiscal Year 2008 enacted level. Our request is an increase of over $2.1 billion compared to the Fiscal Year 2008 President's Budget for State Department and USAID Foreign Operations accounts. This robust request was built with an improved model that reflects an integrated approach between State and USAID and Washington and our missions in the field and a collaborative effort with other U.S. Government agencies involved in foreign assistance.

Foreign Operations Request

The FY2009 budget request will strengthen and expand U.S. capacity for global engagement by enhancing our ability to pursue diplomatic and development solutions to vital national security issues. It

reflects the critical role of the Department of State and USAID in implementing the National Security Strategy and addressing the conditions that facilitate terrorism by promoting freedom, democracy, and development around the world. The budget request supports five key goals: supporting our War on Terror efforts, strengthening USAID's operational capacity, expanding our poverty reduction investments, maintaining a strong focus on health, and continuing our focus on security assistance. I would like briefly to address for the Committee each of these goals.

Global War on Terror

Terrorism is the greatest challenge to our national security, and the War on Terror will continue to be the focus of both diplomatic and reconstruction efforts as long as violent extremist ideologies and their proponents find safety and support in unstable and failing states. As the President said in his September speech to the UN [United Nations] General Assembly, the best way to defeat the extremists is to defeat their dark ideology with a more hopeful vision of liberty. We have made important strides in diplomatic and foreign assistance efforts in Iraq and Afghanistan, even as we recognize the daunting work that remains. The FY2009 request includes $2.3 billion to continue providing strong support for our critical efforts in Iraq, Afghanistan, and Pakistan.

Our engagement with Iraq remains the centerpiece of the United States' effort in the War on Terror. The Administration's FY2009 request of $404 million is critical to achieving our long-term goals in Iraq, the Middle East, and the War on Terror. While the strategy to achieve success in Iraq has evolved, the overarching goal remains unchanged: a unified, democratic, federal Iraq that can govern, defend, and sustain itself and is an ally in the War on Terror.

This request includes economic, democratic, and governance reform programs that take advantage of the recent security gains to help the Iraqis create a strong political and economic foundation. I also would urge Congress to act quickly on the President's remaining $986 million requested in the FY2008 Global War on Terror Supplemental. These funds are urgently needed to help the Iraqis become more self-reliant and undermine Iraq's insurgency through job creation programs for young men, capacity building, governance, and reconciliation programs at both the community and national level. We would like to thank this Committee for its leadership and continued support for the Marla Ruzika War Victim's Assistance program. This program has provided assistance to individuals, families, and entire communities harmed as a result of coalition military operations. To date 1,311 projects have been implemented directly assisting nearly 2 million war victims and their family members. Your support has been essential in achieving these excellent results.

The President's request of $1.05 billion in foreign assistance for Afghanistan will assist to fight the insurgency and establish long-term stability in the country. The United States is pursuing a multi-year program of economic development, security sector assistance, and political engagement buttressed by efforts to establish democratic institutions and improvements in governance, rule of law, and service delivery by the Government of Afghanistan. I would urge Congress to also act quickly on the FY2008 supplemental for additional, and critical, assistance programs to help Afghanistan push-back on recent gains by the Taliban. The FY2009 request sustains activities that are supported by the FY2008 Supplemental request, which is aimed at making government more accountable and closer to the people through improvements in health and education services, justice administration, opportunities for political participation, and local governance. Efforts to improve Afghan governance, establish and strengthen democratic institutions, and achieve prosperity for the Afghan people are just as crucial to winning the War on Terror as security assistance to fight insurgent groups, prevent narcotics trafficking, and train the Afghan Security Forces.

With the increasing influence of extremists in the Pakistan border region with Afghanistan, Pakistan has become an even more critical front to winning the War on Terrorism, particularly in Afghanistan. The $826 million requested supports the Government of Pakistan in fulfilling its vision of a moderate,

democratic, and prosperous country at peace with its neighbors and contributing to regional stability. It will be important to align these resources with the newly elected democratic government of Pakistan; and we are prepared to engage fully with that government on its development priorities, including in the Federally Administered Tribal Areas.

A FY2009 Global War on Terrorism Supplemental request is not included in this budget request. As needs are better known, the Administration will request additional funds for Foreign Operations.

Strengthening USAID's Operational Capacity

Under President Bush and with the full support of Congress, the United States has launched the largest international development effort since the Marshall Plan. USAID's workforce and infrastructure must keep pace. This request includes $92 million to launch the Development Leadership Initiative [DLI], which aims to strengthen and invest in USAID's critically important Foreign Service Officer Corps. Not only do we need to ensure the size of USAID's workforce keeps pace with the significant increases in USAID program management responsibilities, but we also need to make sure the workforce has the necessary expertise and skill sets.

The request for the Development Leadership Initiative will allow USAID to hire an additional 300 Foreign Service Officers, a 30 percent increase in the career Foreign Service workforce. DLI will address critical staffing challenges in stewardship and technical areas, which will help provide increased accountability in U.S. foreign aid programs. We need more talent on the ground, in more countries, with the resources and skills to help build the capacity of people and institutions.

The overall request for USAID administrative accounts represents a significant increase in the resources for training and information technology from the FY2008 enacted levels. Increased training will enable the Agency to ensure that staff have essential job skills and leadership training to carry out the development mission. We need to modernize antiquated business systems to improve the integrated procurement and financial management processes, continue e-government initiatives, and improve the Agency's ability to report results.

Renewing the Focus on Poverty Reduction

The FY2009 request demonstrates our strong commitment to fighting poverty, with a focus on promoting economic growth and strengthening democratic institutions and governance. This is reflected in our request for the Development Assistance [DA] account, which represents a 40 percent true programmatic increase from the FY2008 request.

A key priority in building this year's budget is strengthening our commitment to Africa. Funding is targeted to address development gaps and to support economic opportunity and governance programs critical to the success of the massive investments we have made through the Millennium Challenge Corporation and the President's Emergency Plan for AIDS Relief. The budget provides significant increases for democracy funding in African countries.

Another key priority is reinvigorating investment in the Western Hemisphere. Programs to advance democracy and free trade in the region are prioritized, with significant investments for Peru and Central America. Our goal is to encourage transparent and competitive political processes, promote the rule of law, and respect for human rights.

Promoting Freedom

The United States supports freedom through promoting institutions that foster just and democratic governance for three reasons: as a matter of principle, as a central pillar of our national security strategy,

and to advance our broader development agenda. For this reason, our request for Governing Justly and Democratically [GJD] programs has increased 27% from FY2008 enacted levels.

U.S. foreign assistance will support the President's Freedom Agenda to end tyranny and the Secretary's vision of Transformational Diplomacy by promoting and strengthening effective democracies in recipient states and moving them along a continuum toward consolidation and sustainable partnership. Our objective is to reduce the number of authoritarian states that do not allow meaningful political competition and do not respect human rights and to increase the number of democracies and improve the quality of their governance.

Over 75% of the money is targeted to fragile democracies and authoritarian states. With this Committee's continued strong support for democracy programs, we will support elections in Afghanistan; build government capacity in Iraq; and support a genuine transition to democratic, civilian rule in Pakistan while building up the capacity to govern in the volatile frontier region. We will also continue to support democracy activists in some the world's most repressive regimes in countries like Belarus, Burma, Cuba, Iran, North Korea, Syria, and Zimbabwe.

To assist us in the work that we do, American private capital flows to the developing world have tripled over the last three years—and now represent over 80 percent of financial flows to developing countries. This is a profound—indeed, radical change in the relationship between institutional and private foreign assistance flows. Across the broader development landscape, I envision USAID making an invaluable contribution by using its convening influence to better coordinate public and private sector resources and programs that support human progress in the developing world. We will devote more of our management, technical expertise, and financing resources to coordinating international development—and to building partnerships that will accelerate the pace of progress.

Maintain a Strong Focus on Health

This request continues our commitment to improving interventions that address critical worldwide needs for HIV/AIDS, malaria, tuberculosis, neglected tropical diseases, other infectious diseases, maternal and child health, and family planning. A total of $1.58 billion is requested for the Child Survival and Health Programs Fund [CSH]. This includes $385 million to support the President's Malaria Initiative [PMI] to provide prevention and treatment in 15 countries severely burdened by malaria; $370 million for life saving interventions for children and mothers, including immunizations, newborn and post-partum care; and $301 million for high-quality, voluntary family planning.

The Global HIV/AIDS initiative continues to be the centerpiece of our health programs and is the largest source of funding for the President's Emergency Plan for AIDS Relief [PEPFAR]. The request of $4.779 billion is a substantial increase over the FY2008 enacted level. Funding will support country-based activities, international partners, technical support, and oversight and management. The FY2009 request is the first of a new, five-year, $30 billion commitment that builds upon and expands our initial five-year, $15 billion commitment.

Continued Focus on Security Assistance

Building well-governed, democratic states and reducing poverty is an antidote to extremism and requires a foundation in security. The United States must remain a leader in combating transnational security threats, including terrorism, the proliferation of weapons of mass destruction, transnational crime, and illicit narcotics. We also must continue to support bilateral and multilateral stabilization efforts in countries that are in or rebuilding from conflict. The United States cannot do this alone. Therefore, our security assistance request will help ensure that our coalition partners and friendly foreign governments are equipped and trained to work toward common security goals and share burdens in joint missions. This request includes more than $5.1 billion for security assistance, a five percent increase over FY2008 levels.

The largest component of our security assistance request is $4.8 billion in Foreign Military Financing [FMF]. This includes $2.6 billion for Israel, a $150 million increase from FY2008, to support the first year of a ten-year $30 billion strategy to help Israel maintain its qualitative military advantage.

The President also is requesting an additional $550 million to improve security in our hemisphere through the new Merida security initiative. This initiative will combat drug trafficking, transnational crime, and related threats in Mexico and Central America, while consolidating democratic gains. Also in the Western Hemisphere, we are requesting $406 million for the Andean Counter-drug Program to continue reducing the flow of drugs into the United States.

In Africa, we are committed to supporting peace keeping and counterterrorism efforts. The FY2009 request includes $50 million in Peacekeeping Operations to complete the effort to transform the Liberian military, invest in building and transforming Southern Sudanese guerilla forces into a conventional army, support peace in the Horn of Africa, and provide technical assistance and training to the Democratic Republic of the Congo to stabilize this volatile region. The $61 million total request in several accounts for the Trans Sahara Counterterrorism Partnership will facilitate coordination in countering terrorism between countries in West and North Africa.

The President's request also includes the Civilian Stabilization Initiative [CSI], designed to strengthen the U.S. Government's response to stabilization and reconstruction crises. While it is funded from the Department of State Operations budget, I would note that CSI provides for the creation of a 250-member interagency Active and 2000-member Standby Response Corps, of which almost half will be based at USAID. Likewise, the U.S. Civilian Reserve Corps will allow the Secretary of State, and USAID as the development agency, to draw on expertise from citizens across the United States in municipal and local government, the private sector, and non-governmental partners. Working closely with our Active and Standby Response Corps, these city managers, community police advisors, municipal utility engineers, and other experts will allow us to put the right people in the right place at the right time when we need them most.

Finally, I would like to note that there have been concerns expressed among our partners in the NGO [Non-Governmental Organizations] community that humanitarian funding has been reduced in the FY2009 request. I want to assure the committee that this Administration supports America's proud tradition of helping those most in need when natural or man-made disaster strikes. As always with regard to humanitarian assistance accounts, additional requests for resources will be made during the course of the year, as the level of requirements becomes clearer. While I know that the PL 480 Title II appropriation is handled by a separate subcommittee, the funds requested for emergency food aid have a direct link to our overall development goals and other humanitarian assistance programs funded by this subcommittee. I look forward to engaging with this Committee to ensure that America continues its humanitarian leadership.

As Secretary Rice recently said, it is American Realism that informs our pursuit of a just economic model of development. Despite the wealth of many, the amount of deprivation we see still remains unacceptable. Half of our fellow human beings live on less than $2 a day. But we know what works: we know that when nations embrace free markets and free trade, govern justly, and invest in their people, they create a prosperity of their own that fosters opportunities for all their citizens to participate fully in their political and economic system.

We have met, or are on course to meet, our international commitments to increase official development assistance. Since 2001, we have quadrupled our bilateral assistance to Africa; and we've nearly tripled our development assistance worldwide. This unprecedented investment calls on us to focus—more than we ever have before—on setting clear goals, managing performance, demanding accountability, and

generating results. To that end, we have submitted a robust budget while we work to both modernize and revitalize the delivery of foreign assistance.

I know that many of our colleagues in the development community and in Congress have important questions about how the management of foreign assistance is proceeding since the creation of the position of Director of Foreign Assistance. Since I carry this portfolio, as well as that of Administrator of USAID, I have devoted much time to improving this process, as I pledged to the Congress I would. Over the past nine months, I've made significant changes in the foreign assistance budget processes based on specific suggestions from colleagues in USAID and State—-particularly those in the field—and from our partner organizations and from you in Congress. This includes shifting the emphasis to the field by providing more opportunities for field proposals into the budget formulation and distribution processes. Additionally, we have started implementing a number of changes to streamline the FY2008 Operational Plan preparation and approval processes, increasing transparency and improving communication to the field. We are pleased that these changes will reduce the amount of field time required to prepare the Plan and reduce the volume of materials submitted to Washington by between 20 and 80 percent. We are also starting a new competitive procurement for the Operational Plan database—placing a premium on user-friendliness, performance, and flexibility in the system.

Mr. Chairman, the robust FY2009 Foreign Operations request is fully justified and critical to the national security interests of the United States. We understand that these funds are the result of the efforts of hard working American taxpayers. By strengthening the capacity of USAID, strengthening our collaboration with other U.S. Government agencies, and our coordination with the private sector, we will manage these funds efficiently as stewards of the American people.

Release of the Country Reports on Terrorism 2007

By

Dell L. Dailey
Coordinator of the Office for Counterterrorism
and
Russ Travers
Deputy Director of the National Counterterrorism Center
Washington, DC
April 30, 2008

[Below are excerpts from a press conference held to release the "Country Reports on Terrorism, 2007." The beginning of the statement is Ambassador Dailey. The "Methodology and Numbers" section is Russ Travers. A complete transcript is available at: http://www.state.gov/s/ct/rls/rm/2008/104233.htm.]

Besides meeting Congressional requirements, the 2007 edition of the Country Reports on Terrorism aims to inform, to stimulate constructive debate, and to enhance our collective understanding of the international terrorist threat. The Country Reports should serve as a reference tool to inform policymakers, the American public, and our international partners about our efforts, progress, and challenges in the war on terror.

The 2007 Report begins with a strategic overview to illustrate trends. We note some positives. First, working with allies and partners across the world, we created a less permissive operating environment for terrorists, kept leaders on the move or in hiding, and degraded their ability to plan and mount attacks. Dozens of countries have passed new legislation or strengthened preexisting laws that provide law enforcement and judicial authorities with new tools to bring terrorists to justice.

We saw several 2007 plots disrupted in Europe that could have resulted in serious loss of life. In June, terrorists attempted attacks in London; and a day later, terrorists drove a burning car into the Glasgow Airport. A total of 70 individuals, including two suspected perpetrators in Glasgow, were arrested in connection with these attacks. In Germany, a major terrorist plot was disrupted in September with the arrest of two ethnic Germans and a Turkish citizen resident. The plotters, who German officials said were connected to the Islamic Jihad Group, had acquired large amounts of hydrogen peroxide for possible use in multiple car attacks.

Also in September, Danish police arrested eight alleged militant Islamists in Copenhagen with al-Qaida links on suspicion of their preparing explosives for use in a terrorist attack. In Southeast Asia, there have been no new major Jemaah Islamiya attacks in the region in over a year. In January 2007, we confirmed that the Abu Sayyaf Group's nominal leader, Khadaffy Janjalani, was killed by the Armed Forces of the Philippines, as was the Abu Sayyaf Group's spokesperson, Abu Solaiman.

Indonesian police broke up the Jemaah Islamiya cells in Sulawesi and in Central Java. The Iraqi Government, in coordination with coalition forces, made significant progress in combating al-Qaida in Iraq, AQI, and affiliated terrorist organizations. The Baghdad Security Plan, initiated in February with assistance from local citizens, has succeeded in reducing violence to late 2005 levels. It has disrupted and diminished AQI infrastructure and driven some surviving AQI fighters from Baghdad and the Al Anbar province into northern Iraqi provinces. While AQI remained a threat, there was a noticeable reduction in the number of security incidents throughout much of Iraq, including the decrease in civilian casualties, enemy attacks, and improvised explosive device attacks in the last quarter of the year.

In Colombia, the Uribe administration worked to defeat and demobilize Colombia's terrorist groups through its powerful democratic security policy which combines military, intelligence and police operations, efforts to demobilize combatants, and the provision of public services in rural areas. While the FARC [Fuerzas Armadas Revolucionarias de Colombia — Revolutionary Armed Forces of Colombia] continued to operate and control territory mostly in the more remote areas of the country, its capabilities have been reduced.

Mauritania's successful transition to a democratic governance in 2007 represented a significant victory for counterterrorism efforts in West Africa and an important victory against efforts to weaken governance and impose radical ideology on a traditionally moderate population. Mauritania took strong stands in the face of multiple attacks from al-Qaida in the Islamic Maghreb, called AQIM, in 2007 working with regional partners to apprehend terrorists and improving its capacity to defeat terrorists and efforts to use its territory to launch attacks and establish terrorist safe havens.

Challenges remain, however. Despite the efforts of both Afghan and Pakistani security forces, instability coupled with [the] Islamabad-brokered ceasefire agreement in effect for the first half of 2007 along the Pakistani border provide al-Qaida [AQ] leadership with the ability to conduct training and operational planning, particularly that targeting Western Europe and U.S. Numerous senior AQ operatives were captured or killed, but AQ leaders continued to plot attacks and cultivate stronger operational connections that radiate outward from Pakistan to affiliates throughout the Middle East, North Africa, and Europe.

Al-Qaida

Core elements of al-Qaida are adaptable and resilient, and al-Qaida and its associated networks remain [the] greatest terrorist threat to the United States and its partners. By making use of local cells, terrorists have been able to sidestep many of our border and transportation security measures. During the reporting period, terrorist attacks around the world, which include incidents in Algeria, Saudi Arabia, Pakistan, Afghanistan, and Yemen, resulted in more than 3,200 noncombatant deaths, 6,000 injured, and 300 kidnapped. The importance of these numbers is that they were mostly Muslims.

AQ's increase in its propaganda efforts seeking to "inspire" support in Muslim populations undermine[s] Western confidence and create[s] a perception of a worldwide movement more powerful than it actually is. Terrorists consider information operations a principal part of their effort. Use of the internet for propaganda, recruiting, fundraising, and, increasingly, for training, has made the internet a "virtual safe haven."

2007 was marked with the affiliation of regional insurgent groups with al-Qaida. We note, in particular, the growing threat in North Africa posed by al-Qaida in the Islamic Maghreb, AQIM, which was known as a Salafist Group for Preaching and Combat, GSPC, prior to its September '06 merger with al-Qaida. [In] April '07, AQIM launched suicide attacks for the first time and vowed to use them as a primary tactic against their enemies. The near-simultaneous December 11 bombings of the Algerian Constitutional Council and the UN [United Nations] headquarters in Algiers underline a substantial shift in strategy. The attack on UN headquarters underline[s] that AQIM now considers foreign interests to be attractive targets.

We note AQIM's consistently changing profile through 2007. For example, the August 8 suicide bomber was a 15-year-old boy, the youngest suicide bomber in the history of Algeria, while a suicide bomber who struck the UN headquarters on December 11th was a 64-year-old man in the advanced stages of cancer, potentially the oldest.

Counter-radicalization is a key policy priority for the United States, particularly in Europe, given the potential for Europe-based violent extremism to threaten our European partners and the United

States. The leaders of al-Qaida and its affiliates are extremely interested in recruiting terrorists from and deploying terrorists to Europe, people familiar with our Western cultures that can travel freely.

AQ exploits the frustration of many Muslims around the world whose grievances are often legitimate. Terrorists seek to convert alienated or aggrieved populations by stages to increasingly radicalize and provide the extremist viewpoints, turning them into sympathizers, supporters, and ultimately, in some cases, members of terrorist networks. In some regions, this includes efforts by AQ and other terrorists to exploit insurgency and communal conflict as radicalization and recruitment tools to their benefit and using the internet to convey their message.

Countering radicalization demands that we treat immigrant and youth populations not as a source of threat to be defended against but as a target of enemy subversion to be protected and supported. It requires community leaders to take responsibility for actions of members within their communities and to counteract extremist propaganda and subversion. The terrorist message of hate and death holds no promise for anyone's future.

State Sponsors of Terrorism

The report features a chapter on state sponsors of terrorism, which include Iran, Syria, Sudan, Cuba, and North Korea. What causes the greatest concern about state sponsorship is a state sponsor that directs WMD [Weapons of Mass Destruction] resources to the terrorists or one that enables resources to be clandestinely diverted. This may pose a potentially grave WMD terrorist threat.

It will come as no surprise to hear that Iran remained the most significant state sponsor of terrorism. Iran provides aid to Palestinian terrorist groups, Lebanese Hezbollah, Iraq-based militants, and Taliban fighters in Afghanistan. Despite its pledge to support the stabilization of Iraq, Iranian authorities continue to provide lethal support, including weapons, training, funding, and guidance, to some Iraqi militant groups that target coalition and Iraqi security forces and Iraqi civilians. In this way, Iranian government forces have been responsible for attacks on coalition forces.

Since 2006, Iran has arranged a number of shipments of small arms and associated ammunition, rocket-propelled grenades, mortar rounds, 107-millimeter rockets, and plastic explosives, possibly including man-portable air defense systems, MANPADs, to the Taliban.

Syria, another state sponsor of terrorism, both directly and in coordination with Iran and Hezbollah, continued to undermine the elected Government of Lebanon and remained a serious security threat. Foreign terrorists continue to transit Syria en route to and from Iraq. Despite acknowledged reductions in foreign fighter flow, the scope of the problem remained large. According to the December Measuring Stability and Security in Iraq Report to Congress, nearly 90 percent of all foreign terrorists known to be in Iraq have used Syria as an entry point. The Syrian Government could do more to stop known terror networks and foreign fighter facilitations from operating within its borders.

Terrorist Safe Havens and the Concept, Regional Strategic Initiative

The report also includes a discussion of terrorist safe havens. We consider the terrorist safe haven to be ungoverned, under-governed, or ill-governed areas of a country and non-physical areas where terrorists that constitute a threat to the U.S. national security interest are able to organize, plan, raise funds, communicate, recruit, train, and operate in relative security because of inadequate governance capacity, political will, or both. This varies slightly from the intelligence community use of the term because we include the consideration of political will in capacity of host countries.

Remote areas of the Sahel and Maghreb regions in Africa serve as terrorist safe havens because of little government control in sparsely populated regions. Portions of the Federally Administered Tribal

Areas, FATA, in the northwest province area of Pakistan have become a safe haven for al-Qaida terrorists, Afghan insurgents, and other extremists. Southeast Asia includes a safe haven composed of the Sulawesi Sea and Sula Archipelago, which sit astride the maritime boundary between Indonesia, Malaysia, and the Philippines. A number of al-Qaida operatives remain in East Africa, particularly Somalia, where they pose a serious threat to the United States and allied interests in the region. Although these elements have been somewhat disrupted as a result of Ethiopian and Somalian Transitional Federal Government military actions, they continue to operate in Somalia and elsewhere in East Africa.

Since 2006, we've been working on the Regional Strategic Initiative, or RSI, in an effort to develop flexible regional networks. We work with our ambassadors and interagency representatives in key transit areas of operation to identify the threat and to devise collaborative strategies, action plans, and policy recommendations. The RSI teams use all tools of statecraft in this effort.

Our toolkit to counter terrorism includes the Antiterrorism Assistance Program which provides partner nations and countries with training, equipment, and technology needed to increase their capabilities to find and arrest terrorists, the designation of terrorist organizations, and individuals in an effort to block terrorist funding, and also counterterrorist finance training [sic]. A key component of our efforts to address the conditions that terrorists exploit for recruitment and ideological purposes are the USG assistance programs administered through USAID [U.S. Agency for International Development], the Middle East Partnership Initiative, Millennium Challenge Corporation, and other U.S. entities which increase access to education, improve health care, and focus on democratic and economic reform. All these tools and more are explained, in detail, in Chapter 5.

Regional Overviews and Country Reports

You'll find in the report, as in past years, regional overviews and reports on the terrorist situation in individual countries. We note progress and lack of progress where appropriate. Examples include: Afghanistan remained threatened by Taliban and other insurgent groups and criminal gangs, some of whom are linked to al-Qaida and terrorist sponsorship outside the country. Taliban insurgents murdered local leaders and attacked Pakistani government outposts in the FATA [Federally Administered Tribal Areas]. Nonetheless, the government of Afghanistan continued to strengthen its national institutions; and polls indicated the majority of Afghans believe that they are better off now than they were under the Taliban.

The government of Saudi Arabia confronted terrorism and extremist ideologies with varying degrees of success. The country suffered two high-profile terrorist incidents: the shooting of four French citizens and the violent murder of a high-ranking Saudi colonel. Saudi officials acknowledge that the long-term solution must include an effective campaign to de-legitimize the extremist ideology that underpins support of the terrorism. The government continued its extensive prisoner rehabilitation program aimed at undermining detainees' adherence to extremist ideology. More than a thousand Saudis have completed this program. The U.S. Government is following the progress of the program closely to both understand it and to monitor rates of recidivism.

In Lebanon, a campaign of domestic political violence continued. Most notable were the June 13, September 19, and September 12 car bombing assassinations of Walid Eido, Antoine Ghanem, and General Francois al-Haj, respectively.

In May 2007, Venezuela was recertified as not fully cooperating with U.S. antiterrorism efforts under Section 40a of the Arms Export and Control Act.

Despite U.S. pressure, Yemen continued to implement a surrender program with lenient requirements for terrorists it concluded it could not apprehend using traditional law enforcement means. The Yemeni

justice system was also less effective. The courts did not set dates for trials of suspects involved in the two September '06 al-Qaida-orchestrated attacks on oil facilities in eastern Yemen. Finally, they released, pending their appeals, several subjects wanted by the United States for acts of terrorism.

Let me summarize, first of all, that we will not prevail against terrorism without embracing a holistic approach such as that employed by the Regional Strategic Initiative. Over time, our global and regional cooperative efforts will reduce terrorists' capacity to harm us and our partners, while local security and development assistance will build up partners' capacity. If we are to be successful, we must work together with our growing networks of partners towards our common goal in a strategic and coordinated manner to overwhelmingly defeat this terrorist compelling challenge.

Methodology and Numbers

One of the responsibilities of the National Counterterrorism Center is to compile and maintain a database of terrorist incidents. We then draw from that database and support the Country Reports. And what I'm going to do is give you a very high-level overview.

I would encourage you to take a look at the NCTC.gov website. It provides the methodology we use. It actually has all of the incidents, the 14,000 or so that are out there, as well as charts and graphs and background material in an effort to be as transparent as possible.

A quick word about methodology—several years ago, we shifted away from the methodology you see on the left-hand side for international terrorism. Our judgment was that that was simply too narrow. You can see an underlying phrase there that talks about the requirement for individuals from two or more countries to be involved. That led to excluding events that, in our view, were clearly terrorism. And so we shifted about three and a half years ago to using that much broader statutory definition of terrorism. Three components: It has to be premeditated, politically motivated, [and] directed against noncombatants. That is an incredibly broad definition.

The upshot has been that we've moved from counting several hundred incidents each year to well in excess of 10,000. And we have used that for the last three years, and that allows for year-to-year comparability.

Here you see the global aggregates for 2005, '6 and '7. If you look from 2006 to 2007, we are essentially flat in terms of the number of incidents. Fatalities are up; total victims —fatalities, injuries, and hostages—are actually down. Really, the important point of the two bullets [is] down at the bottom. There is no question that tracking trends, cataloging this data, can be invaluable for a whole host of issues associated with the analysis of terrorism; but that second point is critical. In an aggregate count, we're talking about different groups with different agendas; and as a result, our view, I think academics' view, is that the aggregate totals are simply not a particularly useful metric for measuring success in the war on terror. You really have to disaggregate, so that's what we'll do now is we'll peel it back a little bit.

Here you see a region-by-region breakout. I guess three points that you should take away from here. First, terrorism is a tactic. It's used by different groups all over the world. Second point, the vast majority of attacks in 2007, as has been the case in previous years, are found in the Near East and South Asia. Essentially, 80 percent of the global attacks were in Near East and South Asia last year.

At a global level, as I mentioned, the incidents are essentially unchanged. You do see a growth, lower left-hand corner, in Africa. That was almost entirely in Somalia. And you do see a growth in East Asia. That was almost entirely as a result of the insurgency in Thailand. You do see slight declines in all the other regions of the world.

Disaggregated a little bit further, and look—focus specifically on Iraq. As in previous years, roughly half of the global attacks, roughly 60 percent of the total fatalities, occurred in Iraq. The upper left-hand chart gives you total attacks and total fatalities over the last three years. You may recall from last year that there was a substantial jump from '05 to '06; '06 to '07 [was] relatively constant. But here again, aggregate numbers don't really tell the story. You have to look at that graph in the lower right-hand side; and what you see is a precipitous decline in attacks and fatalities over the course of the year, so sort of a quarter-by-quarter analysis.

And here's the rest of the world with Iraq numbers backed out of the equation, and what you see is kind of mixed picture. On the good news front, as Ambassador Dailey indicated, there's been a substantial decline in FARC attacks in Colombia, roughly 50 percent over the course of the year. In the Middle East, we saw very few attacks in Saudi Arabia, in Jordan, [and] in Egypt. I believe we cataloged one event in Saudi Arabia for all of last year. And there were also declines in India, Indonesia, and the Philippines.

On the less favorable side, we saw approximately a 50 percent increase in Thailand; and we saw a 100 percent increase in Pakistan. There were also more attacks in both Afghanistan and Somalia. And as you can see, in Africa, there was a growth in lethality of attacks. I would highlight Algeria in particular, in which after the merger, attacks actually declined; however, the number of fatalities increased substantially as a result of the AQIM. On net, [there was] a growth in attacks and fatalities in the rest of the world.

And the last briefing board, just a word about the attacks and the toll associated with them—I mentioned increased lethality. Algeria was one case. Pakistan is another. As I said, the number of attacks in Pakistan basically doubled; the number of fatalities essentially quadrupled, primarily in [the] northwestern parts.

Part of that has to do with that upper left-hand graph. Suicide attacks around the world were up about 50 percent from '06 to '07. And we also see, in the lower right-hand side, a growth in the number of attacks in which more than ten or more people were killed. That was also up.

A word about the human toll—beyond the gross numbers, as in previous years, police officers were hit particularly hard. Last year, almost 9,400 police officers were injured or killed. We also saw a growth in the number of attacks in schools, and many of them against girls' schools by Islamic extremists: 300 attacks, killing or wounding 180 teachers and almost 800 students. We also have reporting indicating upwards of 2,400 children were killed. The number is undoubtedly far higher, but that's what we can document.

You got recent al-Qaida leadership statements that they don't kill or attack civilians. We drew only on al-Qaida-affiliated claimed attacks, and we find that those attacks killed or wounded something like 5,400 civilians at markets, at funeral processions, and so forth. That number also is much higher, but these are only attacks that al-Qaida-affiliated groups claimed responsibility for.

And more generally, Muslims were hit particularly hard. As in previous years, well over 50 percent of the global people killed and wounded were Muslim. And again, mosques [were] also hit hard. Something like a hundred mosques were attacked last year.

That's a very high-level overview. As I said, all of the supporting data is out there on our NCTC.gov website.

Reporting on Offsets Agreements in Sales of Weapon Systems or Defense-Related Items to Foreign Countries or Foreign Firms for Calendar Year 2007

[The following is a reprint of a notice from the Department of Commerce Bureau of Industry and Security originally published in the Federal Register / Vol. 73, No. 98 / Tuesday, May 20, 2008 / Notices 29109.]

Summary

This notice is to remind the public that U.S. firms are required to report annually to the Department of Commerce (Commerce) on contracts for the sale of defense-related items or defense-related services to foreign countries or foreign firms that are subject to offsets agreements exceeding $5,000,000 in value. U.S. firms are also required to report annually to Commerce on offsets transactions completed in performance of existing offsets commitments for which offsets credit of $250,000 or more has been claimed from the foreign representative. Such reports must be submitted to Commerce no later than June 15th each year.

Addresses

Reports should be addressed to:

Offsets Program Manager
U.S. Department of Commerce
Office of Strategic Industries and Economic Security
Bureau of Industry and Security, Room 3878
Washington, DC 20230

For Further Information Contact

Ronald DeMarines
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
U.S. Department of Commerce
Phone: 202–482–3755
Fax: 202–482–5650
Email: rdemarin@bis.doc.gov

Supplementary Information

Background

In 1984, the Congress enacted amendments to the Defense Production Act (DPA), including the addition of Section 309, which addresses offsets in defense trade (See 50 U.S.C. [U.S. Code] app. § 2099). Offsets are compensation practices required as a condition of purchase in either government-to-government or commercial sales of defense articles and/or services, as defined by the Arms Export Control Act and the International Traffic in Arms Regulations. Section 309(a)(1) requires the President to submit an annual report to the Congress on the impact of offsets on the U.S. defense industrial base. In 1992, section 309 was amended to direct the Secretary of Commerce (Secretary) to function as the President's executive agent for carrying out the responsibilities set forth in that section.

Specifically, section 309 authorizes the Secretary to develop and administer the regulations necessary to collect offsets data from U.S. defense exporters.

The authorities of the Secretary regarding offsets have been re-delegated to the Under Secretary of the Bureau of Industry and Security (BIS). The regulations associated with offsets reporting are set forth in Part 701 of title 15 of the Code of Federal Regulations.

The offsets regulations of Part 701 set forth the obligations of U.S. industry to report to the Bureau of Industry and Security, no later than June 15 of each year, offsets agreement and transaction data for the previous calendar year. As described in section 701.1 of the regulations, U.S. firms are required to report on contracts for the sale of defense-related items or defense-related services to foreign countries or foreign firms that are subject to offsets agreements exceeding $5,000,000 in value. U.S. firms are also required to report annually on offsets transactions completed in performance of existing offsets commitments for which offsets credit of $250,000 or more has been claimed from the foreign representative. The required data elements and filing procedures for such reports are outlined in section 701.4 of title 15, Code of Federal Regulations.

The Department's annual report to Congress includes an aggregated summary of the data reported by industry in accordance with the offsets regulation and the DPA. As provided by section 309(c) of the DPA, BIS will not publicly disclose the information it receives through offsets reporting unless the firm furnishing the information specifically authorizes public disclosure. The information collected is sorted and organized into an aggregate report of national offsets data and therefore does not identify company specific information.

The Proliferation Security Initiative (PSI)

[The following is a fact sheet from the Bureau of International Security and Nonproliferation, U.S. Department of State, Washington, DC, May 26, 2008.]

What is the Proliferation Security Initiative?

The Proliferation Security Initiative (PSI) is a global effort that aims to stop trafficking of weapons of mass destruction (WMD), their delivery systems, and related materials to and from states and non-state actors of proliferation concern. Launched by President Bush on May 31, 2003, U.S. involvement in the PSI stems from the U.S. National Strategy to Combat Weapons of Mass Destruction issued in December 2002. That strategy recognizes the need for more robust tools to stop proliferation of WMD around the world and specifically identifies interdiction as an area where greater focus will be placed. Today, more than 90 countries around the world support the PSI.

The PSI is an innovative and proactive approach to preventing proliferation that relies on voluntary actions by states that are consistent with national legal authorities and relevant international law and frameworks. PSI participants use existing authorities—national and international—to put an end to WMD-related trafficking and take steps to strengthen those authorities as necessary. UN [United Nations] Security Council Resolution 1540, adopted unanimously by the Security Council, called on all states to take cooperative action to prevent trafficking in WMD. The PSI is a positive way to take such cooperative action.

In September 2003, PSI participants agreed to the PSI Statement of Interdiction Principles that identifies specific steps participants can take to effectively interdict WMD-related shipments and prevent proliferation. The PSI Principles also recognize the value in cooperative action and encourage participating countries to work together to apply intelligence, [diplomacy], law enforcement, military, and other capabilities to prevent WMD-related transfers to states and non-state actors of proliferation concern.

PSI partners encourage all states to endorse the PSI and to take the steps outlined in the Principles. Support for the PSI is an acknowledgment of the need for stronger measures to defeat proliferators through cooperation with other countries.

What is the Value of the PSI?

The PSI provides committed states with a framework for coordinating counter proliferation activities to thwart proliferators' increasingly sophisticated tactics. In recent years we have seen the emergence of black-market operatives who, for the right price, are willing to use their knowledge, access to materials, and personal connections to provide WMD-related goods and services to terrorists and countries of proliferation concern. Five years ago, the world became aware that an international black market network, headed by Dr. A.Q. Khan, had for many years been supplying clandestine nuclear weapons programs. Seizure of the cargo ship BBC China exposed the network and ultimately led to Libya's decision to end its nuclear and missile programs. Most recently, the discovery of Syria's covert nuclear reactor—believed not to be for peaceful purposes—demonstrated that proliferators are capable of pursuing their dangerous objectives even as the world is watching. And today, Iran continues its pursuit of nuclear technology and missile systems that could deliver WMD in direct violation of the UN Security Council.

Proliferators and their facilitators continue to work aggressively to circumvent export controls, establish front companies to deceive legitimate firms into selling them WMD-related materials, ship WMD-related materials under false or incomplete manifests, and launder their financial transactions through established banking institutions. These proliferation activities undermine international peace and security and require an international response.

While states have cooperated for many years to combat WMD proliferation and prevent specific

shipments of WMD, their delivery systems, and related materials, these efforts have largely been ad hoc. The PSI takes these efforts out of the ad hoc realm by facilitating information-sharing, building relationships between international counterparts at the political and operational levels, and providing a forum for experts to share best practices on organizing for and conducting interdictions.

Our deeper understanding of today's proliferation threat has increased international support, including widespread attention at senior levels of government, for more concerted efforts to halt WMD trafficking at all points along the proliferation supply chain. The PSI builds on our interdiction experience to date and uses the full range of counter proliferation tools—diplomacy, intelligence, customs authorities, law enforcement, military, and financial—to meet this pressing challenge.

How Does the PSI Work?

The PSI works in three primary ways. First, it channels international commitment to stopping WMD-related proliferation by focusing on interdiction as a key component of a global counter proliferation strategy. Endorsing the PSI Statement of Interdiction Principles provides a common view of the proliferation problem and a shared vision for addressing it.

Second, the PSI provides participating countries with opportunities to improve national capabilities and authorities to conduct interdictions. A robust PSI exercise program allows participants [to] increase their interoperability, improve interdiction decision-making processes, and enhance the interdiction capacities and readiness of all participating states. In five years, PSI partners have sustained one of the only global, interagency, and multinational exercise programs, conducting over 30 operational air, maritime, and ground interdiction exercises involving over 70 nations. These exercises are hosted throughout the world by individual PSI participants and consist of air, maritime, and ground exercises executed by participants' interagency and ministries focusing on improving coordination mechanisms to support interdiction-related decision-making.

Furthermore, the PSI Operational Experts Group (OEG), a group of military, law enforcement, intelligence, legal, and diplomatic experts from twenty PSI participating states, meets regularly to develop operational concepts, organize the interdiction exercise program, share information about national legal authorities, and pursue cooperation with key industry sectors. The OEG works on behalf of all PSI partners and works enthusiastically to share its insights and experiences through bilateral and multilateral outreach efforts.

Third, and of the most immediate importance, the PSI provides a basis for cooperation among partners on specific actions when the need arises. Interdictions are information-driven and may involve one or several participating states, as geography and circumstances require. The PSI is not a formal treaty-based organization, so it does not obligate participating states to take specific actions at certain times. By working together, PSI partners combine their capabilities to deter and stop proliferation wherever and whenever it takes place.

How Can States Participate in the PSI?

States can become involved in the PSI in multiple ways:

- Formally committing to and publicly endorsing the PSI and the Statement of Interdiction Principles and indicating willingness to take all steps available to support PSI efforts
- Undertaking a review and providing information on current national legal authorities to undertake interdictions at sea, in the air, or on land and indicating willingness to strengthen authorities, where appropriate

- Identifying specific national "assets" that might contribute to PSI efforts (e.g., information sharing, military, and/or law enforcement assets)
- Providing points of contact for PSI assistance requests and other operational activities, and establishing appropriate internal government processes to coordinate PSI response efforts
- Being willing to actively participate in PSI interdiction training exercises and actual operations as opportunities arise
- Being willing to conclude relevant agreements (e.g., boarding arrangements) or otherwise to establish a concrete basis for cooperation with PSI efforts

Cooperation by flag, coastal, or transshipment states and states along major air shipment corridors is particularly essential to counter proliferation efforts involving cargoes in transit.

What Is the Future of the PSI?

The PSI is an enduring initiative that continues to establish a web of counter proliferation partnerships to prevent trade in WMD, their delivery systems, and related materials.

By cooperating through PSI, states make it more difficult and costly for proliferators to engage in this deadly trade. Over time, proliferators and others involved in supporting proliferation activities will learn that there are countries determined to work together to take all possible steps to stop their efforts. PSI is an important contribution to global nonproliferation efforts and is a strong deterrent to proliferation-related trafficking. PSI also seeks enhanced export control, regulatory systems, and law enforcement cooperation to shut down proliferation-related networks and activities to bring down those involved to justice.

The U.S. will work to maintain and build on past PSI successes, including through further development of real-world partnerships, networks of expert contacts, and operational readiness to conduct cooperative interdictions of WMD-related shipments. We will seek to further develop international law enforcement cooperation and will increase our dialogue and cooperation with industry. The U.S. will also continue to cooperate with our PSI partners to put in place smooth, effective communications and operational procedures.

Rogue states, terrorist and criminal organizations, and unscrupulous individuals who contemplate trafficking in WMD related materials must now contend with an international community united in detecting and interdicting such transfers by air, land, and sea.

The PSI participating states encourage endorsement of the Statement of Interdiction Principles and participation in the PSI by all states that are committed to preventing the proliferation of WMD, their means of delivery, and related materials.

For more information on the PSI, see http://www.state.gov/t/isn/c10390.htm.

Remarks at the Council of the Americas 38th Annual Meeting

By

Secretary of State Condoleezza Rice

[The following are excerpts from the Secretary's remarks delivered at the Loy Henderson Auditorium, Washington, DC, May 7, 2008.]

Members of the diplomatic corps, distinguished guests, ladies and gentlemen, it's a pleasure to be back here with the Council of the Americas here in the State Department. You do so much to advance our common interests and our common values throughout this hemisphere.

I want to thank you for strengthening the ties between peoples—our NGOs [Non-Governmental Organizations], our teachers, our students, and our business communities. I want to thank you for your tireless efforts to educate about our hemisphere and to push for our common interests.

And you know, it struck me this morning that this is going to be my last time speaking to the Council of the Americas as Secretary. Thank you for recognizing that that's not an applause line.

But seriously though, it's a temptation to, at this time in an administration, start to look to the past and to look at all that we've done together. I don't really want to dwell on this too much because there's never been a time in modern history when our country's relationship with the hemisphere is more oriented to the future.

But if you'll allow me for one moment to go back and look at what has happened since 2001, I would submit to you that we've witnessed nothing less than a social revolution in most of our hemisphere in recent years; and its cause has been democracy. Democracy has been opening up old, elite-dominated politics to millions who had been on the margins of their societies: the poor and the disadvantaged and indigenous peoples and minorities. These men and women have at last become active democratic citizens, and they are demanding that their governments work for them. They are addressing long-standing problems of poverty and inequality and social exclusion that have ever been so real in our hemisphere. If I could sum up this process of change, I would say it's been a time for inclusion, a time for people to feel at home, and to participate in the destiny of their nations.

This revolution has realigned the politics of the Americas. New leaders have emerged, from both the left and the right—responsible democratic leaders who are rejecting old ideological shibboleths and working pragmatically to expand opportunity, to reduce poverty, and to ensure security. They are showing that good governance, the rule of law, democracy, and markets can deliver people's rightfully high expectations of the governments that they have elected.

This belief was reflected in the outcomes of nearly all of the 17 elections held in 2006, for instance. And it's been the real story in recent years of democracy: not some left turn; not some populist rejection of markets and trade; but indeed the creation of a new hemispheric consensus that, as our Inter-American Democratic Charter states, "democracy is essential for the social, political, and economic development of the peoples of the Americas."

This underscores something really important—that by democracy, people in this hemisphere just don't mean a political mechanism for transferring power. They mean democracy in broader social and economic terms, a system in which all have access to opportunity and the mobility that it brings.

To be sure, there have been exceptions to this broader positive trend—a few places where rulers have exploited people's legitimate fears and needs and longings in order to expand their own autocratic power. These are heartbreaking setbacks for our hemisphere. But though some rulers may clamor to

draw attention to themselves, it does not alter the fact that they are on the wrong side of history in the Americas; history is passing them by.

The main idea is this: Democracy is literally changing the character of countries in the Americas. It is producing popular governments that are redefining their national interests, engaging with one another in new ways, and adapting their societies to be competitive in the global economy—all in ways [that] would have been unthinkable a couple of decades ago. In short, there is a political and diplomatic ferment in our hemisphere that is palpable and overwhelmingly positive.

And the nature of leadership in the Americas is changing too. Canada is building new and far-reaching partnerships in this region and committing its talents and its resources to advance our shared values, not just in this hemisphere but beyond it—in Afghanistan. Brazil, a regional leader, is an emerging global player; and it's looking outward as never before. And we are building a partnership—the United States and Brazil together—that will matter for decades to come in this world. A relationship that was always defined by potential is now being defined by accomplishments. And when the two largest democracies in the hemisphere cooperate to promote energy independence, the eradication of malaria in Africa, and the fight against racism and intolerance, the impact can be profound.

And at this time of sweeping change, the United States is also changing its role. Frankly, I think since 2001, we have learned to be better partners for this region. We've come to see more clearly that the quest for social justice is the defining issue for most countries and most peoples, that the realization of its huge implications for a country's success means that the United States must position ourselves to be part of the solution. We have sought, and we've built strong relationships with democratic governments on the left and on the right. We have charged no ideological price for America's friendship.

And we've been actively able to do this because we have stayed consistently engaged. President Bush has made more trips in the Americas than any President in U.S. history. He has received more leaders here in Washington from Latin America and the Caribbean than any of his predecessors. And beyond governments, our engagement has spanned the full spectrum of our societies—our teachers and our students, our NGOs and our faith communities, and of course, people like you in the private sector. We have deepened the enduring connections of culture and commerce, family and friendship. The broad engagement was evident in last year's White House Conference on the Americas, which many of you attended. And I can tell you; increasingly, when I meet the young people of the region, as I just recently did, youth ambassadors from Nicaragua and from Bolivia and from Venezuela, I see that the faces of the Americas are so diverse and that diversity is finally being represented in the people who are getting access to those wonderful scholarships and fellowships that will make them leaders in their countries in the future.

I believe then, in recent years, we've seen a convergence of ideals and interests. Among nations in the region and amidst all the different traditions that we embody, we agree on first principles— that the path to greater opportunity and social justice is different for every country, but the features are similar: democracy and the rule of law, responsible governance and open economies, investment in the health and education of people.

Here in this country, among our Administration and in the Congress and among our public and private sectors, I believe we've forged agreement, bipartisan agreement, on the first principles of our policy in the Americas, that the potential of our hemisphere is enormous; that the success of our neighbors is intimately linked to our own; that we can now build partnerships rooted not only in common interests but in common values; and that we must support democratic leaders in tackling the challenges of poverty, inequality, and social exclusion.

Now, it's not to say that differences don't still remain between the United States and our neighbors—between our neighbors and even perhaps within the United States itself. They do. But because we share first principles, because we are committed to one another's success, and because we are engaging with one another, communicating with one another, our differences do not define us. Indeed, exchanged honestly and respectfully, our differences can strengthen us.

Most democratic governments in our hemisphere—left, right, and center—are doing the right things to help their people prosper. They're opening markets and expanding opportunity and boosting trade and attracting investment and fighting corruption and enforcing the rule of law. We respect the results that they are achieving, and we are supporting them.

Under President Bush, and with the support of the Congress and our people, the United States has doubled development assistance in Latin America and the Caribbean since 2001. We have led multilateral efforts to forgive old debts that too long had saddled the potential of some of the poorest countries in our region. And through the Millennium Challenge Account initiative, we have created new incentives to reduce poverty—through just governance, economic freedom, and investment in people.

This consensus on development recognizes the vital importance of free and fair trade. When governments invest in their people, trade can enable countries to fuel their own economic and social transformation.

Building on NAFTA [North American Free Trade Agreement], our Administration has negotiated ten free trade agreements [FTAs] since 2001 with our partners in the Americas. If our Congress passes our agreements with Panama and Colombia, an issue that I'll return to in a moment, we will have effectively created an unbroken chain of free-trading nations from the top of Canada to the tip of Chile. These FTAs are the strategic platforms that enable our democracies to reach across the Pacific and compete successfully with the rising powers of Asia.

Together, these efforts represent a new approach to development rooted in partnership and mutual responsibility. This is furthering the common hemispheric vision of a just society, one in which self-improvement and social mobility are the prospect of all citizens, not the privilege of a few.

The new democratic consensus in our hemisphere also recognizes that our economic and social development must be defended. So we have built partnerships, again, rooted in shared first principles and mutual responsibility to ensure our collective hemispheric security.

Canada, Mexico, and the United States have created the Security and Prosperity Partnership underscoring that North American relationships bring enormous benefits, like jobs and energy security and lower prices, to the citizens of all three countries. Today, the $14 trillion economic zone of North America is undisputedly the platform for long-term success in the world. And through the Security and Prosperity Partnership, we are now building the shared capacity to defend our livelihoods from any challenge and to respond to any emergency that might threaten our success.

We are doing so in other ways too. Through the Merida Initiative, which is now before the Congress, the United States, Mexico, and the nations of Central America will cooperate to defend our societies and economies from criminal gangs and drug traffickers. This is unprecedented. For the first time, we and our neighbors are developing regional security strategies to combat threats that we can only defeat together.

We've maintained partnerships to support two democracies in winning their struggles for sustainable security.

So through the work of a courageous government and people, and with a long-term commitment from the United States, Colombia has transformed itself from a state on the verge of failure not seven

years ago to a nation now on the brink of success; whose democratic government is reclaiming its country from narco-terrorists and expanding opportunity for its people.

And in Haiti, many nations in the Americas have joined together in an unprecedented partnership for democratic state-building, marrying security and peacekeeping efforts to reconstruction and development, to try and support finally for the people of Haiti the creation of effective institutions.

Taken together, our many common endeavors with our democratic neighbors represent partnerships that will meet our present and future challenges. And building this has been possible because the United States has been deeply engaged. The challenge in the months and years ahead is to strengthen the practical points of consensus that define that engagement. And much of that challenge, frankly, is internal to the United States.

There are a lot of tough issues before us, or soon to be before us that will test the principles of an engagement in the Americas. One is trade, specifically the agreements we've concluded with Colombia and Panama. In recent decades, administrations of both parties, along with majorities in Congress, sustained bipartisan U.S. support for free and fair trade. But I must tell you that today, this consensus is under fire. Trade is absolutely vital to our nation's competitiveness, but we cannot afford to look at trade just as a domestic issue. Trade is also essential to our foreign policy, to our national interests, to the security and prosperity of our neighbors, and thus, to the security and prosperity of the United States.

The majority of our citizens in the hemisphere want more trade not less. And if the leaders of Congress reject free trade agreements with Colombia and Panama, it will be they who [are] neglecting this hemisphere. And it will signal only one thing: retreat from that that we have achieved, retreat from our nation's long-standing engagement and leadership in the Americas, and retreat from two democratic partners who want and need our support. I assure you: those who will benefit most from disengagement or retreat would be those who least share our values.

There's another challenge that is coming, and that is the transition in Cuba—the only country in the Americas not ruled by a government that its people have chosen. We respect the dignity and the talent of the Cuban people. And we believe unequivocally that Cuba deserves, no less than any other nation in the Americas, to choose its own future freely, without outside interference.

Any attempt to ease Cuba into the 21st century through relatively small and highly controlled economic openings will not work in the long term. The Cuban regime must show that it's got the confidence in itself and in its people to stop using the secret police to control political discourse. The regime must and should remove the fear factor from Cuba's political life.

We are eager to support Cuba and its talented people in transforming its society. We want to engage with Cuba. We want to engage its people as free citizens, not as subjects.

So ladies and gentlemen, when I think back over this time, I arrive at one basic idea: What a difference a decade can make. What a remarkable period of consolidation for market-led, socially committed democracy across the region. The democracies of the Americas are now interacting and speaking with one another and working with one another as never before. They are experimenting with a wide variety of new ideas to foster greater integration. They are more active in the rest of the world and more engaged in the global economy, with increasing confidence and success.

Our different countries represent many different traditions and many different cultures. But we are defining a common future, a common future grounded in common values: freedom and equality, human dignity, and social justice. These values are our values, America's values. They link this hemisphere, and they firmly ground the United States as a firm part of this proud and free hemisphere.

The people of the Americas are rightfully impatient for better lives. They are holding their democratic leaders to higher standards, and they increasingly have the option to do that. And I would just say just one final word about the United States. To remain influential in our hemisphere, we must remain engaged; and to remain engaged we must be really present. We must continue to show our hemispheric partners that we understand their problems, that we can and want to be active in helping to solve them, and that their success is our success.

This is in keeping with our national traditions. It has and will increasingly define our role in the region. And I am confident that it can form the foundation of a new and enduring engagement for a hemisphere of democracy, prosperity, and peace.

Central America and the Merida Initiative

By

Thomas A. Shannon
Assistant Secretary of State for Western Hemisphere Affairs

[The following are excerpts from a statement before the House Committee on Foreign Affairs Subcommittee on the Western Hemisphere, Washington, DC, May 8, 2008.]

Thank you for the opportunity to appear before this Subcommittee today to discuss the Central America portion of the Merida Initiative and the opportunity it represents for regional security cooperation among not only the countries of Central America but also with the United States and Mexico.

Drug trafficking, gang violence, crime, and human smuggling, all linked to Central America, now directly afflict many areas of the United States, while arms and cash flows move south across our border and through Mexico to sustain these criminal organizations. The United States has a compelling strategic interest in moving quickly to reinforce our partnership with Central America to check illicit activity in the region. Drug trafficking and criminal organizations in Central America have grown in size and strength over the last decade, suborning and intimidating police and judges, which weakens the states' abilities to maintain public security. The results have been a region-wide surge in crime and violence and the emergence of gangs as major social actors. Central American leaders and public opinion, especially in El Salvador, Honduras, and Guatemala, have characterized this situation as a national emergency requiring an urgent response. Furthermore, the effects of these Central American problems are readily apparent in the United States.

Since 2005, more than 1,800 alleged members of Mara Salvatrucha, or MS-13, have been arrested in cities across the United States. Estimates of the number of gang members in Central America vary considerably, but the United Nations [UN] estimates the number around 70,000. A UN Office on Drugs and Crime report published in May 2007 cites country gang membership at approximately 10,500 in El Salvador, 36,000 in Honduras, and 14,000 in Guatemala. The gang problem is most serious in these "northern three" countries of Central America; but we have indications that gangs are increasingly active in Belize, Costa Rica, and Panama.

Central America has among the highest homicide rates in the world, and the rates are increasing. In 2005, the estimated murder rate was 56 per 100,000 people in El Salvador, up from 43 in 2004 and 37 in 2003. Between 2003 and 2006, the murder rate in Guatemala jumped from 32 per 100,000 to 47. Due to lack of standardized data, good numbers are not available for Honduras; but it is estimated that the murder rates are comparable to those in El Salvador and Guatemala. For comparison, the U.S. murder rate is 5.6 per 100,000.

The UN Office on Drugs and Crime study reports that more than 70 percent of homicides in the northern three countries are committed with firearms. The same report suggests that there are an estimated 800,000 unregistered firearms in civilian hands in Central America, in addition to the half million legally registered firearms. This means that between half and two-thirds of all the firearms in Central America are illegal—a number that is roughly five times more than the number of weapons held by law enforcement in the region.

The Central American isthmus is a primary transit point for people and drugs destined for the United States. With increased Mexican air and maritime interdiction, traffickers will increasingly look to Central America for over-land movement of contraband and people into Mexico and the United States. Increasing violent crime threatens the internal stability of states, debilitates national economies, undermines public

confidence in democracy, and exacerbates illegal migration to the United States. Resource constraints, ineffective criminal justice systems, and uncoordinated national efforts hamper an effective Central American response. However, we believe a growing sense of common political will and urgency among the Central American countries affords the United States a unique opportunity to launch a process to develop common and effective approaches to shared security concerns in the region.

The countries of Central America collectively—and individually—have demonstrated historic democratic progress since the end of their internal conflicts. As they have integrated economically, they have also transformed their militaries and improved respect for human rights. Central America's collective willingness to work with the United States and Mexico on these issues also represents an important opportunity—it provides an unprecedented opening to address security in coordination with neighbors whose countries form a bridge running from the Andes to the border of the United States.

The Merida Initiative grew out of the President's March 2007 trip to Latin America, particularly his visits to Guatemala and Mexico where security concerns dominated his conversations with former President Berger and President Calderon. In July, I led a U.S. inter-agency delegation to the inaugural meeting of the U.S.-Central American Integration System, or SICA, Dialogue on Security held in Guatemala. At these meetings, the Central American leaders identified what they believe to be the major threats to the region: gangs, drug trafficking, and illicit trafficking of arms.

Beyond strictly national or even bilateral approaches, Central American countries agree they must collectively strengthen regional security through the Central American Integration System. In conjunction with Mexico, they produced a comprehensive regional security strategy that was published in August of last year.

In the months that followed, the State Department led an inter-agency process to develop the U.S. portion of the Central America Merida Initiative request. Working with our colleagues from throughout the U.S. Government, including the Bureau of International Narcotics and Law Enforcement, the Departments of Justice and Homeland Security, the U.S. Agency for International Development, the Office of National Drug Control Policy, and others, we built a comprehensive public security proposal that responds directly to the needs identified by the Central American leaders.

At the same time, we were in close contact with our Embassies throughout the region, who worked with host-country officials to conduct security requirement assessments and provided on-the-ground expertise. In January of this year, we sent a delegation of 40 USG representatives to El Salvador to hold validation team meetings with SICA member countries and further refine our Merida Initiative request. This was the same process successfully used with Mexico. Additionally, we conducted briefings and consultations with the Central American Embassies in Washington. Finally, since the announcement of the FY2008 emergency supplemental request, we have benefited greatly from our conversations with Congressional staff and members as we worked to develop our FY2009 budget request.

The Central America portion of the Merida Initiative is a comprehensive public security package that seeks to tackle citizen insecurity in Central America by more effectively addressing criminal gangs, improving information sharing between countries, modernizing and professionalizing the police forces, expanding maritime interdiction capabilities, and reforming the judicial sector in order to restore and strengthen citizens' confidence in those institutions. For these purposes, we have requested $50 million in initial supplemental funding and an additional $100 million through the FY2009 budget request.

Our Merida Initiative request has been designed to complement efforts that Central American governments are undertaking on their own to combat the threats that organized criminal elements and gangs pose to their societies. By providing a short-term targeted boost to public security funding in the

region, our goal is to enable host governments to leverage their own budgets and resources more effectively and move towards sustainable responses to the security crisis in the region.

However, it must be recognized that these countries, with economies similar in size to those of medium-sized American cities, are hard pressed to take on resource intensive surveillance and interdiction missions facing adversaries who have large amounts of cash at their disposal. While traffickers may fly drugs on corporate jets and build fleets of submarines and semi-submersible vessels, Central American countries are barely able to keep operational their basic law enforcement and counter-narcotics vehicles, boats, or Vietnam-era aircraft.

Nevertheless, we are encouraged by the efforts of the nations of Central America and Mexico to work together to confront security threats in the region. Mexico has signed on as an observer to SICA and participated in the development of their security strategy. Additionally, the regional Attorney Generals regularly meet in various fora. Just last week, on the margins of the OAS [Organization of American States]-hosted Justice Ministerial [REMJA], the Attorney Generals and Ministers of Justice from the United States, the nations of Central America, Mexico, and Colombia came together to discuss the security of the region. Operational cooperation is ongoing as well. For example, Mexican and Guatemalan law enforcement work together to combat trafficking of people and contraband flowing across their shared border. El Salvador, Guatemala, Honduras, and Mexico have provided the FBI with thousands of samples of fingerprints of known criminals to be entered into a new, shared fingerprint database. El Salvador has more than doubled the number of police officers dedicated to the Transnational Anti-Gang, TAG, Unit in partnership with the FBI.

The Merida Initiative request is divided into three "pillars" of activities: Counter-narcotics, Counter-terrorism, and Border Security; Public Security and Law Enforcement; and Institution Building and Rule of Law. Specifically, pillar one focuses on information sharing and interconnectivity, improved border security and maritime interdiction efforts, and a targeted regional effort to combat arms trafficking. Through pillar two, we seek to help further professionalize Central American law enforcement and to address the proliferation of gangs through implementation of the U.S. Strategy to Combat Criminal Gangs. Our approach includes diplomatic initiatives, improved law enforcement and processes for repatriation, capacity enhancement for all justice sector actors, and a strong prevention program. We also support preventative and community policing with technical assistance, training, and much-needed non-lethal equipment that will enable law enforcement to communicate, get out into communities, and perform better investigations.

We recognize that all sectors of the region's justice system need strengthening to make this strategy sustainable. As such, we have requested funding to improve the efficiency and management of the law enforcement and judicial sectors to improve their responsiveness to citizens. To strengthen the rule of law in the region, we would increase training for prosecutors, defenders, and court managers; expand technical assistance on prison management; and improve juvenile justice systems.

It is important to note that rule of law, training, and efforts to improve capacity are integral parts of the entire package, not just the third pillar, "Institution Building and Rule of Law." For example, pillar one includes funding requests for training on aviation, port, and document security as well as support for OAS demand[ed] reduction efforts. In pillar two, over $15 million has been requested over the two years to support capacity enhancement and community prevention activities as part of the U.S. Strategy to Combat Gangs. While the pillars serve as an organizational tool for us, we cannot view the pillars individually. To attain a comprehensive picture of what we have set out to achieve through the Merida Initiative, the request must be analyzed as a single, comprehensive package as, in many cases, program funding transects the pillars of activities.

Central America and Mexico are facing public security threats of tremendous proportions. The leaders of the region have shown that they are committed to working together to put an end to the growing violence and crime, but their resources are limited. As President Bush has said, violence and drug trafficking are a shared problem; and we have a shared responsibility to confront criminal organizations. The Merida Initiative represents this shared responsibility to combat the threats that affect not only the citizens of Central America and Mexico but also U.S. citizens as gang activity and drug-related violence proliferate in the United States.

As I mentioned before, we have far-reaching geographic, economic, and demographic links to Mexico and Central America and a compelling national security interest in helping the governments of the region succeed in the battle against crime and insecurity. By funding the Merida Initiative, Congress can take a vital step towards saving innocent lives here in the United States. The gangs that plague Central America are transnational in their operations. For example, last June a federal grand jury in Greenbelt, MD indicted two MS-13 leaders for ordering the murders of two people in the United States from their prison cells in El Salvador. DOJ [Department of Justice] estimates that there are between 8,000 and 10,000 active MS-13 members in the United States and between 30,000 and 50,000 18th Street members worldwide. MS-13 has a presence in at least 38 states and the District of Columbia, while 18th Street is active in 28 states. Drug cartels operate throughout Central America and Mexico and on both sides of the U.S.-Mexico border, with U.S. citizens implicated in violent gun battles in Mexico and Americans the victims of such violence. By working with these nations to dismantle such groups and strengthen institutions, we multiply the effectiveness of our own domestic security efforts.

Today's threats require a coordinated international response to pressing security concerns. Only through partnership and shared responsibility will Central America and United States be able to defeat the transnational threats that confront us. The Merida Initiative represents the cornerstone of that response.

American – Turkish Cooperation

By

Secretary of State Condoleezza Rice

[The following is an excerpt of remarks provided by the Secretary of State to the American-Turkish Council Luncheon, Washington, DC, April 15, 2008.]

Turkey is a vital and strategic partner of the United States, and so it's fitting that this year's conference theme is: "Regional Allies and Global Partners." I did indeed visit Turkey, first as Secretary of State, in my very first trip in 2005 because the centrality of this relationship is very clear to me and has been for a number of years. But a year later, my then counterpart, Foreign Minister Gul, now President Gul, and I decided to create a strategic vision statement for U.S.-Turkish relations because we wanted to show that the relationship between Turkey and the United States was evolving and was moving toward the challenges of the 21st century—that it, of course, was a relationship that had important elements as military allies and NATO [North Atlantic Treaty Organization] allies. But it was much more than that. It was a relationship of growing economic ties. It was a relationship of growing diplomatic responsibility for the challenges in the world. And perhaps, most importantly, it was a growing relationship between our peoples. I am always very much mindful that, while the relationship between governments is important, the relationship between peoples is what really brings a firm foundation to a relationship between nations.

Now, as NATO allies over many decades, our cooperation today is closer and more necessary than ever—in fighting terrorism, in promoting freedom and democracy, and in ensuring that all people within the region can live safely and securely without fear. Our commitment to these goals also leads us beyond the region, to cooperate on a global basis for the advancement of peace and prosperity and freedom. The United States views our great democratic ally, Turkey, as an active shaper of positive global trends; and it is a mission that is uniting us more and more in the 21st century.

It was Turkey's founder, Kemal Ataturk, who famously described the new Republic's vision as, "Peace at home, peace in the world." He recognized back then the importance of promoting peace as a key policy objective of the Turkish Republic—just as our own founder Thomas Jefferson did for the United States when he said, "Peace and friendship with all mankind is our wisest policy." Our mutual cooperation is helping to ensure a region and a world that are freer, more at peace, and more secure.

Turkey and the United States in pursuing that vision share a commitment to a united Iraq that is secure, stable, prosperous, at peace with its neighbors, and free from all forms of terrorism. Let me be very clear: the United States recognizes the PKK [Partiya Karker Kurdistan (Kurdistan Worker's Party)] as a common enemy of Turkey, Iraq, and the United States. Our nations, together with our European partners, are pursuing a comprehensive strategy to eliminate the PKK's safe haven in Northern Iraq and to cut off its criminal and financial networks in Europe. At the same time, we are working for positive change in Iraq to ensure the stability of Iraq through the neighbor's process. Turkey hosted the last expanded Iraq neighbors ministerial in November in Istanbul. And we will meet later this month in Kuwait to address the challenges that we face and the progress that has been made in Iraq.

Turkey and the United States are also working side-by-side in Afghanistan. I was just with my Turkish colleagues—including President Gul and Foreign Minister Babacan in Bucharest this week—last week with our NATO allies to reaffirm our long-term commitment to Afghanistan's success. Turkey has been integral to NATO's success in supporting the Karzai government, in limiting the Taliban's influence, and in providing humanitarian and reconstruction assistance for the Afghan people. Together we recognize that sustainable democratic development in Afghanistan is the key to sustainable peace.

Turkey and the United States will continue to work together to defend and promote freedom and opportunity for the people of Iraq, Afghanistan, and Kosovo. As President Bush has said, "Freedom can be resisted, and freedom can be delayed. But freedom cannot be denied." Turkey's own long legacy of advancing modern and democratic reforms as a Muslim majority society can inspire those throughout the broader Middle East and beyond who seek to meet their own national challenges democratically.

Governments that are democratic and free must also strive to ensure that their citizens are prosperous. Turkey and the United States have been promoting economic freedom, open markets, and increased trade, not only with each other but also with our partners around the world. Our dialog on these issues is very deep. It's frequent, and it's wide-ranging. In fact, this Thursday, as we hold our annual Economic Partnership Commission, this will be in full view. This meeting addresses the central economic issues that tie Turkey and the United States ever closer together in an ever more mature economic relationship—including investment; trade; innovation; [and] cooperation in building prosperity in states that neighbor, states like Pakistan and Afghanistan. And of course, there is a significant portion of our work that is devoted to reliable energy.

We fully understand that the growth of both our economies increasingly depends on new, more efficient and more environmentally friendly sources of energy. Currently, Turkey occupies a strategic location in the region's energy supply chain. Eight percent of the world's oil transits Turkey each day, and its position becomes increasingly more important with the construction of each new pipeline on Turkish soil. Turkey and the United States are now building on the success of the Baku-Tbilisi-Ceyhan oil pipeline; and we are developing a new generation of natural gas infrastructure that will help Europe secure its energy supplies at prices set by markets, not by monopolists. The Turkey-Greece-Italy and Nabucco pipelines are emerging as a new Southern Corridor connecting gas supplies in Azerbaijan and the Caspian Basin, as well as Iraq, with Turkey and other European markets.

The United States and Turkey will from time to time disagree on how best to pursue our goals on all the issues I have mentioned today. It happens among friends. But we will also—always do so, remaining firmly united by our shared democratic values, like tolerance and respect for human dignity and human rights. Throughout history, both Turkey and the United States have struggled to be true to these values. And while we have each made many advances, many struggles lie ahead.

The United States was founded on great principles, but our founding documents did not recognize equal rights for my ancestors or for women. In fact, when our Founding Fathers said "We the People," they didn't actually mean me. It took the Great Emancipator, Abraham Lincoln, to overcome the compromise in our Constitution that made the founding of the United States of America possible, but that made my ancestors three-fifths of a man and enslaved them for another hundred years. Many courageous individuals fought for many years to improve American democracy and to ensure that it is truly representative of all American citizens, and that process continues even today. Thus, when we see the process of building and perfecting democracy in a friend like Turkey, we know that the road is not easy; it is, indeed, hard.

In the 84 years since the founding of the Turkish Republic, Turkish citizens have continually built on Ataturk's commitment to democracy and secularism. As with all countries, it is a work in progress. We have seen Turkey strive to improve and transform its democracy and to modernize its economy in its bid to join the European Union [EU]. We continue strongly to support Turkey's EU candidacy. It will be good for Turkey, and it will be good for Europe. Ankara's openness to renewed efforts on the divided island of Cyprus to reach an agreement on bi-zonal, bi-communal federation is also a key part of the process of Europe's construction.

In 2007, we witnessed the maturity and vibrancy of Turkey's democracy as it weathered and came out stronger. It was a challenging political year that included a delay in the Presidential election and then the carrying out of both parliamentary and Presidential elections. You may know that the struggles continue.

But Turkish—the Turkish people, the Turkish voters, will resolve the difficulties before them within their secular democratic context and their secular democratic principles. All that can be asked of a democratic society is to stay true to those principles as it goes through difficult times.

Indeed, as Winston Churchill once said, "democracy is the worst form of government, except for all those other forms that have been tried from time to time." Still, both we and Turkey know that democracy is the best system we have to ensure that human rights and fundamental freedoms are ensured for all. On that note, we commend Prime Minister Erdogan for stating recently that parliament will amend Article 301 of the Turkish Penal Code, which criminalizes insulting "Turkishness." We encourage this. Expressing one's beliefs is not an insult to the state; it is one of the highest forms of citizenship.

Democracy is also the best way to protect peoples' right to practice religion freely. We appreciate the support that Turkey has given to the people across the broader Middle East and North Africa —impatient patriots in those places who are working to strengthen civil society and build democratic institutions as the guarantee for their freedom of conscience. These freedoms are essential to defeating extremism and terror. We have worked together too in the Middle East, to try and promote a process through the Annapolis process that would give the Palestinian people also an alternative to extremism and terror in their own state. And I want to thank the Turkish Government for its presence at Annapolis and its continuing support to that process.

Both of our nations want to be the best champions of these values that we can within the region; and, therefore, we must continue to strengthen these values at home in our own democracies. We continue to encourage Turkey to recognize and protect civil rights of all religious and ethnic groups, such as by reopening the Ecumenical Patriarchate's Halki Seminary as a vocational school.

The United States and Turkey will continue to support freedom, democracy, and prosperity in the broader Middle East and well beyond because we know from hard experience that it is the best way for diverse peoples to live together and to share power and to resolve their differences in peace without oppression of anyone or exclusion or worse. These values are the foundation of everything we do together. And they are why I believe Lord Palmerston got it wrong when he said that "nations have no permanent allies." The United States does have permanent allies, and those are nations with which we share values. And we have, therefore, a permanent friend and ally in Turkey.

U.S. Role in Asia

By
John D. Negroponte
Deputy Secretary of State

[Below are excerpts of remarks as delivered to the U.S.-Asia Pacific Council, Washington, DC, April 11, 2008.]

I've been involved with Asia since I joined the Foreign Service at the age of twenty-one. I was assigned to Hong Kong in late 1960, arriving there in January 1961. In 1964, I was assigned to our Embassy in Saigon after almost a year of Vietnamese language training. And I worked almost continuously on the Vietnam question thereafter, until we signed the Paris agreement on Vietnam in 1973, first as a member of our delegation to the Paris Peace talks, and then as Director for Vietnam on the National Security Council.

Since then, I have continued to work on United States policy towards Asia, as a Deputy Assistant Secretary in 1980-81, and as ambassador to the Philippines from 1993 - 1996. I've observed Asia's extraordinary transformation from a variety of perspectives. And it is Asia's development, present and future, as well as our nation's relationship with the changing Asia that I would like talk with you about today.

By almost any measure, Asia today is thriving. Not only has the region avoided military conflict for nearly three decades; relations between the major powers have never been better. Chinese President Hu Jintao's upcoming visit to Japan reflects this trend.

Nearly all the countries in the region have dynamic, market-based economies. And robust, democratic systems are flourishing throughout the region, as evidenced by Indonesia's remarkable transformation, Thailand's recent return to democratic rule, and recent elections in Taiwan and Korea.

There are a few laggards like Burma, where misrule by dictators stifles economic opportunity for an oppressed people. But most Asian states are focused on bettering the lives of their citizens. Over the past three decades, more people have risen out of poverty faster in Asia than over any other period in human history. For example, in what the World Bank has described as one of the most successful anti-poverty campaigns ever, Vietnam reduced its poverty rate from 58% of the population in 1993 to under 14% in 2007.

The economic rise of China, combined with Japan's continued status as the world's second largest economy, leads to great expectations that these countries will expand their global roles as responsible stewards of the very international order that made possible their success. As we strive to solve major issues confronting the international community from climate change to preventing the spread of dangerous weapons, the United States looks increasingly to our partners in Asia not only to help but to lead.

These positive developments in Asia were by no means guaranteed and indeed were no accident. Hardworking Asians deserve primary credit for the region's economic accomplishments. But Asia's prosperity has been made possible by a broader international economic and security order sustained by American leadership. Following the Second World War, the United States put in place the building blocks of the global economic and trading system that Asian economies from Singapore to Taiwan have used to fuel their growth. After the end of the Cold War, the United States pushed to establish the World Trade Organization [WTO] including making China a member in 2001. We also have strongly promoted the Asia-Pacific Economic Cooperation forum [APEC] and fashioned high-quality free trade agreements with Singapore, Australia, and Korea.

America's military alliances with like-minded Asian partners have fueled prosperity by encouraging regional powers to compete for the fruits of peace rather than prepare for the dangers of war. Our alliances with Japan, Korea, Australia, the Philippines, and Thailand remain the cornerstone of peace and security in Asia.

Over the past 7 years, this Administration has reinvigorated these alliances to ensure that we and our allies have the flexibility to address future security challenges not only in Asia but around the world. The transformation of the U.S.-Japan alliance has been especially remarkable. America's Asian alliances have grown stronger, not weaker, since the end of the Cold War. Our strong alliances and close cooperation continue through periods of leadership change, including those in Japan, Korea, Thailand, and Australia over the past year.

The Bush Administration has also comprehensively engaged with Asia's rising powers, including the largest, China. China's rise is one of the major events of our time. It is a growing player in the international community, and we are encouraging China to play a responsible and constructive role. This approach requires patient, creative diplomacy. We've seen progress with North Korea and are urging China to do more in Sudan beyond their provision of engineering troops. We believe China must also do more with respect to Iran and Burma.

We currently convene over 50 bilateral dialogues and working groups with China, spanning subjects from aviation to counterterrorism and from food safety to non-proliferation. The Senior Dialogue, which I lead with my counterpart in the Chinese Foreign Ministry, covers the full spectrum of global security and political issues. It has provided an opportunity for open and frank discussion on the broadest range of issues, including those over which we differ, including human rights and Tibet.

This dialogue includes, of course, the Taiwan Strait, where the United States is committed to ensuring peace and stability. We make known our concern about China's rapid increases in military outlays; and we encourage the Chinese leadership to be more transparent about its military spending, doctrine, and strategic goals. Transparency and exchanges will most effectively build trust and reduce suspicion.

In addition to China, the United States has reached out to new and old friends in Southeast Asia. We have a growing partnership with Indonesia, the world's largest Muslim-majority nation, a country that has made a remarkable transition to democracy. To help cement Indonesia's success, the United States has pledged over $200 million to assist civic, governance, and educational institutions in Indonesia.

Our relationship with Vietnam has also entered a new chapter. Our countries enjoy significant and growing trade and economic ties, an emerging military-to-military relationship, successful cooperation on health and development issues, growing cultural and educational links, and a shared interest in ensuring peace and stability in the Asia-Pacific region.

2007 marked the 30th anniversary of U.S. relations with ASEAN [Association of Southeast Asian Nations], and our ties with that organization are growing. We nominated a U.S. ambassador for ASEAN Affairs earlier this year.

I see three major tasks that the United States faces in the coming decade as we look at Asia: (1) further improving regional cooperation to complement our existing bilateral security alliances, (2) promoting continued prosperity, and (3) accommodating rising Asian powers into the international system while also challenging them to assume global leadership on major international issues.

The Six-Party Talks bring together North Korea's neighbors and key regional players on an issue with overlapping interests and a clear, focused purpose: denuclearization of the Korean Peninsula. While the process of denuclearization is far from complete, we hope an eventual peace and security mechanism for Northeast Asia will form to institutionalize the security cooperation we are forging through the Six

Party process. This would be separate from, but supporting, any peace regime that may emerge on the Peninsula. It would also in no way infringe upon our alliances.

As Asia continues to engage with the global community and Asian leaders focus on economic growth, the United States must continue its work to further knock down barriers to trade and investment. That's why President Bush endorsed a Free Trade Area of the Asia-Pacific [FTA AP] during his visit to the APEC leaders meeting in November 2006. We look forward to working with partners in APEC to make this initiative a reality.

More immediately, Korean President Lee's visit here next week reminds us that we need to work with Congress to ensure passage of our Free Trade Agreement with the Republic of Korea. Approval of this high-standard FTA with our treaty ally will help American businesses and workers and demonstrate continued U.S. leadership in the world's most dynamic region.

While institutions established after WWII have served the U.S., Asia, and the international community in many respects, we must work to ensure that growing Asian nations are integrated into this framework. Today, China's booming economy is driving energy demand; yet it is not a member of the International Energy Agency. For a number of years now, we have supported Japan's permanent membership on the United Nations Security Council so that the world's second-largest economy can meet its broader responsibilities to uphold international peace and security.

With global influence and power comes responsibility. Now is the time, as beneficiaries of the global trading system, for Asian powers to take the lead in trade liberalization under the WTO's Doha Round. The world needs and expects today's global winners to be tomorrow's pacesetters, not to lag behind the pack. Addressing climate change in the coming decade will also require inclusion of the developing world most notably China as well as India.

Ladies and gentlemen, for more than 60 years, the United States has worked with friends and allies in Asia to promote free markets and the free exchanges of ideas. Unlike the beginning of the Cold War, when strongman rule was a feature of the region, the ballot box has gradually transformed the face of Asia. America now has democratic partners across the region, committed to political liberty, human rights, and rule of law.

While trends in Asia are positive, and the long-term future of this dynamic region bright, the United States must and will remain engaged in Asia to jointly address the problems and issues confronting us especially in the coming year. We will continue to consult and collaborate with our alliance partners as the foundation of our strategy for Asia. We will continue to push for progress in the Six Party Talks, which represents the best path forward to a more stable Northeast Asia. We will continue to work with and encourage China to become a responsible actor in the international system. And in Southeast Asia, in particular, we will continue to support democratic reform and economic development as hopeful alternatives to extremism and terrorism.

Ongoing challenges will require our full attention, but they will not distract us from our commitment to playing a leadership role in the Asia-Pacific region that is defined far more by the scope of its opportunities than by its challenges. America is a Pacific nation, and our prosperity and global stability are increasingly tied to that of Asia. The goal we seek, as we have for decades, is an Asia that is growing in peace, prosperity, and freedom; and we will continue our work with Asia's leaders and its people to achieve that goal together.

Security Assistance Community

An Overview of AFRICOM: A Unified Combatant Command

By
Claudia E. Anyaso
Director, Office of Public Diplomacy and Public Affairs for African Affairs
April 22, 2008

[The following are excerpts from an address presented at the Women in International Security (WIIS) - U.S. Army War College Africa Command (AFRICOM) Conference in Washington, D.C.]

I am delighted to be participating in this program sponsored by Women in International Security and Center for Peace and Security Studies of Georgetown University. I'd like to take this opportunity to underscore the many contributions of women to national security policies such as our own Secretary of State Condoleeza Rice and my boss, Ambassador Jendayi Frazer, the Assistant Secretary of State for African Affairs. Let me also note that Kate Almquist heads the U.S. Agency for International Development and that many women, like DAS [Deputy Assistant Secretary] Theresa Whelan, are making significant contributions to military policy, including the creation of AFRICOM.

This year, we are celebrating the 50th anniversary of the Africa Bureau—50 years of enhancing relations with the nations of Africa and developing Africa policy. My office, the Office of Public Diplomacy and Public Affairs, will be organizing a series of programs to mark the anniversary. Based on a 1957 report from his Vice President, President Dwight Eisenhower established the Africa Bureau on September 2, 1958. Creation of the Bureau signaled the importance that the U.S. placed on its relations with the growing number of independent African countries and that the U.S. would have direct relations with Africa, no longer dealing with Africa through European allies. The establishment of Embassies in these new nations followed and now number 44, with 4 consulates.

Fifty years later, the DoD is acknowledging the strategic importance of Africa by establishing a military command devoted solely to African security needs and will no longer have to deal with Africa through three military commands—the European Command, the Central Command, and the Pacific Command. I was honored to be a member of the AFRICOM planning and implementation team. Adm. Robert Moeller was leader of our team, and Ambassador Robert Loftus from the State Department was his deputy. We believed, and continue to believe, that AFRICOM is "history in the making."

My remarks this morning are directed to the second objective of this panel: Expanded Mission and the 3 Ds (Defense, Diplomacy, and Development).

I have seen many PowerPoint slides on AFRICOM, and my favorite slide is very simple. At the base or foundation are security activities. In the middle are columns representing U.S. development, diplomatic, and humanitarian activities and the activities of our African partners support. At the top are the words "peace, stability, and prosperity"—the goals that we are all striving for. I want you to keep that image in mind, as I outline the reasons why the State Department strongly supports AFRICOM.

First, the Africa Command will support USG efforts to work with African nations to achieve common goals through partnership and collaboration. The Secretary's policy of Transformational Diplomacy stresses partnership and treating African partners as equals. Thus AFRICOM's mission will support the Secretary's

diplomatic policies. We also believe that AFRICOM compliments the desires of African countries as expressed by the African Union.

Second, the Africa Command will improve DoD's ability to support other USG programs in Africa. No longer will USG agencies and African partners have to deal with three separate commands, and coordination will be easier.

Third, an expanded interagency role in AFRICOM presents opportunities for all USG agencies working in Africa. The interagency component of AFRICOM will provide an opportunity for continuous dialogue so that there will be a greater understanding of upcoming issues and afford an opportunity for better planning. I'll say more on this later.

Fourth, the Africa Command will foster security, stability, and safety, all of which promote economic prosperity and stability on the African continent. If done right, AFRICOM can prevent problems from turning into crises and crises from turning into conflicts.

Allow me to expand on how AFRICOM's structure can help other USG agencies. Those of us engaged in public diplomacy or other USG activities are particularly interested in the Directorate for Civil – Military Activities. While military commands have traditionally had advisors and some few even had small interagency advisory groups working in them, the Africa Command will integrate a greater number of staff members from other parts of the USG into the command. Their work will be directed by a civilian deputy to the commander.

Ambassador Mary Carlin Yates, a senior State Department Official and former ambassador to Ghana, is the civilian Deputy to the Commander for Civil-Military Activities [DCMA]. She is also a Public Diplomacy Officer. Ambassador Yates will direct the commander's civil-military planning and programs, with emphasis on aligning the Africa Command's activity with that of other U.S. Government departments and agencies.

As DCMA, Ambassador Yates will be responsible for policy development, resourcing [sic], and program assessment. She will also direct all the command's plans and programs associated with health, humanitarian assistance, humanitarian mine action, disaster response, and security sector reform.

The DCMA will ensure that the command's programs and projects do not compete with or duplicate other USG programs. Policy responsibility for the non-military programs will remain with the civilian USG agency as it does currently.

Improved coordination between the numerous USG programs in Africa will allow the U.S. Government and its African partners to make the best use of USG resources in achieving their mutual goals of peace, prosperity, and stability on the African continent.

In conclusion, in the 50 years that the Africa Bureau has managed our relations with Africa, and in those 50 years that we have engaged in public diplomacy activities in Africa, we have learned a few things that can benefit AFRICOM. I like to think that implementing these lessons is why Africa in poll after poll is still favorably disposed to the U.S.

Lesson #1: Personal relationships are crucial. Everything in Africa is personal, and this means getting to know Africa and Africans at first hand.

Lesson #2: We have to listen. Listening and dialogue leads to mutual understanding.

Lesson #3: We are looking toward at least another 50 years and more of relations with Africa. We are talking about long-term commitment. Nothing happens quickly in Africa. Commitment and perseverance are essential.

Lesson #4: We understand that actions speak louder than words. The image of America in much of Africa is of a 20-year old Peace Corps Volunteer who lives among Africans, learns their language, earns little, and is eager to learn. Another image is of an NGO [Non-Governmental Organization] worker, or a Fulbright professor, or a missionary. This last lesson is already being implemented by AFRICOM. General Ward, the AFRICOM Commander, wants to emphasize programs and deeds. A good example is the African Partnership Station. The U.S.S. Forester toured the coast of West Africa working with NGOs and African partners on health and other community projects. The Interagency and NGOs were involved in the planning. Thus are new images of America being created—all of which demonstrate American goodwill and concern.

Evaluating U.S. Policy Objectives and Options on the Horn of Africa

By
Jendayi E. Frazer
Assistant Secretary for African Affairs

[The following are excerpts from testimony for the Senate Foreign Relations Subcommittee on Africa, Washington, D.C., March 11, 2008.]

I am especially pleased to have this opportunity to meet with you shortly after the President's tremendously successful visit to Africa and in the wake of the critical peace agreement in Kenya.

The President's trip saw an extraordinary outpouring of support for the United States and the American people. We are working closely with our African partners in a way that brings credit to our country. Our objectives in the countries the President visited—Benin, Tanzania, Rwanda, Ghana, and Liberia—are similar to those currently dominating our agenda in the Horn: helping Africans resolve conflict and rebuild societies torn asunder by war; promoting ethnic tolerance and reconciliation; encouraging economic growth and job creation; improving health conditions; and ensuring democratic institutions and values prosper, including nations with significant Muslim populations for Islam is clearly compatible with democracy.

The Horn of Africa today is the crucible in which many of our most important priorities for Africa are being addressed in their rawest forms. The issues are not conceptually different in the Horn than in the countries the President visited; but in some cases they present starker challenges in societies confronting ongoing conflict, where delivering state services and entrenching democratic values and institutions remain major challenges.

Somalia's challenges have frustrated its citizens, neighbors, and friends for decades. Following the appointment of Prime Minister Nur "Adde" Hassan Hussein, we are now seeing greater and more effective outreach to elements of the Somali political opposition, isolation of terrorist and extremist elements, efforts to repair and strengthen relationships with the humanitarian organizations, and concrete plans and timetables to accomplish the required transitional tasks under the Transitional Federal Charter. In Somaliland, we are witnessing the patient, methodical emergence of representative institutions.

While Ethiopia and Eritrea have been as yet unable to resolve their many differences, the parties have controlled their militaries and largely refrained from reckless behavior on the border. Ethiopia has a unique history and is making the transition from two millennia of autocracy to a modern state. Djibouti is stable and preparing to be an important regional hub centered on its strategically located port. Eritrea remains the tragic exception to this picture. We have strong relations and mutual interest with the countries of the Horn of Africa, except Eritrea. President Isaias sponsors instability in Ethiopia, Darfur, and Somalia and is undermining the integrity of United Nations [UN] peacekeeping operations. His contempt for his neighbors and the UN is not new, but it is particularly egregious at this sensitive time and sets a dangerous precedent.

We will continue to work in the Horn, as elsewhere in Africa, to promote regional stability and representative government; facilitate economic growth, increased prosperity and jobs; eliminate any platform for al-Qaida or other terrorist operations; provide humanitarian assistance in the wake of drought, flooding, and 17 years of near-constant conflict in southern and central Somalia; and work with governments in the regions to transform the countries through investing in people and good governance.

Somalia

The situation in Somalia remains a key challenge to regional stability and security in the Horn of Africa. Somalia has been characterized as a complex emergency, both in humanitarian and political terms, since the collapse of the Siad Barre regime in January 1991. For the last 17 years, Somalis have struggled to return lasting governance and stability to their country, enduring fourteen reconciliation conferences and numerous civil conflicts during the intervening years.

U.S. strategy for Somalia remains centered around four key policy priorities: first, encourage inclusive political dialogue with the goal of resuming the transitional political process outlined by the Transitional Federal Charter and leading the national elections in 2009 (isolating terrorist and extremist elements is a key component of this priority); second, provide development and humanitarian assistance for the Somali people and help build the governance capacity of the Transitional Federal Government [TFG]; third, facilitate the full and timely deployment of the African Union Mission in Somalia [AMISOM] to stabilize the country and create the conditions for Ethiopia's withdrawal; and [fourth] deny terrorists the opportunity to find a safe haven in Somali territory.

Over the past year, and particularly since President Ysuf appointed Prime Minister Hussein in November 2007 and Hussein's subsequent appointment of a new TFG Cabinet in January 2008, we have worked closely with the TFG leadership and the Special Representative of the United Nations Secretary-General [SRSG] to continue this dialogue process and encourage additional outreach to key Somali stakeholders, including clan leaders, business and civil society, women's groups, and religious leaders, among others. It is also important to continue the efforts begun during the National Reconciliation Congress in Mogadishu held in July-August 2007 in moving towards national elections in 2009.

As a result of the efforts of the President, Prime Minister, and SRSG, we have seen the emergence of a new, positive, yet fragile, momentum in recent months. The Prime Minister has promoted reconciliation by engaging in extensive outreach to elements of the Somali opposition, working closely with humanitarian agencies, and preparing the ground for the key tasks that remain to be completed before elections in 2009. Similarly, and as a consequence of its own extremist tendencies, the al-Qaida-affiliated al-Shabaab is more isolated than ever. However, time is short for the 2009 transition; and significant tasks remain ahead, among them building effective and inclusive security and justice mechanisms that will allow Somalis to live in peace and security.

The United States remains the leading donor of humanitarian assistance in Somalia, with approximately $140 million provided to date over FY2007-FY2008. Working with our international and regional partners in the International Contact Group on Somalia, we continue to call on all parties, including the TFG, to ensure unfettered delivery of humanitarian aid to affected populations and encourage all Somalis to protect civilians and prevent further deaths and displacement of innocent people. We continue to work closely with our international partners and the donor community to improve humanitarian access and respond to the humanitarian needs of the Somali people.

Similarly, additional deployments under AMISOM will help create a more secure environment in which this political process can move forward and the TFG can create viable and responsive security forces. Since I last appeared before this Subcommittee to discuss Somalia, Uganda has deployed more than 1800 soldiers as part of AMISOM and was joined by a battalion, or approximately 850 soldiers, from Burundi in January 2008. Uganda plans to deploy an additional 1600 and Burundi an additional battalion. Nigeria has pledged a battalion as well. Once deployed this would bring the total number of troops in AMISOM to almost 6000, closer to the authorized strength of 8000.

To date, the United States has allocated $49.1 million over FY2007-FY2008 in Peacekeeping Operations (PKO) funds to support this critical mission. We have also contributed $10 million in

deployment equipment and transportation as part of the Global Peace Operations Initiative [GPOI] to help Burundi and Uganda deploy to AMISOM. We continue to work closely with the African Union [AU] and troop contributing countries to encourage additional troop deployments under AMISOM.

At the same time, we remain deeply troubled that foreign terrorists associated with al-Qaida have received safe haven in Somalia. The United States remains committed to neutralizing the threat that al-Qaida poses to all Americans, Somalis, and others in the Horn of Africa. We have been clear that we will therefore take strong measures to deny terrorists safe haven in Somalia as well as the ability to plan and operate from Somalia.

Fighting terrorism in Somalia is not our sole priority but rather is part of a comprehensive strategy to reverse radicalization; improve governance, rule of law, democracy and human rights; and improve economic growth and job creation. This is a difficult and long-term effort in Somalia. As we encourage political dialogue, we will continue to seek to isolate those who, out of extremism, refuse that dialogue and insist on violence. Unchecked, terrorists will continue to undermine and threaten stability and the lives of civilians inside Somalia and throughout the region. Therefore, we will remain engaged in working with our regional partners, Somali stakeholders, to ensure a successful political process leading to the return of effective governance and lasting peace and stability.

Ethiopia-Eritrea

The dispute between Ethiopia and Eritrea regarding demarcation of their common border poses an additional threat to regional stability. Unfortunately, recent efforts to resolve the boundary impasse are stalled; and the situation has deteriorated. Eritrea's refusal to allow the UN Mission in Ethiopia and Eritrea [UNMEE] to obtain fuel and continued restrictions on UNMEE operations [has] caused the UN to begin to withdraw UNMEE personnel.

Eritrea's restrictions on UNMEE have been nearly universally perceived as an assault on the integrity of the UN with dangerous consequences for other UN missions and activities. The UN Security Council and other interested governments have strongly condemned Eritrea's actions. We are now supporting the UN to ensure the safe withdrawal of UNMEE and avoid a further escalation in tensions.

The Eritrea-Ethiopia Boundary Commission's [EEBC] demarcation decision by map coordinates has not brought the parties closer to resolution of the impasse. Eritrea accepts the decision, while Ethiopia rejects it as inconsistent with international law. The result has been a hardening of positions on both sides and increased tension between them. Eritrea and Ethiopia will have to work together in good faith to implement the delimitation decision of the EEBC; a decision that both parties have accepted.

It is essential for both parties to engage in talks on issues that prevent normalized relations. We strongly support the UN's efforts to achieve such talks and expect that these efforts will resume after the situation involving UNMEE has been resolved. At the same time, we continue to press both parties to respect the Algiers Agreement and implement concrete steps on the border to reduce tension and avoid renewed conflict. We will continue to seek opportunities for progress but do not expect this impasse to be resolved in the near future.

Eritrea

While publicly claiming to seek peace and stability for the region, the Government of the State of Eritrea has pursued a widespread strategy of fomenting instability throughout the Horn of Africa and privately undermined nearly all efforts for broad-based, inclusive dialogue and reconciliation in the region—most notably in Somalia and Sudan. Its activities include supporting and hosting Hassan Dahir Aweys, a U.S. and UN-designated terrorist; supporting Somali extremist elements associated with the now-defunct Council of Islamic Courts; and supporting and training the Ogaden National Liberation

Front [ONLF] in Ethiopia. Last year, Eritrea also suspended its membership in the Intergovernmental Authority on Development [IGAD] and did not support the region's strategy for achieving a long-term solution in Somalia.

In addition to the Government of Eritrea's increasingly destabilizing activities in the region, its domestic human rights record remains deplorable and is steadily declining. Last year and this year it was listed in the Human Rights Report among the "world's most systematic human rights violators." This is no surprise as several thousand prisoners of conscience are detained indefinitely without charge and without the ability to communicate with friends and relatives. There is no freedom of press, religion, speech, or assembly. Tight government controls on the financial system and private sector have destroyed the economy.

The United States has repeatedly pressed the Eritrean Government on these issues. But Eritrea remains unresponsive, and the Eritrean people continue to suffer. Fifteen years after independence, national elections have yet to be held; and the constitution has never been implemented. The Eritrean people deserve better.

Ethiopia

In Ethiopia, the United States was deeply involved in the persistent diplomacy that ensured humanitarian conditions in the Ogaden did not deteriorate into famine. I visited the region personally, as did USAID [U.S. Agency for International Development] Administrator Henrietta Fore; and our Ambassador in Addis Ababa coordinated the humanitarian response from the international community. It was not easy to ensure access for humanitarian workers, for parts of the Ogaden at the time remained mired in conflict, with Ogaden National Liberation Front attacks and counterinsurgency measures by the Ethiopian National Defense Forces [ENDF]. We have made clear to the Government of Ethiopia its responsibilities toward non-combatants during its operations and have expressed our concerns about the impact of the insurgency and counterinsurgency on the civilian population.

While the humanitarian situation in the Ogaden is not deteriorating, access remains a key challenge. Commercial trade in and out of the region has improved in the past several months; although poor rains, drought, and security restrictions provide a continued risk of famine. Our embassy in Addis Ababa is leading the international effort to work with the government to get food distributed throughout the region by March and April before the rainy season in an effort to prevent a famine from emerging.

The United States has committed approximately $53 million in emergency assistance to the Ogaden since August 2007, accounting for 98 percent of all international emergency assistance. Since January 2008, a USAID-sponsored Humanitarian Assistance Team has been in place in Ethiopia, traveling through much of the Ogaden, assessing needs and working closely with Ethiopian and international organizations to coordinate relief efforts.

In promoting improved governance, we were encouraged by the Government of Ethiopia's release of political detainees in July and August 2007. Again, this achievement was a result of persistent diplomacy, unheralded in public at the time but without which the detainees might not have been released. Although Ethiopia has a long and proud history, its democratic governance institutions are still young. It is frequently forgotten that Ethiopia is a country emerging from almost two millennia of autocracy. We have conveyed directly our expectations for improvement on human rights and democracy issues but also recognize significant progress made over the past 15 years.

Ethiopia is still working through the aftermath of the 2005 elections, which saw a vibrant political culture emerge. This is a talented people, destined by dint of population, location, and energy to play a prominent leadership role on the continent for a long time to come. We are confident Ethiopia will work

through its challenges, and we will work with the government and opposition to help them find common ground as they move towards elections in 2010.

Djibouti

In a region fraught with instability, Djibouti is a peaceful, tolerant, democratic, Muslim country, serving as a valuable partner for both its neighbors and the United States. Djibouti plays a key role in supporting regional efforts to reach a lasting solution in Somalia. I visited Djibouti in early February, just prior to its parliamentary elections. Despite a boycott call from a rival coalition, the elections were peaceful; and voter turnout was over 72 percent.

Though Djibouti is challenged by poverty and chronic food insecurity, it is rapidly becoming a vital hub for economic growth in the region. Current significant foreign investment in Djibouti's port and infrastructure will likely allow Djibouti to serve as a regional transshipment hub. Djibouti's expanding port capacity speeds regional trade, and its livestock quarantine and export facility (launched by USAID) permits legitimate exports from the Horn to key Middle East markets for the first time in decades.

President Ismail Omar Guelleh is committed not only to expanding Djibouti's role in the global economy and increasing foreign and private investment but has also emphasized education and healthcare, so the Djiboutian people can realize the benefits of the country's economic growth. Djibouti knows that its future success depends on regional stability and economic integration, and it serves as a model for several of its neighbors.

Somaliland

In early February, I also had an opportunity to visit the city of Hargeisa in the self-declared Republic of Somaliland. Somaliland has achieved a commendable level of stability, largely without external support or assistance, which the international community must help to sustain regardless of the question of formal recognition. My visit in February provided a chance to witness Somaliland's progress regarding economic development but also to hear about the challenges that Somaliland faces in its democratic process.

During my visit, I met with members of the Somaliland administration as well as representatives from Somaliland's three political parties to discuss the municipal and Presidential elections expected to take place in July and August of this year. The United States has provided $1 million dollars through the International Republican Institute [IRI] to support training for members of Parliament elected in Somaliland's September 2005 parliamentary elections as well as capacity-building programs for Somaliland's three political parties. We also plan to contribute an additional $1 million dollars in support of the upcoming municipal and Presidential elections.

Despite some recent delays in beginning a voter registration process, we are hopeful that the recent decision by President Dahir Rayale Kahin to authorize the voter registration process proposed by the National Electoral Commission will enable the elections to take place on schedule. At the same time, Somaliland's democracy remains fragile; and it is important to maintain the success of the past. We will continue to urge Somaliland's political parties to demonstrate the same level of political will that ensured the previous Presidential elections in 2003 were credible and transparent and to work together to ensure a peaceful result regardless of which candidate wins the election.

Kenya

Although not a focus of this hearing, Kenya is an integral part of our policy in the greater Horn of Africa and has long been a productive force for peace and stability in this troubled region; and I just want briefly to address it. As chair of the Inter-Governmental Authority on Development [IGAD], Kenya has had a leadership role in supporting the peace processes in southern Sudan, Somalia, and northern Uganda.

Kenya is the economic anchor of the region, with food aid, fuel, and commercial goods for Horn countries passing through Kenya. The Kenyan government continues to support and pursue our joint efforts to counter the threat of terrorism in Kenya and elsewhere in East Africa. Kenya's recent political crisis has somewhat diverted Kenya's focus on this effort, but we expect this will quickly be resolved.

Kenya's recent political crisis following the December 27 elections harmed its economy (and thus, the economies of the Horn countries) and impeded Kenya's ability to play its traditional leadership role in the region. We are encouraged by the February 28 political agreement reached by President Mwai Kibaki and opposition leader Raila Odinga, and we will continue to monitor implementation of the agreement closely. We believe one of the most important reasons the parties decided to sign this agreement was the skilled mediation of Kofi Annan and strong private messages to both parties from the United States.

To support implementation of the agreement and economic recovery, Secretary Rice has committed an initial assistance package of $25 million that will focus on three key areas: peace and reconciliation, institutional reform, and restoring livelihoods and communities. With the continued support and assistance of the United States and the international community, we are confident that Kenya will soon be back on the path of democracy, prosperity, and stability and will be once again in the position to support and advocate for peace initiatives in the Horn of Africa. Implementation is critical; and we will remain closely engaged with the government, opposition, and civil society.

Conclusion

Despite continued instability in Somalia and persistent tensions along the Ethiopia-Eritrea border, the Horn of Africa as a whole is making progress towards improved regional stability and governance. Our policy objectives remain consistent with our international and regional partners, but as always we are constrained by a lack of resources. Despite these constraints, we will continue to work with our partners to bring lasting stability to areas of conflict in the Horn of Africa and to maintain stability and good governance where these goals have been achieved.

China-Africa Relations and the Global Village: Diplomatic Perspective

By
James Swan
Deputy Assistant Secretary for African Affairs

[The following are excerpts from a speech given at Howard University, Washington, DC, April 1, 2008.]

What I'd like to do is run very, very quickly through our analysis of the reasons for China's interest in Africa, Africans' interest in China, and some of the concerns both we and the Africans share with China's approach. But then I want to focus on how we engage China on African issues, how we manage the practical aspects of diplomacy with a rising power on the continent.

To begin with what the military call the "BLUF", or bottom line up front, it is this: China has real interests in Africa, so it is normal that China would be involved in Africa. That's not surprising. That's not frightening. That's reality. The challenge for the U.S. is how to manage our relationship with China not as a new player in Africa, because it is not, but as a more active and potentially influential player.

As this conference attests, the topic of China in Africa has been a hot one for the past several years. And China's involvement in the continent has increased. Notably, in November 2006 the Forum on China-Africa Cooperation in Beijing drew 43 heads of state and representatives from 5 other African nations'—more than normally attend an African Union summit! In February 2007, Chinese President Hu toured Africa—his third such trip in as many years. Yet, as President Bush remarked during his visit to Africa, China's involvement in Africa shouldn't be seen as a "zero-sum game" characterized primarily as a competition with the United States. The challenge is to encourage China to become involved in Africa in a way that supports international norms and demonstrates that China is operating in the international system as a responsible stakeholder.

Chinese Interests in Africa

Why is China more involved in Africa? There are three interests primarily driving China: access to resources, access to markets, and pursuit of diplomatic allies.

As you have surely heard over the past two days, China's rapid growth has led to a voracious appetite for the commodities that feed industrial and manufacturing production. Africa is a key source of these commodities. Africa now supplies some 30 percent of China's oil imports, with Angola its lead supplier. The Chinese are the largest foreign investors in Sudan. China imported over $1.9 billion worth of goods from Sudan in 2006. Most of this was crude oil. And there are many other examples of resources [imported] from Africa—from Gabonese timber to Zimbabwean platinum.

Sub-Saharan [Africa] also represents a market of some 800 million people, with recent average GDP [Gross Domestic Product] growth of more than 6 percent annually. China's trade with sub-Saharan Africa has increased ten-fold over the past decade. Based on current trends, China will become sub-Saharan Africa's largest trading partner in 2011.

Finally, China has an interest in cultivating diplomatic allies among sub-Saharan Africa's 48 countries. China wants to reduce the number of countries with diplomatic relations with Taiwan. (Five African nations currently recognize Taiwan, with Chad switching to recognize Beijing in August 2006.) More broadly, China sees sub-Saharan Africa as a significant pool of support in the UN [United Nations] and

other international bodies. After all, in 1971 it was African votes that seated Beijing and ousted Taipei in the United Nations.

China's Appeal in Africa

China appeals to Africa as well. China offers a market for African goods, albeit mostly from extractive industries. Overall, Asia accounts for 27% of Africa's exports.

China's aid programs are attractive to Africans in some ways. China offers aid to African governments with no strings attached. China funds visible and much-needed infrastructure projects—railroads, bridges, dams—at a time when Western governments have largely shifted away from this form of development assistance. (I should point out, however, that the United States is getting back into the infrastructure game through the Millennium Challenge Corporation, some of whose compacts emphasize infrastructure.) China shows little compunction to work with African governments that have poor records on governance, transparency, and respect for human rights, a key distinction when compared to U.S. and Western criteria for development assistance. China enjoys a dual status, as both a rising power and a developing country; some Africans believe the Chinese better understand their development challenges.

Finally, China is also active in security assistance programs. This includes not only military sales and transfers but also Chinese support for UN peacekeeping operations [PKOs]. The Chinese have contributed 1300 peacekeepers to PKOs across Africa.

Challenges to Africa-China Collaboration

Of course both we and many Africans share some concerns about the nature of China's involvement. There is concern that China is dumping low-priced goods in Africa, undercutting the development of local industries and causing trade to be lopsided. This has been evident in the attitude of South African trade unions eager to protect manufacturing jobs at home. There is concern that, while China supports infrastructure projects across Africa, there is little technology transfer or local job creation. Such projects typically employ workers imported from China. Chinese projects often pay lax attention to environmental and worker rights standards. Chinese investments and labor practices became an issue in Zambia's Presidential election in fall 2006, with a prominent opposition official voicing strong criticism. Finally, there is concern that China's general unwillingness to coordinate its aid programs with other donors also reduces the overall benefits of multilateral initiatives. In Congo, announcement of a loan of $5 billion to $9 billion provoked concern not because of Chinese involvement but because of lack of transparency regarding the terms of the loan and because no effort was made to consult with the IMF [International Monetary Fund] or other donors on the implications of the loan for Congo's participation in the Highly Indebted Poor Country [HIPC] initiative.

The willingness of China to look the other way in dealing with non-democratic regimes with poor human rights records increasingly puts China at odds not just with Western donors but also with the African consensus that these are important matters. The African Union Charter and the New Partnership for African Development emphasize good governance; Africans consider democracy, economic transparency, and respect for human rights necessary for sustainable development.

The U.S. Approach

The U.S. approach to China in Africa and elsewhere is to engage China in dialogue at a variety of levels as part of a long term effort to influence Chinese behavior to conform to that of a responsible stakeholder.

First, in the field, through our embassies, we meet regularly with Chinese diplomats, compare notes on developments in the host country, and share analysis. We actively look for areas of program cooperation,

including health and agriculture projects. I think our relationship with Chinese diplomats is steadily expanding. My own, admittedly anecdotal experience, is that the Chinese are sending a new generation of increasingly high quality diplomatic personnel to Africa. They have regional expertise, excellent language skills, and a much greater openness to contact and exchange with other missions than I saw even ten years ago.

Second, on specific, high-profile issues, we of course engage in in-depth policy discussion with the Chinese through our capitals, through the UN Security Council, and through many other contacts. Sudan is a good example of such an effort. It has been the subject of frequent discussion in the Security Council. China was helpful in supporting the November 2006 agreement brokered by then Secretary General Kofi Annan in which Khartoum agreed to accept a hybrid African Union–United Nations peacekeeping force. China voted for the resolution creating this force and has committed to contribute a 300-person engineering contingent, of which about 100 have arrived. As part of our engagement with China on Sudan, former U.S. Special Envoy Andrew Natsios traveled twice to Beijing and consulted regularly with his Chinese colleagues. New Special Envoy Richard Williamson met with Chinese Special Envoy for Africa in Khartoum in February. So we're engaging the Chinese through multiple points. And we think this patient pressure is producing results, along with efforts by U.S. lawmakers and NGOs [Non-Governmental Organizations] to highlight the need for China to use its influence with Khartoum.

Finally, at the strategic level, we step back periodically to meet with the Chinese to identify areas of shared interest and coordinate our efforts. We do this in a framework of regular dialogues, the most important of which are the State Department led "Senior Dialogue", which focuses on political and security issues, and the U.S. Treasury led "Strategic Economic Dialogue", which deals with bilateral and global economic issues.

Overall, the U.S. and China have a developing relationship with regard to Africa. As part of our "Senior Dialogue" with the Chinese, Assistant Secretary for African Affairs Jendayi Frazer traveled to Beijing in November 2005 to meet with her Chinese counterparts and discuss Africa; and she met with them again in March 2007 in Washington. In September, Ambassador Ruth Davis, the Chief of Staff of the Bureau of African Affairs, traveled to China for a series high-level meetings and public appearances aimed at explaining U.S.-Africa relations. We expect such an ongoing, high-level, long-term engagement with the Chinese to continue. The next meeting of the Senior Dialogue on Africa is scheduled for later this spring in Beijing.

The Chinese think long-term, and we should expect it to take time to build a relationship of trust with them on African issues. The United States treats China as a serious player, among many others, in Africa. We encourage China to work with us and other countries in a common effort to build and strengthen the global system and promote peace and prosperity. We urge China to take responsibility in the global system commensurate with China's rising profile and influence.

China is a rising strategic power throughout the world. China's outlook and interests are increasingly global—and this includes Africa. The Chinese, among many others, will continue to be important actors on the continent.

I want to reiterate President Bush's comment that China's presence in Africa is not a zero-sum game for the United States. We see opportunities to collaborate with China in Africa in the areas of: agriculture, infrastructure development, healthcare, and security affairs.

We are urging China to engage cooperatively with international donors for a rules-based approach to aid that: strengthens institutions, promotes good governance, and ensures transparency.

If appropriately coordinated with other major players on the continent, we believe China can play a positive role as a responsible stakeholder in Africa.

NATO 2008: Is the Alliance Ready to Face New Challenges? Expectations from Bucharest

By
Kurt Volker
Acting Assistant Secretary for European and Eurasian Affairs
and
His Excellency Adrian Vierita
Ambassador to the U.S. from Romania

[The following are excerpts from Remarks at National Press Club Newsmaker Program, Washington, DC, March 20, 2008.]

Romania is hosting the 2008 Summit Meeting of NATO [North Atlantic Treaty Organization] heads of state and government in Bucharest April 2nd to the 4th. This is the largest summit in NATO history with all—26 members plus 23 members of the Partnership for Peace—attending. At the summit I understand that President Bush is scheduled to meet with Romanian President Traian Basescu, Prime Minister Calin Popescu-Tariceanu, and NATO Secretary General and Summit Chairman, Jaap de Hoop Scheffer. I read that Russian President Putin is going to attend the meeting; and NATO has said it hopes [the meeting] will, and I quote, "yield practical results." Let's hope it does.

So today our newsmakers are going to preview this largest NATO Summit to date, whether the organization is ready to face new challenges, and what might be expected from the Summit.

Acting Assistant Secretary Volker: I have been speaking a little bit about the NATO Summit in various venues now, so I recognize some of you from other events. So I apologize if I'm being repetitive; but I do think it's important that we take some time to discuss what we see are the major issues involving NATO right now, what we hope to be accomplishing at the Summit.

The first thing I would want to call your attention to is that NATO has been undergoing a substantial transformation since the end of the Cold War, since the ethnic cleansing in the Balkans in the '90s, and since September 11, 2001. There has been a tremendous transformation that has taken place.

Let me give you just an illustration of how that transformation has gone. In 1995, not that long ago, 13 years ago, NATO was an alliance of 16 countries. It had no partners, had not established a Partnership for Peace yet, had never conducted a military operation, had of course done a lot of defense planning, had conducted a lot of exercises, but had never engaged in a military operation where NATO was leading that.

Fast forward that to 2006, 2007, 2008. Here you have a NATO that is now 26 members, having enlarged, brought in ten new members in a couple of waves of enlargement; having partners through the Partnership for Peace in Eurasia; partners in the Mediterranean through the Mediterranean Dialogue, seven of them; 20 in Eurasia; four in the Persian Gulf through the Istanbul Cooperation Initiative; [and] working with other global partners such as Australia, New Zealand, Japan, in common endeavors such as the operations in Afghanistan. And NATO, which had never conducted a military operation for most of its history, by 2006 and beyond was conducting multiple operations simultaneously. To name a few of them, obviously running the ISAF [International Security Assistance Force] operation in Afghanistan; KFOR [Kosovo Forces] in Kosovo, having a presence in Bosnia still; Active Endeavor which is a NATO counter-terrorism operation in the Mediterranean; delivering humanitarian relief supplies after the earthquake in Pakistan [and] after Hurricane Katrina here in the United States, [and] transporting African Union soldiers to Darfur; so NATO's role has transformed considerably.

The way I would explain this is that NATO's mission, NATO's purpose, the collective defense of its members, Article 5 of the NATO Treaty, remains unchanged. That is still the fundamental mission of NATO. The way it has to go about that mission in today's world is very different. The world today is characterized by threats that are very different than those that prevailed during the Cold War and immediately after. So we see things such as counter-terrorism, proliferation of weapons of mass destruction, failed states, [and] extremism; and NATO's response to this is therefore very diverse. If you look at the operations that I mentioned, there's a great diversity in the ways in which NATO was handling these challenges, whether it is humanitarian, delivery of humanitarian relief, airlift, standard traditional peacekeeping operations, or very high intensity operations in combat such as in Afghanistan, so a great diversity of tasks that NATO has taken on for the same purposes of the security and defense of its members under the Washington treaty.

So this has been a substantial transformation that has taken place already since '95, since 2001, but there is more to come as well. I would characterize the Bucharest Summit as a further milestone in the continuing transformation and evolution of NATO, touching on these very same areas that I've already mentioned.

To give you some examples, we do expect there to be further invitations to countries to join NATO at the Bucharest Summit. There are three countries in the Membership Action Plan right now—Albania, Croatia, and Macedonia—who are seeking NATO membership. We hope to have the largest possible number of that group invited to join NATO at the Summit itself. We have been working very closely with all of these countries; and they've been working very hard on their political, economic defense reforms. So we'd like to see the strongest candidacies possible from these countries, and they've been working hard at it. And we'd like to see the widest possible enlargement agreed by NATO. So that is one of the issues.

Another is Afghanistan. I mentioned this already, but NATO will be having a meeting that is not just NATO but NATO working with a lot of different partners who are all contributing to the efforts in Afghanistan. President Karzai will be there; the European Union will be there, United Nations including the new Special Representative of the Secretary General Kai Edie, other institutions, other partners and contributors in Afghanistan. I understand the Australian Prime Minister is planning to be there. So this is an opportunity for NATO to mobilize and be a host for a larger international community to focus on our efforts in Afghanistan.

NATO will be articulating a comprehensive approach, a vision for how we need to proceed in Afghanistan, supporting the Afghan government and working with them. Military areas, of course, because we face a very difficult insurgency, and I expect we'll see some announcements of new contributions, but also in civilian areas such as reconstruction, development, governance and supporting the Afghan government, and also in counter-narcotics and other ways.

Again, Bucharest furthering the transformation of NATO, I mentioned the enlargement issues; I mentioned Afghanistan. There are countries who have sought to be part of NATO's Membership Action Plan. That's Ukraine and Georgia. That will be discussed at the Summit itself. We certainly support their aspirations of drawing closer to NATO. It's something we have long supported. They have made official requests now to the Secretary General. These decisions are made by consensus within NATO, and we're in the process of consulting with our allies about those issues right now.

Concerning Kosovo, we face contention in the Balkan region right now as a result of Kosovo's declaration of independence and that being recognized by a large number of European countries, the United States, and others. And NATO has a particular job in Kosovo which is to maintain peace and stability in Kosovo, maintain freedom of movement, protect minorities in Kosovo, [and] protect related institutions; and NATO is fully prepared and capable of doing that job and will make clear at the Summit that it intends to continue to do that.

Finally I should mention missile defense is another area where we believe that NATO will be taking some substantial steps forward.

When I talked about transformation of NATO, it is facing different threats and challenges in a new era with the purpose still on collective defense. Here's an example where we do see an increase in missile threats that can reach the territory of NATO members, and it's perfectly appropriate for NATO to recognize that these threats are growing and to welcome the contribution of the U.S. and others toward a missile defense system that can protect alliance territories and population. And to task further work, what more should NATO be doing to look at alliance territory in the face of growing missile threats in the future? So I think NATO taking some steps forward on the issue of missile defense will also be part of what comes out of the Summit.

Those are the principle issues there. I can answer questions about those and about others that may come up, but let me turn to my Romanian colleague who I know has some things he wants to say about the preparations for the Summit as well.

Ambassador Vierita: Allow me to tell you that the NATO Summit is something which for Romania is extremely important. It's not [only because] Romania is a supporter of sound transatlantic relationship and NATO, but also because we are facing a very important decision for the alliance, for the organization.

For us in Romania, this is the biggest event ever organized by Romania; but I think that it's also the biggest event when it comes to the size of the Summit.

I think 24 heads of state have confirmed their participation. So far [we are expecting] 26 heads of government and 87 personalities having the rank of Ministers.

I'd like to refer briefly to three issues here—[organization], public diplomacy and substance, and deliverables for the Summit.

Organizational[ly], we are [doing] really well; and we are working according to the scheme. There is a huge mobilization of security and law enforcement forces and expensive preparations to provide for a proper level of convenience and comfort for a large number of delegates. We are expecting more than 3,000 delegates and 3,500 journalists to come. I'd like to kindly draw your attention on the second media advisory on the NATO Summit, which is placed outside. The first one was issued in January, but this second one is probably more important.

Public diplomacy and substance, allow me to say that there are a number of events designed to enhance the public profile of the Summit and to raise the awareness of the public opinion. We have in Bucharest the almost traditional, I would say, German Marshal Fund Conference on the transatlantic relationship; and we will have the U.S. Atlantic Council, Young Atlanticist Forum, which has a modern approach involving internet events with the purpose to project the Summit among the younger generation.

Other events in Bucharest [include] the CSIS [Center for Strategic and International Studies] Conference on Central European Security. We are expecting U.S. and European officials, analysts, [and] business leaders to attend.

Political agenda, as Kurt said, there is high expectation from this Summit; and allow me to tell you some topics which are of importance for Romania. Enlargement process, I would dare to say that this Summit is developing under the, I would say, auspices of the Figure 3. So it is—the Summit lasts three days. We expect three new members to be invited. And it is actually the third Summit after Madrid [and] Prague, where the alliance invited new member states.

Again, when we talk about partnership, again I think I could speak about three levels. First is upgrading NATO's relationship with three new partners in the Western Balkans—Montenegro, Bosnia-Herzegovina, and Serbia. Bosnia-Herzegovina and Montenegro have already expressed interest to participate, to develop an intensified dialogue with NATO. I also think that the alliance could give a strong signal to Serbia regarding the readiness of the alliance to cooperate [with] Serbia when Serbia is ready to do it.

[The second level is] the invitation of Georgia and Ukraine to the Membership Action Plan.

[The third is] consolidation of the Euro-Atlantic partnership that continues to represent strategic importance for NATO.

Missile defense [MD] is also very important for Romania based on the principles of solidarity and the indivisibility of security among allies. We would like to see a NATO MD system complementary to the U.S. one, and I think this could also be something that the allies may wish to debate also to convene in Bucharest.

Last but not least, you mentioned the visit of the President of the United States to Romania. We are attaching great importance to this visit, and we hope to have a very successful event in Bucharest.

NATO: Enlargement and Effectiveness

By
Daniel Fried
Assistant Secretary for European and Eurasian Affairs

[The following are excerpts from testimony before the Senate Committee on Foreign Relations, Washington, DC, March 11, 2008]

NATO [North Atlantic Treaty Organization] is not just a military alliance; it is an alliance of values. And NATO's success in the past and promise for the future reflect its fusion of strength and democratic values. I will speak today about how the Alliance is transforming itself to address global security challenges; its current missions and challenges, including ongoing operations in Afghanistan; and our goals for the Bucharest Summit and beyond.

NATO provided a foundation for freedom's victory in the Cold War. It is now evolving into its 21st century role: defending the transatlantic community against new threats and meeting challenges to our security and values that are often global in scope.

NATO's mission remains the same: the defense of its members. But how NATO fulfills this mission is evolving. Much of what I discuss today has to do with this important ongoing adaptation.

During the Cold War, NATO was superbly prepared to face the Soviet Army across the Fulda Gap but never fired a shot. Yet, by maintaining the peace in Europe, the Alliance provided time and space for the internal decay of the Soviet system and the Warsaw Pact and for forces of freedom in Warsaw, Vilnius, Budapest, Prague, Bucharest, Kyiv, and even Moscow to prevail.

NATO's other historic achievement is not mentioned often but is no less important: it served as the security umbrella under which centuries-old rivalries within Europe were settled. NATO provided an essential precondition for the European Union [EU], a united Europe, to take shape. Since 1945, Western Europe has enjoyed its longest period of internal peace since Roman times.

After the end of the Cold War, NATO faced two fundamental challenges: first, should it remain fixed in its Cold War-era membership? Second, should it remain fixed in its Cold War activities?

Three successive American Administrations—those of President George W. Bush, President Bill Clinton, and President George H.W. Bush—have demonstrated leadership in helping transform NATO from a Cold War to a 21st century profile. Members of this Committee played, and continue to play, a major part in that bipartisan policy effort.

In the 1990s, under American leadership, NATO enlarged its membership for the first time since the fall of the Berlin Wall. It did so again in 2002.

Also in the 1990s, NATO engaged in its first military combat operations to force an end to ethnic cleansing in the Balkans. NATO's operational role has continued to grow since then.

On September 12, 2001, a day after the attacks on New York and Washington, NATO invoked for the first time the Washington Treaty's critical Article Five clause of collective defense. In the 52 years of NATO's existence prior to that date, no one ever expected that Article Five would be invoked in response to a terrorist attack; an attack on the United States rather than Europe; and an attack plotted in Afghanistan, planned in Pakistan, Malaysia, and Germany, carried out inside the United States, and financed through Al Qaeda's fund-raising network.

I was in the White House on September 11 and 12; I remember and greatly appreciate NATO's act of solidarity. That decision, and its implications, eventually brought an end to NATO's now seemingly "quaint" debate about going "out of area."

But let me be frank: in 2001, despite this decision, NATO lacked the capability of responding to the challenge of September 11. And, to be even franker, at that time, the United States had not thought through how to work within NATO so far a field as Afghanistan. But within months, several individual Allies had joined us in Afghanistan; and on August 11, 2003, NATO took over the UN[United Nations]-mandated International Security Assistance Force [ISAF] mission in Kabul. From that moment, NATO had crossed into a new world; and transformation became an operational as well as a strategic necessity.

NATO has come far since the Cold War. In the early 1990s, NATO was an alliance of 16 countries, which had never conducted a military operation and had no partner relationships. By the middle of this decade, NATO had become an alliance of 26 members. And its soldiers and sailors had experienced:

- Bringing security and stability to Afghanistan
- Maintaining security in Kosovo and Bosnia
- Supporting and training peace-keepers in Africa
- Training the Iraqi security forces
- Delivering humanitarian aid in Pakistan after the earthquake and in Louisiana after Katrina
- Patrolling shipping in the Mediterranean to prevent terrorism

NATO also has established partner relationships with over 20 countries in Europe and Eurasia, seven in North Africa and the Middle East, [and] four in the Persian Gulf and has global partners such as Australia, Japan, New Zealand, and Singapore, which are working with NATO in Afghanistan.

I should also add that one of the transformations we have tried to make at NATO is to build a new kind of relationship with Russia—one where NATO and Russia can work together to address common interests. This was the thinking behind the NATO-Russia Founding Act in 1997 and the NATO-Russia Council, created in 2002. I must admit that we have been disappointed that the NATO-Russia Council still has not lived up to its potential.

The Russian Foreign Ministry has announced that President Putin plans to attend the meeting in Bucharest. This represents both an opportunity and a challenge. The opportunity is to renew efforts to work together on issues where NATO and Russia really do have common interests— from nonproliferation, counterterrorism, to border controls and counter-narcotics with respect to Afghanistan. The challenge, however, is to make sure that NATO takes decisions on issues on their own merits—based on what is good for the Alliance and good for the issues at hand—without undue pressure from any outside actors. Whether on enlargement, missile defense, or a Membership Action Plan, NATO must make its own decisions for the right reasons.

Fifteen years ago, no one would have predicted such far-reaching changes for NATO. So we must be modest about predicting the future challenges NATO will face and the way NATO will adapt to them.

But I can report to you about NATO's ongoing transformation to address global security challenges and indicate how we believe this will be addressed at NATO's summit in Bucharest next month and beyond.

- First, I will deal with capabilities NATO must build in this new era. NATO is making progress, but this task is not done

- The second issue is how NATO is bringing these new capabilities to bear in ongoing operations, particularly:
    - In Afghanistan, where NATO is helping establish security and stability, to enable reconstruction, development, and good governance
    - And in Kosovo, where NATO is maintaining peace and freedom of movement in a now independent and sovereign country
- Third, I will speak about enlargement. NATO is taking on new members and helping others prepare to become members in the future if they so desire

Capabilities

NATO must strengthen its capacity in three key areas: an expeditionary capacity to operate at strategic distance against new and diverse threats, a comprehensive capability to better integrate military and civilian activities, and a missile defense capacity to protect Alliance territory and populations against emerging missile threats.

First, on **hard capabilities**, NATO is developing these step by step. NATO has established:

- A **NATO Special Operations Coordination Center** in Mons, Belgium that boosts the effectiveness of Allies' special operations forces by increasing interoperability between nations, sharing key lessons learned, and expanding and improving training, all of which are yielding concrete gains on battlefields in Afghanistan
- A **NATO Response Force** that is being "updated" to make it more usable and deployable if the need arises
- A **strategic airlift consortium** to allow interested Allies and partners a mechanism to pool limited resources to own and operate C-17s
- An initiative to enhance **NATO helicopter capacity**, first in Afghanistan, to lease private helicopters for non-military transport. In the medium- and long-term, we are examining ways to pool support and maintenance functions and to acquire additional helicopters
- A **NATO Cyber Defense Policy**, to be endorsed at Bucharest, will enhance our ability to protect our sensitive infrastructure, allow Allies to pool resources, and permit NATO to come to the assistance of an Ally whose infrastructure is under threat. I thank the Senators on this Committee for focusing attention on this issue following the cyber attacks against Estonia
- A new focus on **Energy Security**, for example, by reviewing how NATO can help mitigate the most immediate risks and threats to energy infrastructure. I appreciate the leadership of Senators on this Committee for their involvement in energy security and believe NATO is building a response to the concerns you have raised
- A **Defense Against Terrorism** Initiative, in which Allies have improved their precision air-drop systems and enhanced intelligence, surveillance, and reconnaissance technologies to detect terrorists. The Allies have also equipped large aircraft to defend against Man-portable Air Defense [MANPADs] weapons and worked together on technologies to detect and counter improvised explosive devices

- A NATO **Maritime Situational Awareness** initiative, to ensure Information Superiority in the maritime environment, thus increasing NATO's effectiveness in planning and conducting operations

I could go on. But let me stop here just to note that, notwithstanding all the concerns we have about levels of defense spending among the Allies and Allies' need to develop and field more expeditionary forces for NATO operations, NATO's military capabilities are better off than they were seven years ago. We are continuing to work to make them better still.

Many of these new capabilities are being tested in Afghanistan—which is also where we are learning how to **better integrate civilian and military** efforts. With each passing month, all of us Allies learn more about what it takes to wage a 21st-century counterinsurgency effort—a combined civil-military effort that puts soldiers side by side with development workers, diplomats, and police trainers. Whether flying helicopters across the desert at night, embedding trainers with the Afghan military and police, conducting tribal councils with village elders, or running joint civilian-military Provincial Reconstruction Teams, our institutions are reinventing the way we do our jobs.

As Defense Secretary Robert Gates has said, this requires new training, new equipment, a new doctrine, and new flexibility in combining civil and military efforts in a truly comprehensive approach to security.

And a final point on capabilities is **missile defense**. Article 5 of the NATO Treaty says NATO Allies will provide for collective defense. It does not allow for exceptions when the threat comes on a missile. NATO has been studying missile defense for years; and we expect that at the Bucharest Summit NATO will take further steps to acknowledge growing missile threats, welcome U.S. contributions to the defense of Alliance territory, and task further work in strengthening NATO's defenses against these new threats. We have taken on board advice from some in Congress and some of our Allies, as we have advanced a more NATO-integrated approach to missile defense.

NATO's work is focused on the short-range missile threat, technical work regarding future decisions on possible long-range threats, and possible opportunities for cooperation with Russia. The U.S. and NATO efforts are complementary and could work together to form a more effective defense for Europe.

Afghanistan

NATO is in action in two major operations, ISAF, in Afghanistan, and KFOR [Kosovo Forces], in Kosovo.

More than anywhere else, Afghanistan is the place where our new capabilities are being developed and tested. Allies are fighting and doing good work there, but NATO—all of us—have much more to do and much more to learn.

Let me be blunt: We still face real challenges in Afghanistan. Levels of violence are up, particularly in the south where the insurgency has strengthened. Public confidence in government is shaky because of rising concerns about corruption and tribalism. And the border areas in Pakistan provide a haven for terrorists and Taliban who wage attacks in Afghanistan.

Civilian-military cooperation does not work as well as it should, and civilian reconstruction and governance do not follow quickly enough behind military operations. In this regard, we welcome the appointment of Kai Eide as Special Representative of the UN Secretary General for Afghanistan. In this capacity, Ambassador Eide will coordinate the international donor community and raise the profile of the UN's role in Afghanistan in supporting the government of Afghanistan. The United States will lend its strongest support to Ambassador Eide's efforts. It will be critical to ensure that he is empowered to

work in concert with NATO and to coordinate broad civilian efforts—and go back to capitals for more resources—in support of the sovereign Government of Afghanistan. We look forward to Ambassador Eide's confirmation by the UN Security Council later this week and hope he will be present at the Bucharest Summit in April.

Narcotics remain a serious problem. Efforts to counter this scourge are working in some but certainly not all parts of the country. The Taliban are using the profits from drug revenues and the instability spread by corruption and lawlessness to fund their insurgent activities. Helmand Province continues to be the epicenter, with fully 53 percent of total cultivation; and our eradication efforts there have had insufficient traction, significantly due to the absence of adequate force protection for our eradication force. Yet there is good news too. In much of the north and east, poppy cultivation is down. In a secure environment, farmers can more easily exercise alternatives and are not subject to the same threats and intimidation by insurgents. According to UN data, we expect that this year 22 of 34 provinces are likely to be either poppy free or cultivating fewer than 1,000 hectares of poppies. With improved governance and security conditions, we believe it will be possible to achieve reductions in cultivation in the remaining provinces in coming years.

NATO is working hard but needs to focus on counterinsurgency tactics, provide both more forces in order to facilitate increased and faster reconstruction assistance, and improve performance in supporting robust Afghan counter-narcotics efforts. Fundamentally, NATO needs to show greater political solidarity and greater operational flexibility for deployed forces.

But while we are sober about the challenges, we also must recognize our achievements. There is good news. NATO had some real operational successes last year with our Afghan partners. Despite dire predictions, the Taliban's much-vaunted Spring Offensive never materialized in 2007. Think back to a year ago, when the Taliban were on a media blitz threatening to take Kandahar. Today we hear no such claims because we stood together—Afghans, Americans, Allies, and our partners—to stare down that threat.

We pursued the enemy last year; and over the winter we maintained NATO's operational tempo, capturing or killing insurgent leaders and reducing the Taliban's ability to rest and recoup. Some districts and villages throughout eastern and southern Afghanistan are more secure today than they have been in years or decades.

Roads, schools, markets, and clinics have been built all over the country. Six million Afghan children now go to school, one third of them girls. That is two million girls in school when under the Taliban there were none, zero. Some 80 percent of Afghans have access to health care—under the Taliban it was only eight percent. Afghan soldiers are increasingly at the forefront of operations, and the number we have trained and equipped has swelled from 35,000 to almost 50,000 in the last year. This spring, the United States will send an additional 3,200 Marines for about seven months to capitalize on these gains and support the momentum. Of this number, 2,000 Marines will be added to ISAF combat missions in the south and 1,200 more trainers for the U.S.-led Combined Security Transition Command-Afghanistan. We are urging Allies to match these contributions, so they can take on the same roles when our Marines leave this autumn.

Afghanistan is issue number one for NATO's Bucharest Summit next month. NATO is preparing a common strategy document on Afghanistan that will help explain to publics the reasons we are fighting in Afghanistan and how we are going to succeed.

We will also look at force contributions and hope to have more forces identified at Bucharest. All contributions are valuable—from all 26 Allies and the 14 partners there with us.

Some Allies deserve special praise for taking on the hardest missions in the south—particularly the Canadians, British, Dutch, Danes, Australians, Romanians, and Estonians.

Others deserve recognition for increased contributions over the past year. Top of that list is Poland, a new and committed Ally that has twice sent in more troops to eastern Afghanistan—first in Fall 2006 when it added 1,000 and then again in this winter with a pledge for 400 more troops and eight vital helicopters. Australia more than doubled its forces in 2007, to a total of 1,000 in the southern province of Uruzgan. The UK has added over 1,400 troops in Helmand Province since late 2006 to meet increased security needs, while Denmark added 300 to double its contribution in the same area. France meanwhile has moved six fighter and reconnaissance aircraft to Kandahar and pledged four training teams.

Do we need more Allies fighting? Yes. With this in mind, we very much welcome President Sarkozy's pledge that "France will stay engaged in Afghanistan for as long as necessary because what is at stake there is the future of our values and that of our Atlantic Alliance."

We also need Allies and partners to do more to train and equip the Afghan national security forces, the Army, and the police. NATO is providing small embedded teams directly into Afghan forces to serve as coaches, trainers, and mentors to the Afghan Army units. Currently, there are 34 NATO training and mentoring teams (called Operational Mentoring and Liaison Teams, OMLTs) deployed in Afghanistan. But we need at least 22 more by this time next year, and we are asking all of our Allies and partners to step up and do more.

In addition to more troops, we need to give Allied commanders on the ground more flexibility; so they can use their forces most effectively. We understand the political constraints under which our Allies operate, but less flexibility requires more troops and prolongs the mission.

At the same time that we build a more capable NATO, we also want to see a stronger and more capable EU. If Afghanistan has taught us anything, it is that we need a better, more seamless relationship between the two. Bureaucratic hurdles should not put soldiers' lives on the line. We can't keep showing up side by side in far flung parts of the world and play a pick-up game. We must work together to develop better NATO-EU cooperation.

Kosovo

Let me now turn to Kosovo, NATO's second largest operation after Afghanistan. We all know the history. In fact, I was there a few days ago. As I had the privilege of testifying on Kosovo before this committee last week, I will keep my remarks brief.

Kosovo's declaration of independence ends one chapter, but our work is not yet done. We must deal with short-term challenges of security and longer-term challenges of Kosovo's development. These are serious. But the status quo was unsustainable, and seeking to sustain it would have led to even greater challenges.

NATO, through KFOR, continues to provide security, freedom of movement, and protection for minorities and religious and cultural sites in this, the world's newest state. There has been no significant interethnic violence, no refugees or internally displaced persons, and no trouble at patrimonial sites. KFOR remains authorized to operate in Kosovo under UNSCR [United Nations Security Council Resolution] 1244. Almost 90 percent of the KFOR forces are European.

We expect that NATO will also play a key role in the establishment of a new, multiethnic Kosovo Security Force and a civilian agency to oversee it, as well as in the dissolution of the Kosovo Protection Corps. Kosovo is eager to contribute to NATO, the organization that intervened to save the people of Kosovo during their darkest hour.

Our current challenge is dealing with Serbian extremists who seek to foment violence, chaos and perhaps de facto partition of Kosovo. NATO and UNMIK [United Nations Interim Administration

Mission in Kosovo] are responding to this challenge firmly, defusing conflicts before they escalate; and KFOR deserves credit for its prompt, effective actions thus far. KFOR however is just one piece of the puzzle; and we are working closely with the UN, EU, and the Kosovo government itself.

NATO Enlargement

Now, let me speak about NATO enlargement, a major part of the Bucharest Summit.

NATO enlargement has been a major success, thanks to the work of many on this Committee. The Administration strongly supports the aspirations of Albania, Croatia, and Macedonia to join NATO. They have all made substantial progress, especially over the past one to two years. Their forces serve with us in Afghanistan and other global peacekeeping operations. They continue to play important roles in Kosovo. In short, they have shown a clear commitment to bearing the responsibilities of NATO membership.

Albania has made steady progress on combating corruption, with arrests of high-level government officials among others, substantial progress on judicial reform, and progress on laws to increase transparency and efficiency within the court system. In addition to the strong support and leadership on Kosovo, Albania is the greatest per-capita contributor to NATO and Coalition operations in Afghanistan and Iraq.

Croatia has a proven track record of political and economic maturity and is also an important partner on the battlefield. Significant progress on military reforms has created more modern and deployable armed forces, in addition to Croatia's support in promoting regional stability.

Macedonia has made significant strides since 2001 in building a multiethnic democracy. The government has taken strong steps on rule of law by implementing several critical laws on its courts and police and taking action against trafficking in persons. Macedonia, like the other aspirants, is punching above its weight in operations; and its progress on defense reforms has been impressive.

One issue threatens Macedonia's NATO candidacy—the dispute between Greece and Macedonia over Macedonia's name. Without a resolution of this issue, Greece has said it would block an invitation for Macedonia to join NATO. The Administration repeatedly has emphasized its support for the ongoing UN-facilitated talks on the name issue. It has urged both parties to work together and with UN negotiator Matt Nimetz to use the time remaining before Bucharest to come to a win-win solution—and not to allow this issue to prevent Macedonia from being invited to join NATO.

Are the aspirants perfect? No. Have they done significant work and put themselves on a trajectory for success? Yes. The United States and our Allies need to consider whether it is better for the security of the Alliance and the stability of the Balkans to have these countries in or to keep them out. We know from experience that countries who join NATO continue to address remaining reforms and build security in their region and the world. An invitation for membership is not a finish line, and these countries know that.

Ukraine and Georgia have expressed an interest in joining NATO. We have always supported their aspirations. They are not ready to be NATO members now, as they themselves recognize. We can help them to help themselves, as they are asking, just as we have helped others, through the Membership Action Plan (MAP). MAP is the next step for them, and the timing of that step will be a key issue for the Bucharest Summit.

Montenegro, Bosnia-Herzegovina, and Serbia joined NATO's Partnerships for Peace in November 2006. While it was a controversial issue at the time, I think that doubters now see that it was the right decision. These countries are also members of the Euro-Atlantic community and must be supported in their efforts to join its institutions, to the degree they are prepared and seek to. Montenegro and Bosnia-

Herzegovina have expressed interest in beginning an Intensified Dialogue (ID) on membership issues with NATO, and we believe that NATO should extend those offers at Bucharest. And when the day comes and Serbia is prepared to take up its European future, make further reforms, and seek closer cooperation with NATO, we will welcome that as well.

NATO's door to enlargement must remain open. Every country has the right to choose its relationship with NATO; and the Alliance's decision to invite a country to become a member will be made according to its performance, willingness and ability to contribute to the security of the Euro-Atlantic area, and desire to join. No country outside of NATO has a right to decide that question for them. No amount of outside pressure or intimidation should sway Allies from doing what is in NATO's best interests.

Depending on the decision at Bucharest, we look forward to working with the Senate to ratify additional protocols to the North Atlantic Treaty for each state's new membership.

Conclusion

Mr. Chairman, Mr. Lugar, and other Members of the Committee, several Administrations have worked assiduously to help build a Europe that is whole, free, and at peace. NATO has been an indispensable instrument of this noble objective, and NATO is becoming a multilateral instrument of transatlantic security for the 21st century—far a field but closely tied to its original purposes and values. We will strive to hand over to the 44th President of the United States in 2009, whoever he or she may be, this great undertaking.

New Faces, Old Problems, Familiar Solutions?

By
Kurt D. Volker
Principal Deputy Assistant Secretary of State
for European and Eurasian Affairs

[The following are excerpts from the speech presented to The World Affairs Council of Northern California Conference: "From London to Moscow: New Faces, Old Alliances," Monterrey, CA, May 2, 2008.]

The topic of this session is "new faces." So I'm happy to say that I am one of those people who believe that the role of the individual in world affairs is critical. Leadership does make a difference. How different would things have been had Churchill not been Churchill, or Stalin not been Stalin, or Adenauer not been Adenauer, or in our own country, Reagan not been Reagan?

And, of course, it's a great sport to look out a couple of years and imagine the new faces on the scene and ponder how things may develop in the future. Chancellor Merkel was a new face just a few years ago and has had a substantial impact. President Sarkozy has certainly had a remarkable impact on France and Europe. Gordon Brown is still a fairly new face as Prime Minister and has at least two more years ahead of him, even while David Cameron wants us to look at his new face instead. Mr. Berlusconi is back, with a strong parliamentary majority that may lead yet again to a five-year reign in Italy. Next week's new face is Dmitry Medvedev; and it remains to be seen what his becoming President will mean, while Putin occupies the Russian White House as Prime Minister.

But somehow, I just get the feeling that when people talk about new faces in transatlantic relations, they're really just seeking the cover of a euphemism for talking about a new U.S. President. Sometimes I think these hopes take on the character of an unhealthy fervor and certainly give rise to unrealistic expectations.

Before I launch into dashing these expectations, let me first put in a word on behalf of hope. Because people do have high expectations, let's try to put all that energy to good use. Let's create an opportunity to strengthen our transatlantic community, invest in our values and each other, [and] redouble our efforts to tackle the great challenges we face. We can make this a defining moment. So yes, let's be hopeful.

But on the way there, let's also be realistic. The face may be new; but the problems are old—the same challenges that President Bush, Secretaries Rice and Gates, Nick Burns, our Slovenian EU Presiden[t], and our NATO [North Atlantic Treaty Organization] Allies have all been dealing with these last several years, everything from terrorism and WMD [Weapons of Mass Destruction] proliferation, Iran and Iraq, to Darfur and greenhouse gases.

These challenges won't go away just because the United States elects a new President. The world may have high expectations of a new U.S. President; but rest assured that that President, no matter who it is, will have high expectations for resolve and support from our Allies and partners as well.

Just to say a couple words about the challenges we face today and in the years ahead, there are some immediate, hot-button challenges that we are dealing with today and that any new U.S. President will also have to face with urgency: Iran's nuclear program; helping the Afghan and Iraqi people build stable, safer, and more prosperous societies; and seeking an Israeli-Palestinian peace settlement to name a few. All of these are urgent and pressing.

But I also want to mention two mega-challenges that I believe will define developments in the world for the next many years. It is critical that the transatlantic community pull together to tackle these long-term challenges.

The first is the issue of energy, in all its dimensions: how we continue to power economic well-being and human development in both developed nations and the developing world; what happens when that power produces greenhouse gases that warm the climate (and how do we prevent this); whether nations can be truly independent if they are dependent on a small number of energy suppliers for their economic health; how those few major energy suppliers use their resource-based position of political, economic, and strategic power; how the dollars and euros we spend on energy get used by those we pay, whether to further democracy, development, and peace in the world; line the pockets of a few; or fund terrorists or sources of instability. This energy challenge is one that touches every nation on earth.

This energy challenge is both an American and a European pre-occupation. Estonian President Tom Ilves referred to it this way in a speech two weeks ago in Washington, "We live in a new era, when the Manichean battle of ideologies that characterized the Cold War has been superseded by competition between democratic market economies and authoritarian capitalism, often to the advantage, at least in short-run, of the latter. The battle for and the use of resource wealth for foreign policy ends recalls a long gone mercantile era, for which we have yet to find an adequate intellectual framework or a policy response."

The second mega-challenge has to do with an ideology of violent extremism that distorts Islam, abuses the lives of young people, attacks lives and societies across the Broader Middle East, and is attacking democratic ideals and societies around the world. The regional crises we face—whether in Afghanistan, or Israeli-Palestinian issues, Iraq, Lebanon, or Iran—are bound up in this in some fashion, as are the functional issues of terrorism, poverty, governance, and proliferation of WMD technologies.

This is also an American and European pre-occupation. Tony Blair gave a remarkable speech in Washington last week and addressed this problem with remarkable clarity, "In the Middle East, the ideology that drives the extremism is not abating...The basic ideological thrust of the extremists has an impact way beyond the small number of those prepared to engage in terror...An alarming number of people…buy the view that Islam is under attack from the West. The leaders to support are those like Nasrallah and Ahmadinejad who are perceived to take on the West, and there is a contrast between Governments and their people that is stark."

This global ideology is based on a total perversion of the true faith of Islam. Its revolutionary rhetoric and attachment to so-called liberation movements is a sham designed to hide its profoundly reactionary and regressive character. It is totalitarian in nature; and compromising with it will lead not to peace but to a ratcheting up of demands, none of which are remotely tolerable.

But it plays cleverly on the insecurities and uncertainty deep within Islam. It speaks to a sense that the reason for its problems is not to be found within but as victims of outside aggression.

Like it or not, we are part of the struggle. Drawn into it, Europe and America must hold together and hold firm not simply for our own sake but for that of our allies within Islam. If we do not show heart, why should they?

So these are the mega-challenges out there. New faces or not, these are the challenges that the United States and Europe have to confront today and will have to confront well into the future. And let me stress that there is no reason to wait on new leadership; if there are good ideas for solutions, why wait? Let's act now.

So if the faces are new but the problems are old, what are the solutions? If only it were that easy. Still, the truth is that while these are tough, tough problems, there are some time-honored approaches out there that still make sense. Let me offer a few of my thoughts on things we need to do in the next few years. They will not sound terribly new:

First and foremost, [we need to] have confidence in our democratic values and pull together to proclaim and defend them—freedom, democracy, economic opportunity, human rights, the rule of

law: to guarantee opportunities for people to build strong families, societies, and countries, in safety and security. This has been our approach through the tough times of World Wars, [the] Cold War, and post-Cold War; and it is equally true today.

We need to have confidence in our values and invest in protecting and advancing these values at home, in our transatlantic community (including tough choices like Ukraine and Georgia), and in the world as whole. Let me again quote Tom Ilves. Speaking of his native Estonia, President Ilves said, "We may be small, but we punch way above our weight."

Why is that? Why are we doing those things? For me, it is clear: we do what we do because we share those core values of liberty, freedom of speech and expression, the rule of law, and respect for human rights. We know that policies of convenience, of expedience and turning a blind eye to a lack of democracy, to the mere appearance of rule of law and disregard for human rights among the countries of the West, led to the loss of our independence sixty-eight years ago.

I don't mean to suggest that the advance of these fundamental values depends only on a transatlantic link. Global democratic allies and partners are critical. The U.S. and Europe do not have a monopoly on democratic values, on being threatened by new challenges, or on our desire to build a more peaceful, secure, and prosperous world.

As Tony Blair said last week, "We, in the West, don't own the idea of freedom. We didn't fight for it because of the happenstance of birth in Europe or America. It is there, in the DNA of humankind."

Second, related to this reinvestment in values, [we] need to rebuild a sense of community. We are a transatlantic community in fact, and we have values and interests and actions in common. But in some respects, the feeling of community has dissipated in recent years; and we need to build it back up.

To do this, we need mutual respect. Europeans hearing this will immediately think I mean a United States that listens more, respects others more, and seeks to build a global consensus. OK, while I may quibble over the critique, I'll accept that this is the role the United States should play—to listen, be respectful, and work to build consensus among democratic nations.

But I also mean Europeans respecting the United States as well. The United States shares the same values and is sacrificing a great deal to try to deal with global problems. We are trying to deal with common problems and want to do so together. Sometimes the critique is too shrill, and our sacrifices are taken for granted. We need our European Allies not merely to critique us but help us to make the best decisions possible and contribute materially to the solutions.

Third, we need to recognize the real challenges that confront us—and not just the immediate crises, but the challenges to our values coming from two directions, an ideology of violent extremism, on the one hand, and a form of authoritarian capitalism, energy mercantilism, dependency, and emissions-addiction, on the other.

Fourth, [dealing] with all these challenges [will require] a mix of hard and soft power. [This will include] security and development, standing up to those who would kill and destroy, using force as necessary, while equally investing in people, fighting disease, promoting education and women's empowerment, promoting growth and development and political freedoms. Hard and soft power [are required] from both America and Europe, with equal commitment and solidarity.

Finally, and you knew this was coming, we need to reinvest in the tools of our transatlantic partnership. First among these is NATO. This is the one place where the U.S. and European Allies are together, at a single table, and debate and decide *together*.

NATO is responsible for the security that underpins the prosperity and peace that Europe enjoys today. Yet ask a European about the top things that they place importance on; and you'll get their nation and language, the EU, climate change—but NATO would scarcely be among them, at least in Western Europe.

Yet we need a strong and dynamic NATO today no less than in the past. We need it for hard, practical reasons, and because it is also a key part of the glue of our transatlantic community. This is why President Sarkozy['s] announcement that France will fully normalize its role within NATO and co-host next year's NATO Summit is so significant.

We also need a strong European Union and a close U.S.-EU partnership. There should be no question: the United States fully supports a strong EU. This is still a relationship in its infancy; however, and the sense of being a single "U.S.-EU community" is not a phrase that usually rolls off the tongue. It is somehow different when Europeans decide only among themselves on policies and then exchange views with the U.S. versus when we sit together and make joint decisions together. That is what we do at NATO and what we need to do better in our U.S.-EU efforts.

And we need to reinvest also in the OSCE [Organization for Security and Cooperation in Europe]. That is the one place where all of Europe and Eurasia meets in one place and where the values of freedom are squarely on the table thanks to the Helsinki Final Act. It is increasingly difficult to reach consensus in the OSCE, as some states have moved away from democratic societies. But we should meet this challenge with greater creativity and resolve, not less.

These arguments and approaches I have mentioned are not new. But I believe they are significant, and they do point the way forward.

Trends in European Defense Spending: 2001-2006

By

Wan-Jung Chao, Greg Sanders and Guy Ben-Ari
Defense-Industrial Initiatives Group
Center for Strategic and International Studies

[Below is an article developed from the entire April 2008 report which can be viewed at: http://www.csis.org/component/option,com_csis_pubs/task,view/id,4461/type,1/.]

Since 2001, Europe finds itself increasingly involved in international military operations. NATO (North Atlantic Treaty Organization) responded to the attacks of 9/11 by invoking, for the first time in its history, Article 5 of the Washington Treaty—the Alliance's collective defense clause—and European military assets were deployed to the U.S., the Mediterranean Sea, and Afghanistan. Deployable rapid response forces were created by NATO (the NATO Response Force) and by the European Union (the Battle Groups). The EU (European Union) Security Strategy, formulated in 2003, lists combating terrorism, countering the spread of weapons of mass destruction, dealing with failed and failing states, and response to regional emergencies as scenarios that may require military intervention. National governments also increased their commitments to international security and stabilization efforts. They have deployed military forces to operations in the Democratic Republic of Congo, East Timor, Darfur, and Chad as well as contributed troops to the war on terror in the Horn of Africa and U.N. (United Nations) peacekeeping operations worldwide. And at home and abroad, European militaries are stepping up efforts to prepare for and respond to natural disasters and humanitarian crises. From 2001 to 2006, the total number of European troops deployed overseas has gone up from slightly over 65,000 to around 80,000.[1]

In light of this upsurge in military preparations and deployments, as well as some of the challenges associated with these deployments, it is important to track trends in European defense spending. Doing so can help answer many critical questions; for example, have defense budgets in Europe grown or declined, and by how much? How have European defense budgets fared given changes in national economies? How much are European governments spending on defense procurement and research and development (R&D)? Ultimately, if government spending is an indicator of the priority given to policy areas, understanding trends in defense spending can shed light on whether Europe is indeed serious about improving its military capabilities.

This report seeks to provide the data and analysis needed to answer these questions. It presents the defense spending trends of all European countries, including the 25 EU Member States as well as Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Norway, Serbia and Montenegro, Romania, Switzerland, and Turkey.[2] The data was gathered from various sources in an attempt to present broad European trends as well as in-depth analyses of specific countries.[3]

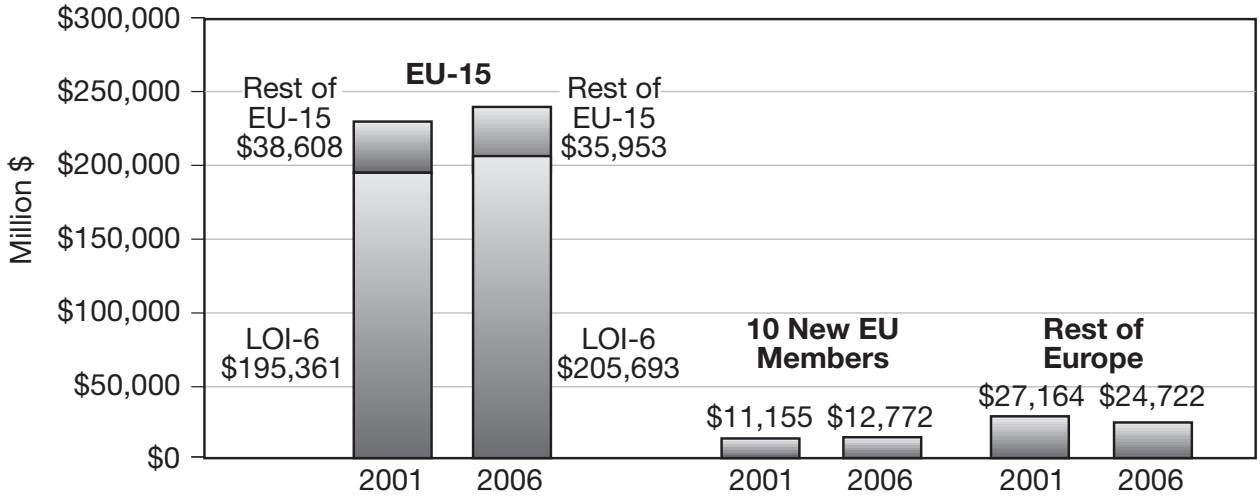
Key Trends

In constant 2006 U.S. dollars, total European spending on defense has increased slightly during the 2001-2006 timeframe. As shown in Figure 1, during this period the original 15 Member States of

1. These numbers are based on the IISS (International Institute of Informatics and Systemics) Military Balance 2002/2003 and 2007 and do not include the number of troops stationed overseas on a long-term basis.
2. Bulgaria and Romania, though currently EU members, did not join until January 1, 2007.
3. See the Appendix section of this article for detailed information of data sources.

the European Union went from $234 billion to $242 billion for a 3 percent growth and 0.65 percent compound annual growth rate (CAGR), of which the six signatories of the Letter of Intent on defense (the LoI-6) accounted for the lion's share. The 10 new Member States went from about $11 billion to $13 billion, a 14.5 percent growth and 3 percent CAGR. For non-EU nations, which include NATO members Bulgaria, Norway, Romania, and Turkey, total spending dropped from almost $27 billion to just under $25 billion.[4]

Figure 1
European Total Defense Spending in 2001 and 2006
(by Country Groups, in Constant 2006 U.S. $)

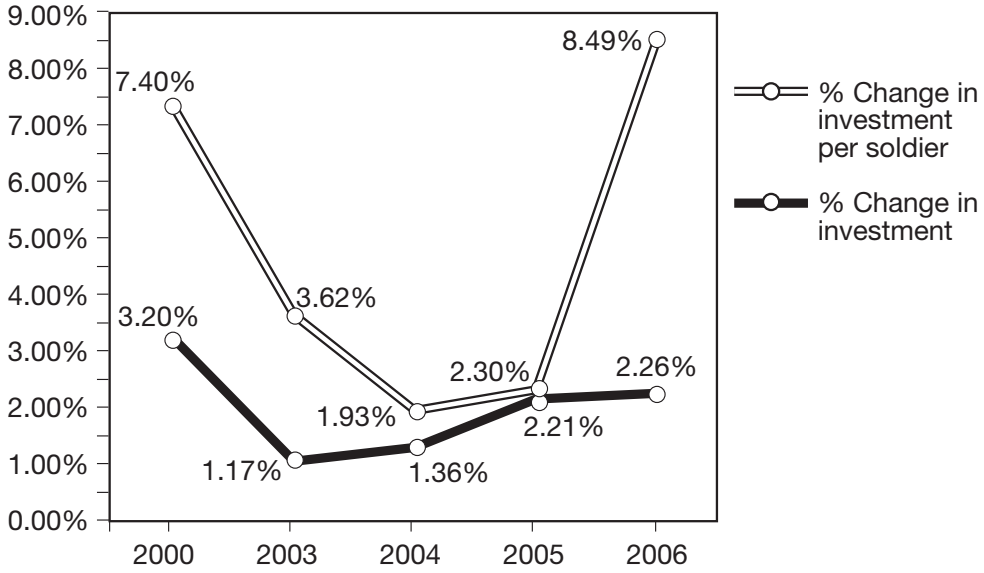


The CAGRs in defense spending for most European nations were negative or slightly positive, see table 4. The only countries to show significant growth were Latvia (22 percent 6-year CAGR), Albania (10 percent), Estonia (9 percent), and Slovenia (8 percent). Of the larger EU countries, Poland, Spain, and the UK stand out with a CAGR of approximately 4 percent. When calculated as a share of GDP (Gross Domestic Product), the picture is even grimmer: only six countries show positive growth rates of defense spending as a share of GDP during the 2001-2006 period (Latvia with 10 percent, Slovenia and Albania with 4 percent each, Finland with 2 percent, the UK with 0.5 percent, and Spain with 0.1 percent), meaning that in most of Europe economic growth has outpaced growth in defense spending (see Table 5).

Though showing sluggish growth in overall defense spending, European spending on defense investments (defense procurement and research and development) might suggest a more positive trend in the way nations allocate their resources. Trends in defense investments have shifted over the six-year period and have been mirrored by trends in defense investment per soldier (see Figure 2). Beginning in 2004-2005, the positive growth in defense investment and in defense investment per soldier, measured in constant 2006 U.S. dollars, may be an indication of European commitment to force transformation. Between 2001 and 2006, total troop levels dropped by 12 percent, while defense investment per soldier rose by 26 percent. If these trends continue, it may mean smaller, better equipped European militaries in the years to come.

4. The two newest additions to NATO in 2008, Albania and Croatia, are also included in the "non-EU Europe" category.

Figure 2
Percentage Change in European Defense Investment and Investment per Soldier 2001-2006
(in Constant 2006 U.S. $)



Detailed Data and Analysis

In order to properly measure trends in Europe's defense expenditure, it is important to first of all examine national spending levels in local currencies in current year and in constant year values. And in order to compare these countries' defense spending, it is important to look at their spending in U.S. dollars. Note that the defense expenditures of many countries would be significantly exaggerated due to recent dollar depreciation. Therefore, when analyzing these numbers, a careful comparison of the dollar and local currency values must be undertaken so as to eliminate the effect of a stronger euro or depreciating dollar. Failure to do so would overestimate the percentage of the increase in national spending.

Table 1 and Table 2 show the total defense expenditure in current local currencies and at the current U.S. dollar exchange rate, respectively. Looking at the CAGRs in figures 3 and 4, though they are both in current values, shows that the numbers are significantly higher in dollar terms. This is mainly due to the fact that the dollar has significantly depreciated against the euro during the six years, from 0.90 dollars per euro in 2001 to 1.25 dollars per euro in 2006. In addition to exchange rate fluctuation, inflation rates have also contributed to the difference in CAGR. According to several studies, there is a 10 percent annual rate of increase in the price of military equipment; and that is usually higher than the overall economic inflation.[5] However, this report considers only the influence of general economic inflation.

5. Yaacov Lifshitz, "The Economics of Producing Defense: Illustrated By The Israeli Case", Kluwer Academic Publisher, 2003, p.81.

Table 1
Total Defense Expenditure and Compound Annual Growth Rate (CAGR) in Local Currencies at "Then Year" Current Prices

		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
Major Arms Producing Countries								
France	Mil Euros	37,175	38,681	40,684	42,690	42,545	43,457	3.17%
Germany	Mil Euros	30,649	31,168	31,060	30,610	30,600	30,365	-0.19%
Italy	Mil Euros	24,760	25,887	26,795	27,476	26,959	26,631	1.47%
Spain	Mil Euros	7,972	9,560	9,577	10,197	10,497	11,506	7.62%
Sweden	Mil Kronor	42,639	42,401	42,903	40,527	41,240	39,823	-1.36%
UK	Mil Pounds	24,464	25,173	26,420	26,794	30,738	32,360	5.75%
New EU (European Union) Member States (Entered January 1, 2004)								
Cyprus	Mil Pounds	142	100	104	107	109	114	-4.30%
Czech Republic	Mil Koruna	45,277	48,449	52,457	50,993	52,960	54,411	3.74%
Estonia	Mil Koon	1,640	2,028	2,376	2,581	2,576	2,950	12.46%
Hungary	Mil Forints	272,426	279,569	314,380	310,731	318,552	296,665	1.72%
Latvia	Mil Lats	55	91	108	124	155	184	27.50%
Lithuania	Mil Litai	652	715	816	864	852	961	8.07%
Malta	Thou. Liri	12,205	12,371	12,874	13,948	14,121	13,930	2.68%
Poland	Mil Zloty	14,455	14,581	15,431	16,901	17,911	19,021	5.64%
Slovakia	Mil Korunas	19,051	19,947	22,965	22,944	25,550	28,245	8.19%
Slovenia	Mil Tolars	65,903	78,552	86,346	94,873	99,085	120,221	12.78%
Other EU Member States								
Austria	Mil Euros	1,999	1,999	2,111	2,158	2,160	2,181	1.76%
Belgium	Mil Euros	3,393	3,344	3,434	3,433	3,400	3,435	0.25%
Denmark	Mil Krone	21,017	21,269	21,075	21,441	20,800	23,173	1.97%

Table 1
Total Defense Expenditure and Compound Annual Growth Rate (CAGR) in Local Currencies at "Then Year" Current Prices

		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
Finland	Mil Euros	1,653	1,712	2,006	2,131	2,206	2,274	6.59%
Greece	Mil Euros	6,568	4,845	4,264	4,800	5,249	5,829	-2.36%
Ireland	Mil Euros	835	841	848	850	917	932	2.22%
Luxembourg	Mil Euros	179	163	176	189	196	203	2.53%
Netherlands	Mil Euros	6,929	7,149	7,404	7,552	7,693	8,145	3.29%
Portugal	Mil Euros	2,599	2,082	2,094	2,293	2,527	2,514	-0.66%
Non-EU Countries								
Albania	Mil Leks	7,638	8,220	9,279	10,574	11,730	14,168	13.15%
Bosnia -Herzegovina	Mil Marka	n/a	501	351	316	274	n/a	n/a
Bulgaria	Mil Lev	805	859	895	930	1,006	1,116	6.75%
Croatia	Mil Kunas	4,336	4,355	4,089	3,585	3,649	4,081	-1.20%
Macedonia	Mil Denar	15,397	6,841	6,292	6,683	6,259	6,149	-16.77%
Moldova	Mil Lei	77	95	109	113	127	126	10.44%
Norway	Mil Kroner	26,669	32,461	31,985	32,945	37,471	31,805	3.59%
Romania	Mil New Lei	2,864	3,491	4,151	4,994	5,675	6,506	17.83%
Serbia & Montenegro	Mil Dinars	33,060	43,695	42,070	43,154	41,996	45,738	6.71%
Switzerland	Mil Francs	4,476	4,661	4,437	4,381	4344	4,284	-0.87%
Turkey	Mil New Lira	8,844	12,108	13,553	13,386	13,840	16,514	13.30%

Figure 3
Compound Annual Growth Rate (CAGR) of European Defense Spending 2001-2006
(by Nation, in Current Local Currency Unit)

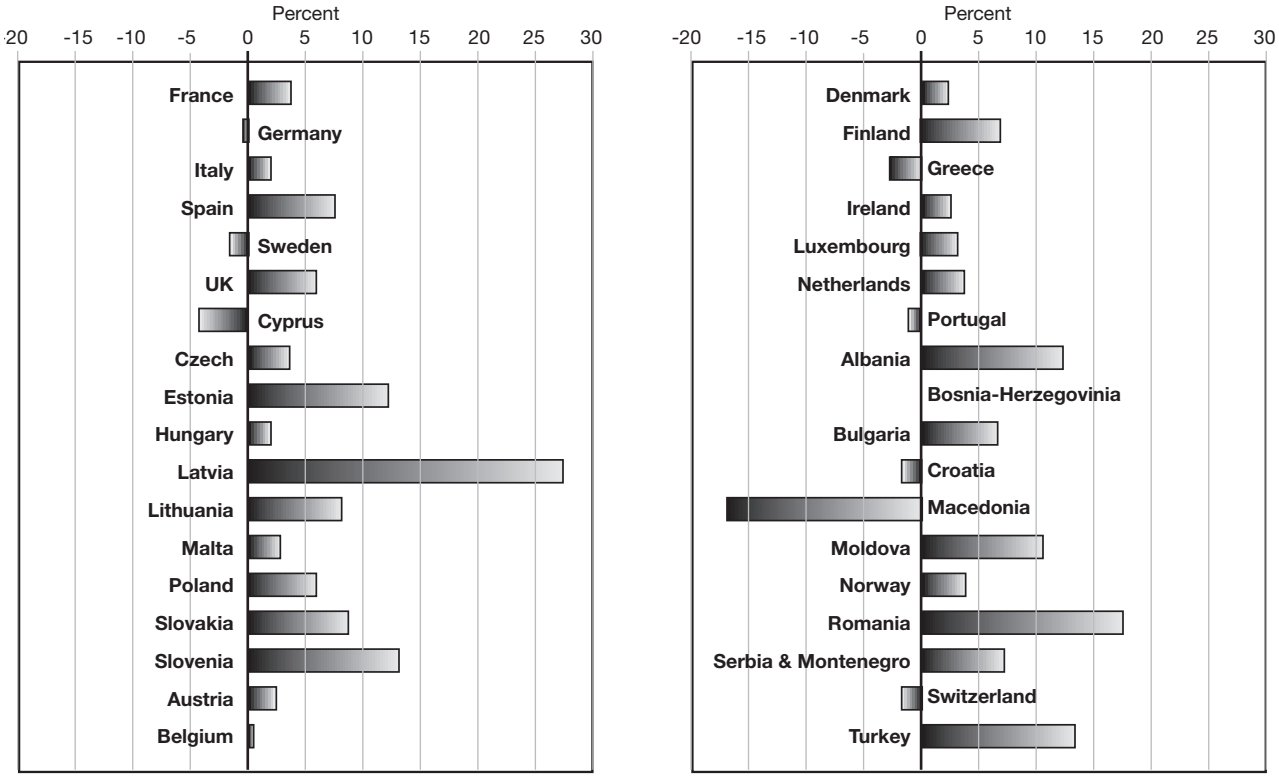


Table 2
Total Defense Expenditure in U.S. Dollars at "Then Year" Current Prices

		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
Major Arms Producing Countries								
France	Mil U.S.$	33,330	36,588	46,058	53,100	52,985	54,592	10.37%
Germany	Mil U.S.$	27,479	29,482	35,162	38,075	38,109	38,145	6.78%
Italy	Mil U.S.$	22,200	24,487	30,334	34,176	33,574	33,454	8.55%
Spain	Mil U.S.$	7,147	9,043	10,842	12,684	13,073	14,454	15.13%
Sweden	Mil U.S.$	4,136	4,379	5,326	5,527	5,539	5,410	5.52%
UK	Mil U.S.$	35,260	37,854	43,211	49,107	55,964	59,638	11.08%
Total	Mil U.S.$	129,552	141,833	170,933	192,670	199,245	205,693	9.69%
% of EU Total	%	82.32%	85.71%	85.71%	81.71%	81.38%	80.85%	-0.36%

Table 2 Total Defense Expenditure in U.S. Dollars at "Then Year" Current Prices								
		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
New EU Member States (Entered January 1, 2004)								
Cyprus	Mil U.S.$	222	166	202	231	236	249	2.35%
Czech	Mil U.S.$	1,189	1,493	1,865	1,992	2,217	2,416	15.23%
Estonia	Mil U.S.$	94	123	172	205	205	237	20.29%
Hungary	Mil U.S.$	953	1,090	1,405	1,538	1,602	1,415	8.22%
Latvia	Mil U.S.$	87	148	191	232	278	333	30.69%
Lithuania	Mil U.S.$	163	196	268	311	307	350	16.47%
Malta	Mil U.S.$	27	29	33	40	41	41	8.49%
Poland	Mil U.S.$	3,534	3,580	3,977	4,659	5,551	6,144	11.70%
Slovakia	Mil U.S.$	395	442	627	714	826	956	19.36%
Slovenia	Mil U.S.$	273	333	424	501	517	631	18.26%
Total	Mil U.S.$	6,937	7,600	9,164	10,423	11,780	12,772	12.98%
% of EU Total	%	n/a	n/a	n/a	4.42%	4.81%	5.02%	n/a
Other EU Member States								
Austria	Mil U.S.$	1,792	1,891	2,390	2,684	2,690	2,740	8.86%
Belgium	Mil U.S.$	3,042	3,163	3,888	4,270	4,234	4,315	7.24%
Denmark	Mil U.S.$	2,528	2,708	3,211	3,585	3,477	3,903	9.08%
Finland	Mil U.S.$	1,482	1,619	2,271	2,651	2,747	2,857	14.02%
Greece	Mil U.S.$	5,888	4,583	4,827	5,971	6,537	7,323	4.46%
Ireland	Mil U.S.$	749	796	960	1,057	1,142	1,171	9.36%
Luxembourg	Mil U.S.$	161	154	199	235	244	255	9.69%
Netherlands	Mil U.S.$	6,212	6,762	8,382	9,394	9,581	10,232	10.49%
Portugal	Mil U.S.$	2,330	1,969	2,371	2,852	3,147	3,158	6.27%
EU Total	Mil U.S.$	153,736	165,478	199,432	235,792	244,824	254,419	10.60%

Table 2 Total Defense Expenditure in U.S. Dollars at "Then Year" Current Prices								
		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
Non-EU Countries								
Albania	Mil U.S.$	54	61	79	107	121	152	22.91%
Bosnia-Herzegovina	Mil U.S.$	n/a	241	203	201	174	n/a	n/a
Bulgaria	Mil U.S.$	370	416	519	592	641	720	14.25%
Croatia	Mil U.S.$	524	576	636	619	617	701	5.98%
Macedonia	Mil U.S.$	226	106	116	135	127	126	-11.05%
Moldova	Mil U.S.$	6	7	8	9	10	10	9.99%
Norway	Mil U.S.$	2,970	4,095	4,526	4,897	5,823	4,969	10.84%
Romania	Mil U.S.$	998	1,092	1,285	1,572	1,968	2,328	18.46%
Serbia & Montenegro	Mil U.S.$	1,293	689	729	732	630	703	-11.46%
Switzerland	Mil U.S.$	2,657	3,007	3,303	3,531	3,494	3,421	5.18%
Turkey	Mil U.S.$	7,903	8,213	9,209	9,528	10,307	11,593	7.97%

To better reflect the reality of fluctuating exchange rates and inflation, Table 3 and Table 4 show countries' total defense expenditure in constant year values. As is evident from Table 4, the six major arms producing countries (the LoI-6) accounted for some 85 percent of total EU defense spending before the EU enlargement of 2004, after which their share dropped to 81 percent.

The 10 new members of the European Union spent between 4.83 percent and 5.02 percent of total EU defense spending, with an almost 3 percent CAGR over the three years since joining the EU. Though these countries have relatively small defense budgets, most have positive growth rates throughout the years. Two of the Baltic States, Latvia and Estonia, as well as Slovenia, have remarkable CAGRs of 22 percent, 8 percent, and 9 percent, respectively. Finland and the Netherlands have enjoyed steady growth each year. Norway has a positive CAGR, but its defense spending decreased by 17 percent from 2005 to 2006. In constant year values, the spending of all the other European countries has declined.

Figure 4
Compound Annual Growth Rate of European Total Defense Spending 2001-2006
(by Nation, in Current U.S. $)

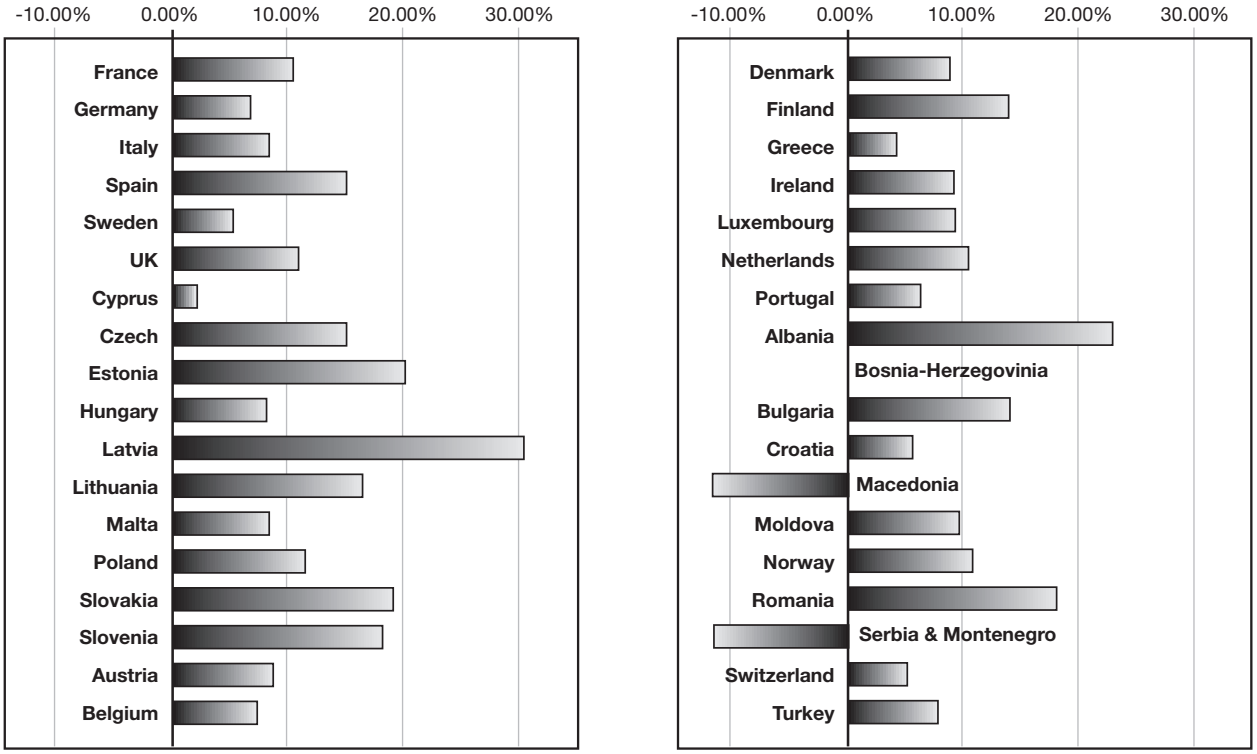


Table 3
Total Defense Expenditure in Local Currencies at Constant 2006 Prices

		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
Major Arms Producing Countries								
France	Mil Euros	41,125	41,993	43,216	44,328	43,353	43,457	1.11%
Germany	Mil Euros	33,147	33,243	32,800	31,753	31,151	30,365	-1.74%
Italy	Mil Euros	27,904	28,435	28,631	28,698	27,552	26,631	-0.93%
Spain	Mil Euros	9,404	10,886	10,577	10,923	10,875	11,506	4.12%
Sweden	Mil Kronor	45,931	44,823	44,334	41,464	41,859	39,823	-2.81%
UK	Mil Pounds	26,562	28,318	26,608	27,958	31,445	32,360	4.03%

Table 3 Total Defense Expenditure in Local Currencies at Constant 2006 Prices								
		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
New EU Member States (Entered January 1, 2004)								
Cyprus	Mil Pounds	163	112	112	113	112	114	-6.96%
Czech Republic	Mil Koruna	49,491	52,022	56,269	53,209	54,284	54,411	1.91%
Estonia	Mil Koon	1,927	2,300	2,660	2,805	2,689	2,950	8.89%
Hungary	Mil Forints	344,949	336,176	361,411	334,472	330,976	296,665	-2.97%
Latvia	Mil Lats	69	113	130	141	165	184	21.64%
Lithuania	Mil Litai	698	763	880	921	884	961	6.61%
Malta	Thou. Liri	13,782	13,615	13,904	14,668	14,488	13,930	0.21%
Poland	Mil Zloty	15,847	15,687	16,470	17,428	18,090	19,021	3.72%
Slovakia	Mil Korunas	24,635	24,969	26,495	24,624	26,674	28,245	2.77%
Slovenia	Mil Tolars	81,589	90,464	94,166	99,870	101,760	120,221	8.06%
Other EU Member States								
Austria	Mil Euros	2,181	2,145	2,236	2,241	2,197	2,181	0.00%
Belgium	Mil Euros	3,739	3,627	3,669	3,600	3,478	3,435	-1.68%
Denmark	Mil Krone	23,067	22,797	22,124	22,242	21,195	23,173	0.09%
Finland	Mil Euros	1,746	1,773	2,050	2,176	2,235	2,274	5.43%
Greece	Mil Euros	7,770	5,517	4,696	5,132	5,422	5,829	-5.59%
Ireland	Mil Euros	976	939	911	892	942	932	-0.92%
Luxembourg	Mil Euros	201	179	189	199	201	203	0.23%
Netherlands	Mil Euros	7,694	7,648	7,750	7,796	7,824	8,145	1.15%
Portugal	Mil Euros	3,003	2,321	2,259	2,414	2,605	2,514	-3.50%
Non-EU Countries								
Albania	Mil Leks	8,852	9,056	9,992	11,066	11,988	14,168	9.86%

Table 3 Total Defense Expenditure in Local Currencies at Constant 2006 Prices								
		Total Defense Expenditures						CAGR
	Units	2001	2002	2003	2004	2005	2006	'01-'06
Bosnia-Herzegovina	Mil Marka	n/a	546	380	341	290	n/a	n/a
Bulgaria	Mil Lev	1,042	1,050	1,070	1,048	1,079	1,116	1.39%
Croatia	Mil Kunas	4,886	4,825	4,451	3,822	3,766	4,081	-3.54%
Macedonia	Mil Denar	16,566	7,202	6,532	6,931	6,459	6,149	-17.98%
Moldova	Mil Lei	128	150	155	143	143	126	-0.31%
Norway	Mil Kroner	28,896	34,721	33,377	34,242	38,333	31,805	1.94%
Romania	Mil New Lei	5,260	5,234	5,397	5,803	6,050	6,506	4.35%
Serbia & Montenegro	Mil Dinars	64,229	71,039	61,232	57,048	47,329	45,738	-6.57%
Switzerland	Mil Francs	4,667	4,831	4,571	4,478	4,387	4,284	-1.70%
Turkey	Mil New Lira	20,083	18,962	17,454	15,874	15,169	16,514	-3.84%

Table 4 Total Defense Expenditure in U.S. Dollars at Constant 2006 Prices								
		Total Defense Expenditures						CAGR
	Unit	2001	2002	2003	2004	2005	2006	'01-'06
Major Arms Producing Countries								
France	Mil U.S.$	51,661	52,752	54,289	55,685	54,461	54,592	1.11%
Germany	Mil U.S.$	41,640	41,761	41,204	39,889	39,132	38,145	-1.74%
Italy	Mil U.S.$	35,054	35,721	35,966	36,051	34,611	33,454	-0.93%
Spain	Mil U.S.$	11,813	13,675	13,287	13,722	13,661	14,454	4.12%
Sweden	Mil U.S.$	6,240	6,090	6,023	5,633	5,687	5,410	-2.81%

Table 4 Total Defense Expenditure in U.S. Dollars at Constant 2006 Prices								
		Total Defense Expenditures						CAGR
	Unit	2001	2002	2003	2004	2005	2006	'01-'06
UK	Mil U.S.$	48,952	52,188	49,038	51,526	57,952	59,638	4.03%
Total	Mil U.S.$	195,361	202,185	199,808	202,507	205,505	205,693	1.04%
% of EU Total	%	83.50%	85.39%	85.47%	81.19%	81.18%	80.85%	-0.64%
New EU Member States (Entered January 1, 2004)								
Cyprus	Mil U.S.$	358	245	245	246	244	249	-6.96%
Czech Republic	Mil U.S.$	2,198	2,310	2,499	2,363	2,411	2,416	1.91%
Estonia	Mil U.S.$	155	185	213	225	216	237	8.89%
Hungary	Mil U.S.$	1,645	1,604	1,724	1,595	1,579	1,415	-2.97%
Latvia	Mil U.S.$	125	205	236	255	299	333	21.64%
Lithuania	Mil U.S.$	254	278	320	335	322	350	6.61%
Malta	Mil U.S.$	40	40	41	43	43	41	0.21%
Poland	Mil U.S.$	5,119	5,067	5,320	5,629	5,843	6,144	3.72%
Slovakia	Mil U.S.$	834	845	897	833	903	956	2.77%
Slovenia	Mil U.S.$	428	475	494	524	534	631	8.06%
Total	Mil U.S.$	11,156	11,254	11,989	12,048	12,394	12,772	2.74%
% of EU Total	%	n/a	n/a	n/a	4.83%	4.90%	5.02%	n/a
Other EU Member States								
Austria	Mil U.S.$	2,740	2,694	2,809	2,815	2,760	2,740	0.00%
Belgium	Mil U.S.$	4,697	4,556	4,609	4,522	4,369	4,315	-1.68%
Denmark	Mil U.S.$	4,301	4,250	4,125	4,147	3,952	3,903	-1.92%
Finland	Mil U.S.$	2,193	2,227	2,576	2,734	2,807	2,857	5.43%
Greece	Mil U.S.$	9,761	6,930	5,899	6,447	6,811	7,323	-5.59%
Ireland	Mil U.S.$	1,226	1,180	1,144	1,121	1,183	1,171	-0.92%
Luxembourg	Mil U.S.$	252	225	238	250	253	255	0.23%

Table 4 Total Defense Expenditure in U.S. Dollars at Constant 2006 Prices								
		Total Defense Expenditures						CAGR
	Unit	2001	2002	2003	2004	2005	2006	'01-'06
Netherlands	Mil U.S.$	9,665	9,607	9,735	9,793	9,828	10,232	1.15%
Portugal	Mil U.S.$	3,773	2,915	2,838	3,032	3,273	3,158	-3.50%
EU Total	Mil U.S.$	233,969	236,769	233,781	249,416	253,135	254,419	1.69%
Non-EU Europeans								
Albania	Mil U.S.$	95	97	107	119	129	152	9.86%
Bosnia-Herzegovina	Mil U.S.$	n/a	340	236	212	181	n/a	n/a
Bulgaria	Mil U.S.$	672	678	690	676	697	720	1.39%
Croatia	Mil U.S.$	839	828	764	656	646	701	-3.54%
Macedonia	Mil U.S.$	339	148	134	142	132	126	-17.98%
Moldova	Mil U.S.$	10	11	12	11	11	10	-0.31%
Norway	Mil U.S.$	4,514	5,424	5,215	5,350	5,989	4,969	1.94%
Romania	Mil U.S.$	1,882	1,872	1,931	2,076	2,164	2,328	4.35%
Serbia & Montenegro	Mil U.S.$	988	1,093	942	877	728	703	-6.57%
Switzerland	Mil U.S.$	3,727	3,858	3,651	3,576	3,504	3,421	-1.70%
Turkey	Mil U.S.$	14,098	13,311	12,253	11,143	10,648	11,593	-3.84%

Though some countries seem to have increased defense expenditures, this might be a result of an overall increase in their Gross Domestic Product. Therefore, we also calculate each country's defense expenditure as a percentage of its GDP to see whether the rate of growth in defense spending has kept pace with economic growth.

Table 5 Defense Expenditures as a Percent of Total GDP in Local Currencies at Current Prices							
	2001	2002	2003	2004	2005	2006	CAGR
Major Arms Producing Countries							
France	2.48%	2.50%	2.55%	2.58%	2.48%	2.42%	-0.49%
Germany	1.45%	1.45%	1.44%	1.38%	1.36%	1.32%	-1.92%
Italy	1.98%	2.00%	2.01%	1.98%	1.90%	1.81%	-1.86%
Spain	1.17%	1.31%	1.23%	1.22%	1.16%	1.18%	0.09%
Sweden	1.86%	1.79%	1.74%	1.57%	1.54%	1.40%	-5.52%
UK	2.45%	2.40%	2.39%	2.30%	2.54%	2.51%	0.47%
New EU Member States (Entered January 1, 2004)							
Cyprus	2.15%	1.56%	1.51%	1.45%	1.39%	1.36%	-8.67%
Czech Republic	1.92%	1.97%	2.04%	1.83%	1.78%	1.70%	-2.47%
Estonia	1.52%	1.67%	1.75%	1.72%	1.47%	1.42%	-1.23%
Hungary	1.78%	1.63%	1.66%	1.50%	1.43%	1.23%	-7.10%
Latvia	1.05%	1.58%	1.69%	1.67%	1.73%	1.67%	9.62%
Lithuania	1.34%	1.38%	1.44%	1.38%	1.20%	1.17%	-2.67%
Malta	0.70%	0.67%	0.68%	0.73%	0.69%	0.64%	-2.00%
Poland	1.86%	1.80%	1.83%	1.83%	1.83%	1.81%	-0.49%
Slovakia	1.89%	1.82%	1.91%	1.73%	1.77%	1.73%	-1.71%
Slovenia	1.37%	1.47%	1.49%	1.51%	1.50%	1.70%	4.37%
Other EU Member States							
Austria	0.93%	0.91%	0.93%	0.91%	0.88%	0.85%	-1.68%
Belgium	1.31%	1.25%	1.25%	1.19%	1.14%	1.10%	-3.52%
Denmark	1.57%	1.55%	1.50%	1.46%	1.34%	1.41%	-2.17%
Finland	1.21%	1.22%	1.39%	1.42%	1.42%	1.35%	2.26%
Greece	4.51%	3.38%	2.74%	2.85%	2.90%	2.38%	-11.99%
Ireland	0.71%	0.65%	0.61%	0.57%	0.57%	0.53%	-5.66%

Table 5 Defense Expenditures as a Percent of Total GDP in Local Currencies at Current Prices							
	2001	2002	2003	2004	2005	2006	CAGR
Luxembourg	0.79%	0.68%	0.69%	0.70%	0.67%	0.61%	-4.98%
Netherlands	1.55%	1.54%	1.55%	1.54%	1.51%	1.52%	-0.30%
Portugal	2.01%	1.54%	1.52%	1.60%	1.71%	1.62%	-4.23%
Non-EU Europeans							
Albania	1.30%	1.32%	1.36%	1.38%	1.40%	1.58%	3.92%
Bosnia-Herzegovina	n/a	3.93%	2.62%	2.16%	1.75%	n/a	n/a
Bulgaria	2.71%	2.66%	2.59%	2.43%	2.40%	2.33%	-2.94%
Croatia	2.62%	2.40%	2.06%	1.68%	1.59%	1.65%	-8.85%
Macedonia	6.58%	2.80%	2.50%	2.52%	2.20%	2.02%	-21.08%
Moldova	0.40%	0.42%	0.39%	0.35%	0.34%	0.29%	-6.69%
Norway	1.75%	2.14%	2.03%	1.92%	1.97%	1.48%	-3.26%
Romania	2.45%	2.30%	2.10%	2.03%	1.98%	1.90%	-4.98%
Serbia & Montenegro	4.28%	4.38%	3.54%	3.04%	2.41%	2.16%	-12.76%
Switzerland	1.06%	1.08%	1.02%	0.98%	0.95%	0.91%	-3.07%
Turkey	4.96%	4.36%	3.77%	3.11%	2.84%	2.93%	-9.96%

Of the 10 new EU countries, five are new NATO members as well. This has important consequences for their defense budgets. Some have placed interoperability with NATO as a key priority, and most have made clear their intentions of meeting NATO's recommended defense spending levels of 2 percent of GDP.[6] As is clear from Table 5, though many of these new NATO countries come close to the 2 percent goal, only one, Bulgaria, exceeds it. In fact, Bulgaria's and Romania's defense spending as a percentage of GDP exceeded 2 percent even prior to their joining NATO. However, for both countries, this trend has slightly decreased over time. And although Latvia has not met its goal of spending 2 percent of GDP on defense, its CAGR of defense spending as the percentage of GDP is very high at 9.6 percent.

6. See for example Lithuania's "Guidelines of the Minister of National Defense 2007-2012" regarding defense spending as share of GDP and the ability of the armed forces to contribute to NATO and EU rapid reaction forces. Accordingly, 7.8 percent of the defense budget in 2007 is for international operations. http://www.kam.lt/index.php/en/34433/ [Accessed March 12, 2008]. Slovenia too has listed in its MoD (Ministry of Defense) goals in 2005 to include "to develop [military] capabilities necessary for the accomplishment of the national defense tasks and NATO and EU integration tasks; To create favorable conditions for the [Slovenian armed forces] to become part of the NATO integrated military structure." http://www.mors.si/fileadmin/mors/pdf/dokumenti/annual_report_2005.pdf

Slovenia is the only other new EU Member State whose percentage of GDP spent on defense has increased significantly.

In addition to looking at total defense expenditure and the spending as a percentage of GDP, investment spending, which includes spending on equipment procurement and research and development, can better reflect how much a government spends on enhancing defense capability (with procurement spending a reflection of short-term capabilities and R&D a reflection of long-term capabilities). Table 6 shows European defense investment (in U.S. dollars) at constant 2006 year values. Among the six major arms producing countries, Spain had a remarkable CAGR of nearly 16 percent. Before the new members entered the EU in 2004, the LoI-6 accounted for between 88 percent and 91 percent of the EU defense investment; while after the EU enlargement their share gradually decreased by about 1 percent each year.[7] On average, new EU members have taken over approximately 4 percent of major arms producing countries' burden on defense investment.

Table 6
Defense Investment in U.S. Dollars at Constant 2006 Year Prices

	Unit	2001	2002	2003	2004	2005	2006	CAGR
Major Arms Producing Countries								
France	Mil U.S.$	10,022	10,076	11,129	11,638	11,600	12,665	4.8%
Germany	Mil U.S.$	5,830	5,888	5,686	5,904	5,557	5,722	-0.4%
Italy	Mil U.S.$	3,611	4,429	4,640	4,218	3,150	2,409	-7.8%
Spain	Mil U.S.$	1,500	3,186	2,950	3,129	3,019	3,137	15.9%
Sweden	Mil U.S.$	3,107	3,071	2,707	2,406	2,391	2,356	-5.4%
UK	Mil U.S.$	11,798	11,785	11,632	11,748	13,387	12,643	1.4%
Total	Mil U.S.$	35,868	38,435	38,744	39,042	39,104	38,932	1.7%
% of EU Total	%	87.60%	90.39%	91.03%	87.27%	86.96%	85.35%	-0.52%
New EU Member States (Entered January 1, 2004)								
Cyprus	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Czech Republic	Mil U.S.$	446	404	487	364	224	353	-4.6%
Estonia	Mil U.S.$	n/a	n/a	n/a	25	26	34	16.62%
Hungary	Mil U.S.$	173	178	178	190	133	127	-5.9%
Latvia	Mil U.S.$	n/a	n/a	n/a	14	19	18	13.39%
Lithuania	Mil U.S.$	n/a	n/a	n/a	41	49	60	20.97%

7. EU total defense investment numbers from 2001 to 2003 did not include those member states which entered after 2004. The percentage is calculated based on the investment spending of the original 15 EU members.

Table 6 Defense Investment in U.S. Dollars at Constant 2006 Year Prices								
	Unit	2001	2002	2003	2004	2005	2006	CAGR
Malta	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Poland	Mil U.S.$	450	562	660	822	853	1,118	19.9%
Slovakia	Mil U.S.$	n/a	n/a	n/a	87	134	116	15.47%
Slovenia	Mil U.S.$	n/a	n/a	n/a	97	51	75	-12.07%
Total	Mil U.S.$	1,069	1,144	1,325	1,640	1,489	1,901	12.20%
% of EU Total	%	n/a	n/a	n/a	3.67%	3.31%	4.17%	n/a
Other EU Member States								
Austria	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Belgium	Mil U.S.$	333	323	244	249	260	255	-5.3%
Denmark	Mil U.S.$	653	518	600	719	400	601	-1.6%
Finland	Mil U.S.$	760	672	666	733	746	814	1.4%
Greece	Mil U.S.$	1,484	908	631	471	1,078	1,091	-6.0%
Ireland	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luxembourg	Mil U.S.$	31	15	18	20	29	22	-6.2%
Netherlands	Mil U.S.$	1,614	1,528	1,451	1,635	1,573	1,719	1.3%
Portugal	Mil U.S.$	200	120	210	230	291	281	7.0%
EU Total	Mil U.S.$	40,943	42,519	42,564	44,739	44,970	45,616	2.19%
Non-EU Europeans								
Albania	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bosnia-Herzegovina	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bulgaria	Mil U.S.$	n/a	n/a	n/a	125	121	113	-4.92%
Croatia	Mil U.S.$	n/a	n/a	6	33	49	53	n/a
Macedonia	Mil U.S.$	n/a	n/a	n/a	n/a	21	26	n/a
Moldova	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Norway	Mil U.S.$	957	1,286	1,137	1,225	1,264	964	0.1%

Table 6 Defense Investment in U.S. Dollars at Constant 2006 Year Prices								
	Unit	2001	2002	2003	2004	2005	2006	CAGR
Romania	Mil U.S.$	n/a	n/a	n/a	531	439	543	1.12%
Serbia & Montenegro	Mil U.S.$	n/a	n/a	n/a	107	131	132	n/a
Switzerland	Mil U.S.$	n/a	n/a	n/a	n/a	1,411	1,315	n/a
Turkey	Mil U.S.$	4,652	4,193	4,693	3,666	3,173	3,988	-3.0%
Note: *CAGRs for new NATO members which entered after 2004 are from 2004-2006*								

We next compare the percentage of investment, i.e. of defense procurement and defense R&D, out of nations' total defense expenditures (see Table 7). Spain's defense investment has leapt from 12 percent of its defense budget to 21 percent in the past six years. Germany maintained stable spending on defense investment; while UK, France, Italy, and Sweden gradually reduced the relative shares of their defense investment. Sweden, though it has witnessed a gradual decline, maintains the highest level of investments as a share of defense expenditures among all European countries at around 45 percent. Only nine European countries—France, Finland, Norway, Romania, Spain, Sweden, Switzerland, Turkey, and the UK—spent more than 20 percent of their defense budgets on investments. Some, such as Belgium, Italy, and Portugal, spent less than 10 percent. Among the new EU members, Latvia, Lithuania, and Poland have had significant growth. Most other European countries, including the non-EU countries, have had mild fluctuation; but they have mainly maintained a reasonable amount of spending on investment.

Table 7 Percentage of Defense Investment among Total Expenditure at Current Local Currency							
	2001	2002	2003	2004	2005	2006	CAGR
Major Arms Producing Countries							
France	19.4%	19.1%	20.5%	20.9%	21.3%	23.2%	3.64%
Germany	14.0%	14.1%	13.8%	14.8%	14.2%	15.0%	1.39%
Italy	10.3%	12.4%	12.9%	11.7%	9.1%	7.2%	-6.91%
Spain	12.7%	23.3%	22.2%	22.8%	22.1%	21.7%	11.31%
Sweden	49.8%	50.4%	44.9%	42.7%	42.1%	43.6%	-2.65%
UK	24.1%	23.7%	22.6%	22.8%	23.1%	21.2%	-2.53%
New EU Member States (Entered January 1, 2004)							
Cyprus	n/a	n/a	n/a	n/a	25.69%	3.51%	n/a

Table 7
Percentage of Defense Investment among Total Expenditure at Current Local Currency

	2001	2002	2003	2004	2005	2006	CAGR
Czech Republic	20.3%	17.5%	19.5%	15.4%	9.3%	14.6%	-6.38%
Estonia	n/a	n/a	n/a	12.6%	11.9%	14.5%	7.28%
Hungary	10.5%	11.1%	10.3%	11.9%	8.4%	9.0%	-3.04%
Latvia	n/a	n/a	n/a	7.4%	8.7%	12.3%	28.92%
Lithuania	n/a	n/a	n/a	12.3%	15.3%	17.0%	17.56%
Malta	n/a	n/a	n/a	n/a	0.0%	0.0%	n/a
Poland	8.8%	11.1%	12.4%	14.6%	14.6%	18.2%	15.64%
Slovakia	n/a	n/a	n/a	10.4%	14.8%	12.7%	10.51%
Slovenia	n/a	n/a	n/a	18.5%	9.5%	12.2%	-18.79%
Other EU Member States							
Austria	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Belgium	7.1%	7.1%	5.3%	5.5%	6.4%	5.9%	-3.64%
Denmark	16.8%	13.5%	16.1%	19.2%	11.2%	15.4%	-1.73%
Finland	34.7%	30.2%	25.9%	26.8%	26.6%	28.5%	-3.86%
Greece	15.2%	13.1%	10.7%	7.3%	15.3%	14.9%	-0.40%
Ireland	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luxembourg	12.1%	6.8%	7.4%	8.2%	11.4%	8.7%	-6.38%
Netherlands	16.7%	15.9%	14.9%	16.7%	16.0%	16.8%	0.12%
Portugal	5.3%	4.1%	7.4%	7.6%	8.9%	8.9%	10.92%
Non-EU Europeans							
Albania	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bosnia-Herzegovina	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bulgaria	n/a	n/a	n/a	17.6%	16.6%	15.7%	-5.55%
Croatia	n/a	n/a	0.8%	5.1%	7.5%	7.5%	n/a
Macedonia	n/a	n/a	n/a	n/a	15.9%	20.5%	n/a

Table 7 Percentage of Defense Investment among Total Expenditure at Current Local Currency							
	2001	2002	2003	2004	2005	2006	CAGR
Moldova	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Norway	21.2%	23.7%	21.8%	22.9%	21.1%	19.4%	-1.76%
Romania	n/a	n/a	n/a	25.6%	20.0%	24.0%	-3.18%
Serbia & Montenegro	n/a	n/a	n/a	12.2%	18.0%	18.8%	24.34%
Switzerland	n/a	n/a	n/a	n/a	40.3%	38.4%	n/a
Turkey	33.0%	31.5%	38.3%	32.9%	29.8%	34.4%	0.83%
Note: *CAGRs for new NATO members which entered after 2004 are from 2004-2006*							

When defense investments are viewed in relation to force size, the 10 new EU countries have remarkable, two-digit CAGRs of defense investment per soldier, with Estonia at 28 percent, Latvia 12 percent, Lithuania 28 percent, Poland 23 percent, and Slovakia at 33 percent growth. This is the result of significant reductions in the number of active military personnel alongside increases in defense investment. Amongst the LoI-6, Spain's significant growth rate of 20 percent is worth noting.

Table 8 Defense Investment per Soldier in Constant 2006 U.S. Dollars								
		2001	2002	2003	2004	2005	2006	CAGR
Major Arms Producing Countries								
France	U.S. $	38,487	38,896	42,961	45,658	45,509	49,687	5.24%
Germany	U.S. $	19,696	20,696	19,986	20,752	19,533	23,288	3.41%
Italy	U.S. $	16,656	22,145	23,918	21,983	16,479	12,603	-5.42%
Spain	U.S. $	8,429	21,141	19,575	21,249	20,502	21,303	20.37%
Sweden	U.S. $	91,652	111,268	98,080	87,174	86,630	85,362	-1.41%
UK	U.S. $	56,061	55,417	56,023	57,060	61,723	66,183	3.38%
New EU Member States (Entered January 1, 2004)								
Cyprus	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 8 Defense Investment per Soldier in Constant 2006 U.S. Dollars								
		2001	2002	2003	2004	2005	2006	CAGR
Czech Republic	U.S. $	9,019	7,082	10,822	16,343	10,057	14,261	9.60%
Estonia	U.S. $	n/a	n/a	n/a	5,067	5,270	8,293	27.93%
Hungary	U.S. $	5,180	5,329	5,511	5,882	4,118	3,932	-5.36%
Latvia	U.S. $	n/a	n/a	n/a	2,673	3,627	3,371	12.31%
Lithuania	U.S. $	n/a	n/a	n/a	3,035	3,627	4,996	28.30%
Malta	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Poland	U.S. $	2,761	3,448	4,664	5,809	6,028	7,901	23.40%
Slovakia	U.S. $	n/a	n/a	n/a	4,308	6,635	7,620	33.00%
Slovenia	U.S. $	n/a	n/a	n/a	14,809	7,786	11,450	-12.07%
Other EU Member States								
Austria	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Belgium	U.S. $	8,482	7,917	5,980	6,748	7,037	6,425	-5.40%
Denmark	U.S. $	28,767	22,640	28,329	33,947	18,886	27,798	-0.68%
Finland	U.S. $	23,862	24,889	24,667	25,901	26,360	27,782	3.09%
Greece	U.S. $	8,356	5,113	3,694	2,875	6,579	7,417	-2.36%
Ireland	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luxembourg	U.S. $	34,444	16,667	20,000	22,222	32,222	24,444	-6.63%
Netherlands	U.S. $	32,553	28,760	27,310	30,774	29,607	32,355	-0.12%
Portugal	U.S. $	4,587	2,673	4,677	5,122	6,481	6,392	6.86%
Non-EU Europeans								
Albania	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bosnia-Herzegovina	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bulgaria	U.S. $	n/a	n/a	n/a	2,451	2,373	2,216	-4.92%
Croatia	U.S. $	n/a	n/a	288	1,587	2,356	2,548	n/a
Macedonia	U.S. $	n/a	n/a	n/a	n/a	1,928	2,388	n/a

Table 8 Defense Investment per Soldier in Constant 2006 U.S. Dollars								
		2001	2002	2003	2004	2005	2006	CAGR
Moldova	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Norway	U.S. $	35,977	48,346	42,744	47,481	48,992	41,197	2.75%
Romania	U.S. $	n/a	n/a	n/a	5,463	4,516	7,802	19.50%
Serbia & Montenegro	U.S. $	n/a	n/a	n/a	1,639	2,006	3,326	n/a
Switzerland	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Turkey	U.S. $	9,036	8,144	9,115	7,121	6,163	7,746	-3.03%

R&D is a smaller part of defense investment spending. Though many countries' data are unavailable, the numbers in Table 9 are sufficient to show a huge gap between the major arms producing countries' defense R&D spending and that of others. Though spending relatively less, Sweden, Belgium, Denmark, and Finland still have relatively high CAGRs while Italy's R&D spending sharply decreased by a CAGR of nearly 20.5 percent. R&D spending per soldier in Table 10 generally reflects a similar trend.

Table 9 Defense R&D Expenditure in U.S. Dollars at Constant 2006 Year Prices								
	Unit	2001	2002	2003	2004	2005	2006	CAGR
Major Arms Producing Countries								
France	Mil U.S.$	4,704	4,861	4,670	4,467	4,342	5,006	1.25%
Germany	Mil U.S.$	1,649	1,234	1,546	1,335	1,315	1,450	-2.54%
Italy	Mil U.S.$	482	n/a	n/a	n/a	425	153	-20.48%
Spain	Mil U.S.$	2,496	2,044	1,925	1,727	1,665	2,074	-3.64%
Sweden	Mil U.S.$	410	661	646	533	559	550	6.08%
UK	Mil U.S.$	4,128	5,409	5,152	4,910	4,667	4,898	3.48%
New EU Member States (Entered January 1, 2004)								
Cyprus	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Czech Republic	Mil U.S.$	n/a	19.08	21.30	19.18	18.37	21.82	n/a

Table 9 Defense R&D Expenditure in U.S. Dollars at Constant 2006 Year Prices								
	Unit	2001	2002	2003	2004	2005	2006	CAGR
Estonia	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hungary	Mil U.S.$	n/a	n/a	n/a	n/a	0.39	n/a	n/a
Latvia	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lithuania	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Malta	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Poland	Mil U.S.$	n/a	n/a	n/a	19.01	12.05	9.42	n/a
Slovakia	Mil U.S.$	n/a	13.62	10.95	8.15	12.20	9.89	n/a
Slovenia	Mil U.S.$	n/a	n/a	0.13	6.90	5.79	n/a	n/a
Other EU Member States								
Austria	Mil U.S.$	0.23	0.03	0.00	0.59	0.03	n/a	n/a
Belgium	Mil U.S.$	4.84	6.56	6.89	9.16	6.95	7.29	8.50%
Denmark	Mil U.S.$	9.10	9.04	21.70	23.72	13.19	13.82	8.73%
Finland	Mil U.S.$	27.86	28.91	50.99	42.95	63.79	55.45	14.76%
Greece	Mil U.S.$	5.13	4.08	3.81	3.72	4.14	4.49	-2.64%
Ireland	Mil U.S.$	0	0	0	0	0	0	n/a
Luxembourg	Mil U.S.$	n/a	n/a	n/a	n/a	0	0	n/a
Netherlands	Mil U.S.$	87.98	82.97	88.24	61.44	101.35	103.78	3.36%
Portugal	Mil U.S.$	23.38	23.95	21.70	9.10	9.21	7.95	-19.41%
Non-EU Europeans								
Albania	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bosnia-Herzegovina	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bulgaria	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	5.07	n/a
Croatia	Mil U.S.$	n/a	n/a	0.05	2.18	3.45	3.80	n/a
Macedonia	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Moldova	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 9 Defense R&D Expenditure in U.S. Dollars at Constant 2006 Year Prices								
	Unit	2001	2002	2003	2004	2005	2006	CAGR
Norway	Mil U.S.$	133.51	137.58	140.71	151.61	161.55	157.49	3.36%
Romania	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Serbia & Montenegro	Mil U.S.$	n/a	n/a	n/a	3.60	4.65	6.40	n/a
Switzerland	Mil U.S.$	n/a	12.25	n/a	11.30	n/a	16.10	n/a
Turkey	Mil U.S.$	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Note: *Data unavailable for the 10 new EU members as well as for Austria, Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Ireland, Luxembourg Macedonia, Moldova, Romania, Serbia & Montenegro, Switzerland, and Turkey.*								

Compared to R&D spending per soldier, overall defense investment per soldier has generally increased when the CAGRs of R&D per soldier are positive. However, Sweden, Belgium, Denmark, Greece, and Netherlands have negative CAGRs of investment per soldier as well as positive CAGRs of R&D per soldier, indicating that more resources are committed to R&D despite a decrease in overall investment per soldier.

Table 10 Defense R&D Spending per Soldier in Constant U.S. Dollars								
		2001	2002	2003	2004	2005	2006	CAGR
Major Arms Producing Countries								
France	U.S. $	18,063	18,764	18,027	17,525	17,035	19,640	1.69%
Germany	U.S. $	5,570	4,337	5,433	4,691	4,622	5,901	1.16%
Italy	U.S. $	2,221	n/a	n/a	n/a	2,225	801	-18.46%
Spain	U.S. $	14,026	13,565	12,773	11,726	11,305	14,082	0.08%
Sweden	U.S. $	12,088	23,951	23,413	19,307	20,266	19,944	10.53%
UK	U.S. $	19,616	25,436	24,814	23,849	21,518	25,640	5.50%
New EU Member States (Entered January 1, 2004)								
Cyprus	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 10 Defense R&D Spending per Soldier in Constant U.S. Dollars								
		2001	2002	2003	2004	2005	2006	CAGR
Czech Republic	U.S. $	n/a	334	473	861	825	882	n/a
Estonia	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hungary	U.S. $	n/a	n/a	n/a	n/a	12	n/a	n/a
Latvia	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lithuania	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Malta	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Poland	U.S. $	n/a	n/a	n/a	134	85	67	n/a
Slovakia	U.S. $	n/a	619	542	404	604	649	n/a
Slovenia	U.S. $	n/a	n/a	20	1,054	884	n/a	n/a
Other EU Member States								
Austria	U.S. $	7	1	0	15	1	n/a	n/a
Belgium	U.S. $	123	161	169	248	188	184	8.26%
Denmark	U.S. $	401	395	1,025	1,120	623	639	9.80%
Finland	U.S. $	875	1,071	1,888	1,518	2,254	1,892	16.69%
Greece	U.S. $	29	23	22	23	25	30	1.10%
Ireland	U.S. $	0	0	0	0	0	0	n/a
Luxembourg	U.S. $	n/a	n/a	n/a	n/a	0	0	n/a
Netherlands	U.S. $	1,774	1,562	1,661	1,156	1,908	1,953	1.94%
Portugal	U.S. $	536	533	483	203	205	181	-19.54%
Non-EU Europeans								
Albania	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bosnia-Herzegovina	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bulgaria	U.S. $	n/a	n/a	n/a	n/a	n/a	100	n/a
Croatia	U.S. $	n/a	n/a	2.41	105	166	183	n/a
Macedonia	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 10 Defense R&D Spending per Soldier in Constant U.S. Dollars								
		2001	2002	2003	2004	2005	2006	CAGR
Moldova	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Norway	U.S. $	5,019	5,172	5,290	5,877	6,262	6,730	6.04%
Romania	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Serbia & Montenegro	U.S. $	n/a	n/a	n/a	55	71	161	n/a
Switzerland	U.S. $	n/a	n/a	n/a	2,627	n/a	3,833	n/a
Turkey	U.S. $	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Appendix—Sources and Methodology

Defense-specific data, including total defense expenditure, defense investment, and defense R&D, were taken from the Stockholm International Peace Research Institute (SIPRI), the European Defense Agency (EDA), NATO, the Organization for Economic Co-operation and Development (OECD), and the websites and white papers of various Ministries of Defense.

Overall country data, such as currency exchange rates, GDP, GDP per capita, inflation indicators, and purchasing power parity conversion factors, came from OANDA.com, the International Monetary Fund's World Economic Outlook database 2007, the World Development Indicators, and the IISS Military Balance.

We attempted to use as few sources as possible, since different agencies might use different methodologies for calculation. We also tried to keep the source of each individual country's data consistent. Due to the fact that we gathered defense investment data from NATO, the total defense expenditure of NATO countries, except for countries that obtained their membership after 2004, was also derived from NATO's database. Those new NATO member countries and other European countries' total defense expenditure data were collected from SIPRI's database. Most countries' defense investment and R&D spending data came from NATO and OECD databases.

Defense investment here included both equipment procurement and R&D spending. NATO countries' investments were derived from NATO's annual report on equipment expenditure, which uses the same definition we do. Croatia, Sweden, and Switzerland published the annual exchange of information on defense planning from which we gathered their expenditure on equipment and R&D. Austria, Cyprus, and Malta's investments in 2005 and 2006 were collected from the European Defense Agency's defense facts report.

Our data attempted to stick to actual spending. However, data collected from ministries of defense are usually budgetary or projected numbers. We collected the data in local currency value and then converted them into U.S. dollars using the annual average exchange rate from OANDA.com. For some countries that switched to the Euro during these six years, we converted their former currencies into euros to keep their values consistent. For certain countries, such as Romania and Turkey, which switched to a new local currency system in 2005, we calculated their spending in new currencies.

Instead of using SIPRI's numbers, we calculated defense expenditure as a percentage of GDP by dividing total defense expenditure with GDP, which data were gathered from World Development Indicators. Also, to present the spending in constant 2006 numbers, we inflated the numbers by using the IMF's (International Monetary Fund) annual average percentage change in consumer prices inflation. To calculate defense R&D spending per soldier, we used the R&D expenditure divided by the number of active military personnel as reported in the annual IISS Military Balance.

About the Authors

Wan-Jung Chao is a research consultant with the Defense-Industrial Initiatives Group at CSIS, where she gathers and analyzes data on global defense-related spending and assists with research on defense export control reform. Prior to joining CSIS, she was an intern with Bridging Nations, a nonprofit organization dedicated to improving links among India, China, and the U.S.. Ms. Chao holds a master's degree in security policy studies with a focus on Asian studies and conflict resolution from the George Washington University and a bachelor's degree in international relations from the National Taiwan University. She speaks English and Mandarin.

Gregory Sanders is a research associate with the Defense-Industrial Initiatives Group at CSIS, where he gathers and analyzes data on U.S. defense policy issues and has worked on studies of the software industrial base, organizational complexity, federal professional services, and arms export control. He previously worked as an intern for the CSIS Global Strategy Institute, where he focused on long-term global trends. Mr. Sanders holds a master's degree in international relations from the University of Denver and a bachelor's degree in government and politics and in computer science from the University of Maryland.

Guy Ben-Ari is a fellow with the Defense-Industrial Initiatives Group at CSIS, where he works on projects related to U.S. and European technology and industrial bases supporting defense. Prior to joining CSIS, he was a research associate at the George Washington University's Center for International Science and Technology Policy, where he worked on European research and development policies and European network-centric capabilities. From 2000 to 2002, he was involved with collaborative research and development programs for Gilat Satellite Networks Ltd., an Israeli high-technology company in the field of satellite communications; and from 1995 to 2000, he was a technology analyst for the Israeli government. He has also consulted for the European Commission and the World Bank on innovation policy and project evaluation. Mr. Ben-Ari holds a master's degree in international science and technology policy from the George Washington University and a bachelor's degree in political science from Tel Aviv University. He is the coauthor of Transforming European Militaries (Routledge, 2006) and the author of various book chapters and articles.

U.S. Southern Command 1st Annual Regional Golden Sentry End Use Monitoring Forum

By
LT Kevin D. Strevel, U.S. Navy
DISAM

U.S. Southern Command (USSOUTHCOM) hosted the first annual Golden Sentry Regional End Use Monitoring (EUM) Forum in Guatemala City, Guatemala from 9 – 11 April, 2008. Golden Sentry End-Use Monitoring implementation was the central theme of the forum. Representatives from the majority of Security Assistance Offices (SAOs) in Central and South America who have substantial EUM duties were in attendance. Policy experts from Defense Security Cooperation Agency (DSCA) and the U.S. Department of State (DOS) provided policy guidance and training to the SAOs in both the execution of The Golden Sentry Program and partnering with the DOS' Blue Lantern Program. The forum provided a region-specific approach to discuss the multiple aspects of End-Use Monitoring.

Representatives from USSOUTHCOM's Strategy, Policy & Programs Directorate (J5), Dan Case and Keith Ervolino welcomed the forum attendees and stated the importance of the conference and the mission of EUM to regional security and stability.

> USSOUTHCOM was very pleased to partner with DSCA on hosting the first ever End Use Monitoring Regional Forum in Guatemala City, Guatemala. The headquarters had been placing a lot of emphasis on EUM historically, but it always was on a one-to-one basis with each of the Military Groups [Security Assistance Offices]. To have the turnout that we did and the incredible exchange of ideas and best practices among the participants will pay huge dividends in increasing the fidelity of the program in the months and years to come.

DSCA reviewed the Golden Sentry EUM program and explained recent policy memorandums added to chapter 8 of the Security Assistance Management Manual (SAMM) 5105.38-M. This included DSCA 07-14 SAMM policy memorandum, which outlines the procedure for adding or removing defense items from the Enhanced EUM (EEUM) listing. DSCA Policy memorandum 07-15 updates the SAMM regarding section 505(f) of the Foreign Assistance Act (FAA), pertaining to the "net proceeds" from disposal or authorized retransfer of Excess Defense Articles (EDA) or Military Assistance Program (MAP) Assets. The SAMM update recognizes the increasing expense of these disposal efforts in recent years. In conclusion, DSCA policy memorandum 07-20, which updated the SAMM on reporting and EUM responsibilities, was presented to the SAOs on quarterly reporting duties via the Security Cooperation Information Portal.

DSCA trained SAO personnel on the management of the country-specific Golden Sentry program using the Security Cooperation Information Portal (SCIP), a web based application available worldwide with secure access. John Oswald, a SCIP analyst for DSCA, explained the various functions of the SAO Toolbox incorporated in SCIP with a live demonstration of features that aid EUM monitoring duties. The reporting requirements for EEUM and documentation of defense articles in SCIP were highlighted during this hands-on training exercise.

Jill Fong, an EUM Program Analyst from DSCA, reviewed the procedures and timeline for EUM Familiarization Visits and Compliance Assessment Visits (CAV). EUM Familiarization Visits assist the SAO and host country in updating the Golden Sentry Program and developing a compliance plan that is later assessed during a CAV. During a CAV, the assessment team ensures SAO and host nation compliance with EUM requirements. A CAV includes site visits to evaluate facility physical security and accountability procedures.

SAO personnel briefed the status of their country-specific Golden Sentry program compliance to representatives from USSOUTHCOM. This briefing included the status of EEUM U.S. origin defense articles and Military Assistance Program (MAP) assets. A roundtable discussion of MAP equipment reconciliation was facilitated by DSCA. There was a specific emphasis on demilitarization procedures for aging MAP assets, often transferred decades ago to host nation militaries. To wrap-up the round table discussion, DSCA encouraged and received feedback from SAOs on EUM program management overseas.

Department of State representatives from Directorate of Defense Trade Controls presented the Blue Lantern program for EUM Direct Commercial Sales export licenses. This briefing highlighted the procedure for Blue Lantern Checks which compliment the Golden Sentry Program compliance from the U.S. Department of State perspective. Dr. Judd Stitzel, a State Department Officer, summarized the importance of the two departments working together.

> DSCA and the State Department's Office of Defense Trade Controls Compliance have jointly participated in several conferences and outreach visits like the SOUTHCOM EUM Regional Forum during the last few years. Such events have been valuable in many ways for all parties involved. Briefing the Golden Sentry and Blue Lantern end-use monitoring programs back-to-back helps our audiences to understand the similarities and differences between the programs. And getting everyone in the same room sparks conversations about how DoD and DOS can strengthen our collaboration and information sharing about export controls and end-use monitoring.

The cooperative nature of the conference in supporting an intra-agency role for End Use Monitoring was a great opportunity to harmonize the SOUTHCOM region's efforts at this critical mission. All participants received excellent training and sound policy guidance for implementation in cooperating with their partner nations.

About the Author

LT Kevin Strevel is a recently assigned DISAM instructor and a U.S. Navy surface warfare officer. LT Strevel is currently an end use monitoring instructor, and is the SOUTHCOM seminar lead.

Perspectives

Is There A Strategy for Responsible U.S. Engagement on Cluster Munitions?

By
Richard Kidd
Director of the Office of Weapons Removal and Abatement,
Under Secretary of State for Arms Control and International Security

[The following are remarks made at the "Connect Us Fund" Roundtable Dialogue at the Aspen Institute, Washington, DC, April 28, 2008.]

Introduction

The topic of today's session asks the question: "Is there a strategy for responsible U.S. engagement on a treaty involving cluster munitions?" "Responsible" in this case cannot be defined in the singular. The U.S. Government is not a single issue, special interest organization that can abdicate what is a set of responsibilities in the absolutist pursuit of a single cause. U.S. policy is a product of competing interests and competing responsibilities, of balance and of proportion. I will try to address my comments with that perspective in mind.

The most vocal proponents of a ban on cluster munitions fail to mention the very real costs and trade-offs that will be incurred in other areas if such a total ban were to come into effect, costs which will include a decrease in military effectiveness, strains within alliance structures, impediments to the formation of peacekeeping operations, the diversion of humanitarian assistance streams, and the very real likelihood that the weapons used in lieu of cluster munitions could also have significant adverse humanitarian consequences.

In the next ten minutes, I will try to very briefly outline the major U.S. responsibilities that factor into our policy approach on cluster munitions. This is not a transitory issue that somehow magically resolves itself next January. All who are interested in America's role in the world should take note of this as they do calculations as to what the right balance should be.

Humanitarian Responsibility

No country has more to gain in establishing international norms to protect civilians during conflict than the U.S. Given the characteristics of current conflicts, it is critical that the U.S. be seen as doing all in its power to protect civilians. The U.S. has acknowledged that more can be done in regards to the threats posed to civilians by cluster munitions. There is a demonstrated record of improvements being made to targeting, reliability, precision, and information sharing of cluster munitions used by the U.S. The U.S. DoD's current policy is that new types of munitions will have a 99% or better functioning rate in testing. There is an ongoing review of cluster munitions policy, which will make further improvements. The U.S. has also agreed to address the humanitarian effects regarding the use of cluster munitions in the framework of the Convention on Certain Conventional Weapons [CCM].

Yet any steps that are taken to expand humanitarian protections from cluster munitions must be kept in perspective. While I do not want to be dismissive of the harm done to any innocent civilian, we

all need to approach the figures being used by advocacy NGO's [Non-Governmental Organizations] on the issue of cluster munitions with a healthy degree of skepticism. I served as a relief worker in the UN [United Nations] during the 90's, have also walked cluster munitions strike areas in over half a dozen countries, and consider myself very privileged to manage the largest single resource stream in the world devoted to addressing the threats to civilians from conventional munitions. The U.S. Government takes a comprehensive, impact based approach to threats from landmines, small arms, abandoned ordnance, and other conventional munitions. From our work around the world, it is clear that cluster munitions do not represent a true global humanitarian "crisis." When used they can have profound adverse impacts; but these impacts are, when kept in perspective of the broader ban of threats, limited in scope, scale, and duration. The only exception to this being Laos. Last year there were not 400 confirmed casualties from cluster munitions, globally. The number of casualties from cluster munitions has been declining every year since 2003—even considering events in Lebanon. Using best available data, cluster munitions casualty figures are about 10% of the figure for landmine casualties, about 3% of total ERW [Explosive Remnants of War] casualties, and only a few hours worth of annual casualties generated by the illicit military grade small arms and light weapons.

The U.S. Government's humanitarian responsibilities related to the threat of conventional munitions extend well beyond the limits that Oslo treaty proponents would like to put on the debate. Last March an ammunition depot in Maputo, Mozambique exploded, killing and injuring more civilians in one hour than came to harm from cluster munitions across the world in one year. Earlier this month I was in Gërdec, Albania where I visited a munitions explosion site that produced more casualties in one day than have come to harm from cluster munitions in all of the Balkans in the past three years. The real looming global crisis resides in the threat from surplus, abandoned, and improperly stored conventional munitions—not cluster munitions. The attention given to cluster munitions runs the very real risk of diverting limited resources and attention away from areas where, if equal effort were applied, more lives could be saved. In the future, government officials could be faced with the very real dilemma of having to choose between funding political commitments made in a treaty that produce limited tangible results or breaking those commitments in order to fund projects with truly meaningful returns.

Military Responsibility

Like it or not, the rules of physics and chemistry dictate that cluster munitions are the most effective conventional means to destroy many types of military targets spread over an area. They allow for the greatest dispersion of explosive force using the fewest number of projectiles. Using cluster munitions reduces the number of aircraft and artillery platforms that must be used to support a military mission. If a state were to eliminate use of cluster munitions, in order to provide the same level of support to its forces, it would have to spend significantly more money on new weapons systems, ammunition, and a larger logistics train.

Area targets are legitimate targets under international humanitarian law and will remain a feature on future battlefields. Cluster munitions are available for use by every combat aircraft in the U.S inventory; they are integral to every Army or Marine maneuver element and in some cases constitute up to 50% of tactical indirect fire support. U.S. forces simply can not fight by design or by doctrine without holding out at least the possibility of using cluster munitions. Similarly the technological evolution of this weapon continues which will result in a marked decrease in unexploded residue and enhanced safety to civilians.

The U.S. also has a responsibility to thoroughly consider all "what if" scenarios of any potential treaty. One key question that no treaty proponent has yet to answer is "What weapon will be used instead of cluster munitions?" Remember we are not making a policy decision between cluster munitions and nothing, but between cluster munitions and something. What else might that something be? Most militaries will [have to] return to increased use of massed artillery and rocket barrages, increasing the

destruction of all key infrastructure like bridges, roads, and dams. Is this a better humanitarian alternative? This question remains unexplored and unanswered.

Alliance Responsibilities

NATO [North Atlantic Treaty Organization] effectively deterred Soviet aggression for decades, brought peace to Bosnia and Kosovo, and has served as a platform for expanding democracy throughout all of Europe. And now cooperation within NATO is in the crosshairs of the Oslo treaty. The all-encompassing "criminalization" paragraphs contained in the current treaty text, specifically 1 (b) and 1 (c) dealing with assistance to states that possess cluster munitions, will significantly complicate cooperation within NATO. States who sign the Oslo treaty in its current version will be forced to prohibit participation with non-states party across a wide range of activities, reducing or eliminating opportunities for joint training, command, logistics, and intelligence sharing—the very functions that make NATO what it is. For this reason, 22 of 26 NATO states have expressed concerns about these two paragraphs.

Such "inter-operability" concerns are not limited to NATO and include UN peacekeeping missions and, potentially, the provision of emergency humanitarian assistance. All five permanent members of the UN Security Council are either outside of the Oslo process or are vocally opposed to its inter-operability clauses. Major troop contributing states like India, Bangladesh, and Pakistan are also not part of the Oslo process; and they are providing about 41,000 of the roughly 95,000 peacekeepers deployed today. Similarly, a strict reading of the Oslo text would suggest that barriers might exist which would prevent military forces from a non-state party from providing emergency humanitarian assistance to a state party, as was the case of U.S. Marines and Navy forces during the 2006 tsunami.

If needed, finding "work-arounds" to the inter-operability clauses of Oslo will be a task to fall to the next administration and require significant investment of political and human capital into an activity that will detract from other, arguably higher value diplomatic efforts.

Process Responsibilities

Oslo treaty proponents have cited as one of their justifications for undertaking negotiations outside of the CCW that venue's slow pace and moderate agenda. They are right. The CCW process may be slow. And it IS a lot of work, and that IS exactly what is required if there is to be agreement between major military powers. The United States feels very strongly that the world is a better place if a venue exists where states, particularly major military powers, can come together and reach agreement by consensus.

The Oslo process holds forth another model. When the well-crafted media campaigns are stripped away, what exactly is that model; and is it better than the CCW? Well, the text has been written by a small group, in private, without outside vetting or extensive deliberation. The key state supporters of the process, Norway in this case, have established what is euphemistically referred to as a "sponsorship program" that pays states to participate. Over sixty states have taken advantage of this program. (I would note that of the states that care enough to spend their own money, roughly half want significant amendments to the text.). In this process NGO's are given the same prominence as state delegations; and, as reported to us, these NGOs were allowed to heckle state delegations in plenary and surrounding venues, using funds provided by one state participant to attack the positions of other state participants. Is this the kind of international system that any administration wants to work in?

Conclusion

To go back to the central question that was provided for organizing this dialogue—yes there is a great deal that the United States CAN AND WILL do to reduce the humanitarian effects from cluster munitions. But the Oslo treaty is not just a "feel good moment" that can be joined and then forgotten

about. There are very real costs associated with this treaty, and truly responsible action dictates that all such costs are considered.

New National Defense Strategy Emphasizes More Iraq-Like Missions

By

Jason Sherman

[The *DISAM Journal* gratefully acknowledges reprint permission of the following article which originally appeared in *Inside the Pentagon*, May 22, 2008.]

Defense Secretary Robert Gates is set to approve a new strategy that calls for greater emphasis on irregular operations, solidifying in a key Pentagon planning document his recent public admonitions that the military services must shift their focus away from preparing for conventional fights against superpowers in favor of plans for more Iraq-like missions.

As soon as this week, Gates is expected to approve the 2008 National Defense Strategy, which will be made public along with an updated National Military Strategy issued by Adm. Michael Mullen, the chairman of the Joint Chiefs of Staff, according to Defense Department officials.

The two volumes—which sources say will be unclassified once approved—are two of six so-called "gold standard" planning documents, most of which are designed in close coordination with each other, that provide strategic direction for the Defense Department.

Last week, Gates approved two others—the Guidance for the Development of the Force and Guidance for the Employment of the Force. The Unified Command Plan and the Quadrennial Defense Review complete the Pentagon's strategic planning library.

With less than six months before a transition team for a new administration prepares to take the Pentagon's reins, some defense analysts say it is not clear what impact the new strategy will have on near-term decisions, particularly the FY2010 to 2015 investment blueprint being developed.

Sources who have read the document say it outlines a set of global security challenges that Gates believes are long-term problems likely to confront multiple administrations and congresses.

Still, the 2008 National Defense Strategy may be a harbinger of near-term changes the defense secretary seeks to impose in the coming months on both the portfolio of weapons the military acquires as well as the structure of the U.S. military.

On May 13, one day after approving the Guidance for the Development of the Force—the measure against which the military services' FY10/15 weapon system investment proposals will be judged—Gates told an audience in Colorado that the viability of any major weapon system program will be its ability to "show some utility and relevance to the kind of irregular campaigns that . . . are most likely to engage America's military in the coming decades."

The National Defense Strategy, according to sources familiar with it, reiterates a view set forth in the 2005 version of the document that the U.S. military should prepare to deal with an increasingly complex, and dangerous, security environment in which full-scale war against China or Russia or Iran is considered unlikely.

"One of the things I've tried to do in my limited tenure as secretary is focus attention on areas where our military—and the U.S. Government as a whole—need to change to deal with the kind of security challenges we are going to face for the next several decades," Gates told a May 5 audience at the Brookings Institution.

In addition to dealing with violent jihadist networks in Iraq and Afghanistan, Gates said the military must keep an eye on "rising powers of new wealth and uncertain intentions" who are "showing assertiveness on the world stage."

"Rogue regimes continue to pursue dangerous weapons and the means to deliver them," he said. "All these challenges will co-exist alongside the destabilizing scourges of poverty, hunger, disease, economic dislocation, and environmental degradation."

Speaking in Colorado on May 13, Gates said "for much of the past year I've been trying to concentrate the minds and energies of the defense establishment on the current needs and current conflicts . . . to ensure that all parts of the Defense Department are, in fact, at war."

In the same speech, Gates said that in his relatively brief tenure as Pentagon boss he has "noticed too much of a tendency towards what might be called 'next-war-itis'"—the propensity of much of the defense establishment to be in favor of what might be needed in a future conflict.

"But in a world of finite knowledge and limited resources, where we have to make choices and set priorities, it makes sense to lean toward the most likely and lethal scenarios for our military. And it is hard to conceive of any country confronting the United States directly in conventional terms—ship to ship, fighter to fighter, tank to tank—for some time to come," the secretary said.

In addition to current U.S.-led operations in Iraq and Afghanistan, Gates pointed to other recent military conflicts that he believes foreshadow the types of military operations that Pentagon leaders are more likely to confront than major combat operations with a near-peer adversary like China or Russia. Operations in which smaller, irregular forces frustrated larger, wealthier regular militaries—as the Soviets were hindered in Afghanistan in the 1980s and the Israelis in Lebanon in 2006, Gates said.

"Overall, the kinds of capabilities we will most likely need in the years ahead will often resemble the kinds of capabilities we need today," stated the defense secretary.

New capabilities include not only the types of new military hardware that Gates has urged the Pentagon to field faster—like new armored trucks and additional intelligence, surveillance and reconnaissance capabilities—but a wider array of skills to assist foreign nations as they enhance the capacity of their defense and security forces, a responsibility that is extending beyond Special Forces to the general purpose force.

Speaking to future Army officers at West Point on April 21, Gates said, "From the standpoint of America's national security, the most important assignment in your military career may not necessarily be commanding U.S. soldiers but advising or mentoring the troops of other nationals as they battle the forces of terror and the instability within their own borders."

Department of Defense to Equip Lebanon's Special Forces with Small Arms, Vehicles

By
Christopher J. Castelli

[This article originally appeared in *Inside the Pentagon*, April 10, 2008; and DISAM gratefully acknowledges reprint approval.]

Amid U.S. concerns that Iran and Syria are destabilizing Lebanon by supporting Hezbollah, the Pentagon is poised to bolster Beirut's military with new shipments of weapons, trucks, and other gear.

The Pentagon will spend $7.2 million to equip Lebanon's Special Forces with small arms, vehicles, night-vision sights for guns, Global Positioning System devices, and clothing, *Inside the Pentagon* [ITP] has learned.

Under Secretary of Defense for Policy Eric Edelman informed Congress of the details last month, noting the gear will enable Lebanon's elite troops to conduct counterterrorism missions in both daylight and limited-visibility conditions.

The U.S. aid to Lebanon will be provided through DoD's global-train-and-equip authority, also known as the Section 1206 program. The authority lets DoD boost the capacity of foreign militaries, a task traditionally handled by the State Department. This deal marks DoD's first use of the authority this year.

The assistance package for Lebanon was coordinated with the State Department and approved by Defense Secretary Robert Gates and Secretary of State Condoleezza Rice. Pentagon spokeswoman Lt. Col. Almarah Belk said Congress raised no objections, and DoD is ready to proceed with the assistance.

The $7.2 million will come from dedicated funding in the FY2008 defense supplemental appropriations package signed into law last December.

Most of the money, about $5 million, will be used to buy roughly 150 M24 sniper rifles; 150 M500 shotguns; and an unspecified quantity of M4 carbine spare parts, components, and accessories, according to a copy of Edelman's missive reviewed by *ITP*.

About $906,000 will cover the purchase of roughly nine sport utility vehicles, two 5-ton trucks, and five tactical ambulances. Roughly $800,000 will be spent on approximately 150 night-vision weapon sights and 200 hand-held GPS receivers with accessories. And $562,000 will be used to buy clothing, textiles, and individual equipment for Lebanon's elite troops.

DoD expects to have all items on contract or ordered from stock by Sept. 30. The delivery of the gear to Lebanon, which could take 18 months, is not expected to start before May 1.

Last year, through the same authority, DoD provided $30 million in assistance to Lebanon's armed forces, in addition to other U.S. aid for the country's economy, reconstruction, and military.

During a visit to Lebanon last October, Edelman told Lebanese television that DoD would like to create a strategic partnership with Lebanon's army, bolstering the country's forces so Hezbollah has no excuse to bear arms, the Associated Press [AP] reported. Edelman also suggested there should be a peace treaty between Lebanon and Israel, according to the AP.

Vice President Dick Cheney has accused Hezbollah, Syria, and Iran of meddling in Lebanon. He has also downplayed the 2006 Israeli bombardments and ground invasion into Lebanon which, according

to the United Nations [U.N.], killed an estimated 1,200 Lebanese, injured over 4,000, killed four U.N. military observers, and displaced nearly one million people. The Israeli death toll exceeded 140, including 43 civilians; over 100 Israelis were hurt, many by Hezbollah rockets, according to the U.N.

"Hezbollah went through the dust up with the Israelis in '06; they've been completely re-supplied by the Iranians, oftentimes providing materials through the Syrians and then flying materials into Damascus and then taking them by road into Lebanon," Cheney asserted in a March 24 interview with ABC News.

Mike McConnell, the director of national intelligence, told Congress in February that international efforts to ensure free, fair, and constitutional Presidential elections in Lebanon "have been impeded by destabilizing actions of Syria, Iran, and their Lebanese proxies." The rearming of militias in Lebanon and increasing political and sectarian tensions could lead to civil war, he warned in prepared testimony.

Presidential candidate Sen. Barack Obama (D-IL) said in a March 19 speech that "Iran is handing out money left and right in southern Lebanon." Unlike the Bush administration and Republican Presidential contender Sen. John McCain (R-AZ), however, Obama, Sen. Hillary Clinton (D-NY), and other Democrats advocate more diplomatic engagement with Iran.

Appearing April 6 on ABC's "This Week," Sen. Jim Webb (D-VA) said that during the Vietnam War the enemy shot at him with guns made in either China or Eastern Europe.

"That doesn't mean that we should take military action against China based purely on that fact," Webb said. "We developed a diplomatic relationship with China that over the years paid out. And the greatest mistake over the past five years of this occupation is that our national leadership has not found a way to aggressively engage Iran without taking other options off the table."

Education and Training

An Example to Emulate: Teamwork Contributes to the Successful Relationship between DISAM and Australia

By
Christopher Krolikowski
DISAM

"The United States places great value on its unique relationship…with Australia, whose forces stand with the U.S. military in Iraq, Afghanistan and many other operations. These close military relations are models for the breadth and depth of cooperation that the United States seeks to foster with other allies and partners around the world." This statement from the U.S. DoD *2006 Quadrennial Defense Review Report* gives a strong indication why the DISAM was once again invited back to Australia. The relationship between U.S. and Australia is as strong as ever, but the partnership formed between DISAM and Australia Support Office Foreign Military Sales (SOFMS) is equally as strong. This working relationship, to be described in detail, is one that other international partners can strive to achieve and even copy in order to provide valuable training to the intended audience. DISAM courses in Australia have been an annual event since at least 2001 and have evolved to ensure that the following three major objectives are met:

1. Define and describe the U.S. Foreign Military Sales (FMS) process as an acquisition tool for the Australian Department of Defence
2. Define unique Australian Government acquisition policies and procedures
3. Describe how Australian Government acquisition policies and procedures fit in the U.S. FMS process

This year's mission was to teach two Security Assistance Management International Purchasers' Courses for military officers and civilian government employees. Each class was a modified security assistance introductory course with logistics and financial management emphasis.

Mobile Education Team Preparation

The members of the DISAM Mobile Education Team (MET) were Ms. Joanne Hawkins, Logistics Instructor Team Lead, Mr. John Smilek, Technology Transfer/Export Controls Functional Coordinator, and Mr. Christopher Krolikowski, Foreign Military Sales Process/Finance Instructor. Ideally, the DISAM instructor team is selected six months prior to the scheduled course dates. Proper preparation is an essential component for any successful MET, and six months ensures appropriate time for coordination with the host nation and extensive research by the

team. Coordination with the host nation and research of customer programs are not exclusive of each other and, in fact, are interdependent.

In preparation, the team developed a draft course schedule based on Australia's requested requirement to emphasize financial and logistics management aspects. The draft schedule was then proposed to the host nation for review and concurrence. Host nation acceptance/concurrence is important because the proposed schedule included sessions led by both DISAM instructors and Australian Government personnel. Including subject matter experts from the host nation is not always done but should always be considered by the DISAM team and host nation. While the DISAM team will provide detailed instruction on the U.S. FMS process and infrastructure, incorporating host nation expertise helps build a bridge between USG and host nation policies and procedures. Showing the students how both countries' processes compliment each other provides a great advantage to ensure students take away important knowledge and achieve learning objectives. Examples of how Australia's subject matter experts participated will be discussed later.

Additionally, with concurrence, the host nation has confirmed that the schedule includes any unique country requirements in the lessons. The confirmed schedule by the host nation is invaluable for instructors as it serves as the basis for research. Research to support METs should encompass both macro and micro levels of information. Prior to developing the lessons for the MET, the team researched many aspects of Australia's programs. They looked at everything from background information and overall U.S. relations to political history to economic status. This information can be found through many sources, but the DISAM library is a perfect source for general country information. The DISAM library has traditional reference books and texts, but the library also has access to online references. In preparation for the trip to Australia, the DISAM team utilized those online references. Specifically, the following services were utilized to provide a cultural, political, and economic orientation:

- Global Information System (http://128.121.186.46/gis/index.html)
- CultureGrams™ (http://www.culturegrams.com)
- Congressional Research Service Reports for Congress (http://www.gallerywatch.com)

These are subscription research services that can be accessed by contacting the DISAM library at http://www.youseemore.com/disam/.

In addition to these traditional resources, the DISAM team researched current security cooperation issues and programs specific to Australia. The team made first contact with the U.S. Defense Security Cooperation Agency (DSCA) Country Program Director and Country Finance Director of Australia. The directors were able to provide insight into FMS issues raised during the 10th Australia Ministry of Defence Acquisition (ADAC) meeting. Three major concerns were raised by Australia and addressed by the U.S. Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L). This real-time knowledge was used by the DISAM team to bring a real-world perspective to the students. In addition to contacting DSCA, the team contacted the U.S. Defense Finance and Accounting Service, Security Assistance Accounting (DFAS, SAA). The team accessed DFAS' Defense Integrated Financial System (DIFS) to summarize program financial data by individual U.S. military department. The team also accessed the U.S. Air Force Security Assistance Center (AFSAC) International Programs Community of Practice (CoP) and the U.S. Navy eBusiness Suite, Laserfiche for executive summaries of Australia's programs supported by the U.S. Air Force and U.S. Navy. These types of country specific resources, along with many others, are utilized by the DISAM team to ultimately develop curriculum that meets partner specific learning objectives on each individual MET.

Mobile Education Team Execution

The DISAM team arrived in Melbourne on 8 May 2008 to begin their preparation for the course and was welcomed to the SOFMS at the Royal Australian Air Force (RAAF) Williams, Laverton, Victoria on 9 May 2008. SOFMS comes under the administrative control of the Assistant Director-Overseas Procurement and is the centre of knowledge for Foreign Military Sales (FMS) within the Australian Defence Materiel Organisation (DMO). The office is responsible for a wide range of enabling activities in support FMS procurement, including but not limited to:

- The provision of a Help Desk facility for users of the Standard Defence Supply System (SDSS) FMS Module
- Processing and monitoring of Supply Discrepancy Reports (SDR)
- SDSS Data Correction
- Provision of policy and procedural advice for the use of the FMS process by Australian Defence Organisation (ADO) agencies

Spending the day with SOFMS personnel prior to the commencement of scheduled courses allowed the DISAM team a glimpse of the Australian FMS support process and the ability to incorporate those observations into the formal instruction.

Thirty-five students from the Australian Government, Department of Defence, and Defence Materiel Organisation and five students from the New Zealand Government successfully completed the first course hosted in Melbourne, Australia from 12 through 16 May, while thirty-nine Australian students from the same organizations successfully completed the second course held in Canberra, Australia from 19 through 23 May. To open both courses, Mr. Bruce Howlett, the Assistant Director-Overseas Procurement (DMO), outlined the importance of the course in his prepared remarks. He emphasized that FMS is one option to be considered when fulfilling program requirements via procurement and a full understanding of the FMS process helps make decisions in the acquisition process that much easier. He further stressed the importance of adjusting to new management models and the value of education and training to learn alternative ways of supporting the programs of the Australian military.

In addition to Mr. Howlett, other representatives from the Australian SOFMS, Australian comptroller, Australian embassy and freight forwarder, and Navy Inventory Control Point International Programs Directorate (NAVICP-OF) Australian Liaison Officer supplemented DISAM instruction. These experts in their respective fields were integrated into the training schedule so that the subject matter for the Australian processes followed the instruction of related U.S. policy and procedures. Particularly, Mr. Craig Savige provided Australian perspectives on customer interface with the U.S. DoD. Mr. Jim Podmore

provided a DMO (Comptroller) financial perspective. Ms. Anne Burke represented the Counsellor Defence Materiel (CONDMAT), Australian Embassy in Washington DC. Ms. Vi Darling represented the Australian freight forwarder, DHL Global Forwarding; and SQNLDR Tony Birch, RAAF, provided an Australian Liaison perspective to the students.

The Office of Defense Cooperation (ODC), U.S. Embassy in Canberra also provided outstanding assistance to the DISAM team in both administrative and academic support. Specifically, ODC Chief, COL Eric Lorraine, U.S. Air Force, presented a class on the role of the ODC and an overview of the ODC responsibilities and activities to both the Melbourne and Canberra courses. Moreover, the DISAM team received exceptional support from the SOFMS for the entirety of both courses. The success of the courses were a direct result of Ms. Lisa Bubb and Ms. Jan Ryan, who were responsible for requesting, planning, and coordinating the training with DISAM; receiving and delivering the training materials; and assisting the team each day in Australia.

Based on DISAM team member observations, student feedback, and comments from the Australian representatives, the course satisfied the educational objectives and met the mission of providing students with an overview of the Security Assistance program and an in-depth understanding of FMS logistics and financial issues. The instruction, discussion, and audience interaction gave students an understanding of the entire system from both U.S. and Australian viewpoints. As the Australian Department of Defence continues to consolidate their logistics activities under the DMO and with nearly 550 implemented FMS cases worth over $11 billion, the Australian Government has a high demand for understanding Security Assistance and Foreign Military Sales process. Hopefully, DISAM can continue to have the opportunity to provide that understanding, thus nurturing the strong Australian-U.S. partnership. As noted earlier, this type success is not a matter of chance. Early coordination, refinement of course objectives, and customer participation are the keys to ensure the maximum benefit for the students to be trained.

About the Author

Christopher Krolikowski is an instructor of Security Assistance Management at DISAM with a concentration on the FMS Process and FMS Financial Management. His field experience includes work as a defense contractor supporting security assistance programs at the U.S. Air Force Security Assistance Center (AFSAC) and the U.S. Air Force Aeronautical Systems Center (ASC) International Programs Office. Additionally, as a government civilian, he was an Acquisition Program Manager in the ASC, Mobility Systems Wing, FMS New Business Office. He was awarded a Master of Business Administration (International Business) degree from the Wright State University in Dayton, Ohio and a Bachelor of Science (Biomedical Engineering) from Tulane University in New Orleans, Louisiana.

International Acquisition Career Path

By
Jeffrey S. Grafton
Associate Professor, DISAM

An International Acquisition Career Path (IACP) has been created by the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L). Mr. Al Volkman, the Office Under Secretary of Defense (OUSD) AT&L Director for International Cooperation serves as the Functional Advisor for this new career path. Initial execution of the IACP begins in FY09 aligned with the Program Management Career Field.

Background

The origins of the new IACP can be traced back to the Defense Acquisition Workforce Improvement Act (DAWIA) of 1990. DAWIA required the DoD to establish policies and procedures for education, training, and career development for persons serving in acquisition positions. The law initially identified eleven functional areas as containing acquisition related positions. DAWIA requires formal career paths be identified for these functional areas in terms of the education, training, and experience necessary for acquisition career progression.

As a result of DAWIA, a structured three-level acquisition career field certification process is used to validate and record each individual acquisition workforce member's achievement within the certification construct. This information enables appropriately qualified acquisition professionals to be identified and selected to fill acquisition positions with the DoD. DoD Directive 5000.52, Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program outlines the policy on DoD acquisition workforce development. The DAWIA acquisition career field certification standards are published by the Defense Acquisition University (DAU). The current DAWIA acquisition certification standards are accessible from the DAU website at www.dau.mil .

International within DAWIA

DAWIA recognized international acquisition activities by identifying "joint development and production with other government agencies and foreign countries" as one of the eleven functional areas cited in the law. Within DoD, this functional area is commonly referred to as "international acquisition". The area of international acquisition has been problematic in regard to establishing education, training, career development, and certification standards. The reason for this difficulty is that, in practice, international acquisition predominately is not an autonomous career field. International acquisition is cross cutting and could apply to a number of acquisition career fields. For example, conducting a joint development and production with a foreign country requires a team of DoD personnel that possess core functional expertise in multiple areas such as program management, systems development, contracting, logistics, manufacturing, and financial management. As a result, an autonomous international functional career field was not separately established. However, the need existed to insert international competencies within select acquisition career fields.

Core Plus Concept

In June 2007, the Under Secretary of Defense (USD) AT&L directed the development of an international acquisition career path in support of the AT&L strategic goal to achieve and sustain a high performing, agile, and ethical workforce. The terminology used in his direction makes an important distinction. Rather than creating a new international career field, the task was to create an international

career path within the existing functional acquisition career fields. This concept of inserting tailored international competency requirements within the existing career field is referred to as the core plus concept. This approach supports the fact that most of DoD's acquisition workforce will engage the international environment within the context of their primary functional discipline.

Under core plus, an individual acquisition workforce member must attain the existing certification standards applicable to their respective functional career field. This aspect correlates to achieving the core functional competencies necessary to be proficient at the respective functional discipline at levels I, II, or III of expertise. The plus component of the core plus concept is to delineate additional competency components necessary to effectively execute the respective functional discipline within certain specialized environments such as international acquisition.

Program Management—International Acquisition Career Path

As a first step, the USD (AT&L) specified that an international acquisition career path be aligned with the existing DAWIA program management career field. An integrated process team (IPT) was formed to identify the appropriate international competencies necessary for program managers to perform effectively within an international program environment and to develop the requirements of a new a career path for program managers. The IPT includes representation from OUSD (AT&L), Army, Navy, Air Force, Defense Technology Security Administration, Missile Defense Agency, Defense Acquisition University, and the Defense Security Cooperation Agency (DSCA) which is represented by the DISAM.

International Program Management Competencies

Below are the level I, II, and III international competencies identified for the program management career field. Of particular interest to those in the security assistance community, these program management competencies consider both the Foreign Military Sales and international armaments cooperation environments. In initially approving these competencies, Mr. Volkman noted that they may require updating or additional levels of definition as the IACP is implemented and executed. A numbering construct applies to these competencies. Competencies beginning with "1" apply to the International Acquisition Environment, "2" applies to Strategy and Planning for International Involvement, and "3" concerns International Business Processes & Tools.

Table 1
International Program Management Competencies

Level I Competencies	
1.1	Identify statutory, regulatory, and policy requirements
1.2	Identify stakeholders
1.3	Describe International Program Security and Tech Transfer procedures
2.1	Differentiate between a U.S. and an international strategy
2.2	Identify international elements of technology development and acquisition strategies
2.3	Outline proper international technology security considerations
3.1	Describe Pol-Mil principles as part of customer/partner relationship

Table 1 International Program Management Competencies	
3.2	Describe international acquisition management tools
Level II Competencies	
1.1	Identify and apply statutory, regulatory, and policy requirements
1.2	Identify and coordinate with stakeholders to determine common positions
1.3	Use international program security and tech transfer procedures
2.1	Plan an international strategy—both cooperative and security assistance
2.2	Plan and modify technology development and acquisition strategies to incorporate international considerations
2.3	Employ proper international technology security
3.1	Apply Pol-Mil principles to customer/partner relationships leading to signed Letters of Offer and Acceptance (LOAs) or international agreements
3.2	Categorize the technical capabilities of your customer/partner
3.3	Support international agreement negotiation
3.4	Identify international program contracting impacts
3.5	Develop funding strategies for international programs
3.6	Employ international acquisition management tools
Level III Competencies	
1.1	Assess and integrate statutory, regulatory, and policy requirements
1.2	Organize and blend stakeholders' needs and requirements
1.3	Recommend, justify, and defend international program security and tech transfer procedures
2.1	Formulate an international strategy—both cooperative and security assistance
2.2	Critique and recommend technology development and acquisition strategies to incorporate international considerations
2.3	Employ and validate proper international technology security
3.1	Integrate Pol-Mil principles into customer/partner relationships
3.2	Assess and evaluate the technical capabilities of your customer/partner

Table 1 International Program Management Competencies	
3.3	Conduct international agreement negotiation
3.4	Select and evaluate international acquisition management processes

DAU Training for IACP

The new International Acquisition Career Path has three levels of international program management courses offered at DAU. The 2009 DAU catalog, available at www.dau.mil, contains the additional course training requirements for the program management IACP at the corresponding I, II, and III certification levels.

At International Program Management Level I, the three online DAU courses required are: "International Armaments Cooperation" Parts 1, 2, and 3. Each of these online courses is two hours in length. International Program Management Level II requires completion of two DAU online courses: "Information Exchange Program DoD Generic for RDT&E (Research, Development, Test, and Evaluation)" and "Technology Transfer and Export Control Fundamentals." Each course is two hours in length. In addition, completion of two one-week residency courses is required: PMT (Program Management) 202 "Multinational Program Management Course" and PMT 203 "International Security and Technology Transfer/Control Course." International Program Management Level III requires completion of a one-week residency course, PMT 304 "Advanced International Management Workshop."

It is important to note that these mandatory courses for the IACP are in addition to all existing mandatory training requirements for the program management career field. However, the total IACP addition to the existing training requirement for the career field is only ten hours of online training and three weeks of resident training to attain IACP Level III competency.

DAU is continuing an evaluation process of current course offerings to consider potential curriculum changes or additional course development to facilitate the workforce achievement of the desired competencies. Although very preliminary at this point, there has been some discussion to consider the applicability of some training offered by DISAM in the international acquisition career development process.

Practical Value of IACP

The International Acquisition Career Path establishes a formal career path within the overall program management career field. Formalizing the career path systematically with the personnel systems enables two important actions. First, specific manpower billets can be coded as international program management positions requiring individuals possessing both core and IACP qualifications to fill the respective positions. Second, the existing personnel management infrastructure will record each acquisition workforce member's achievement toward both core and core plus certifications. This information will ultimately provide visibility to senior management enabling them to identify and select appropriately internationally qualified persons to lead international programs, thus precluding most problems with international programs rising to the Under Secretary level for resolution.

IACP International Program Definition

For purposes of the International Acquisition Career Path, an international program is characterized by one or more of the following criteria.

Designated an international program/project or high-potential future foreign sales program, either Foreign Military Sales or Direct Commercial Sales, by the USD(AT&L) or Component Acquisition Executive or as further delegated

Associated with a Technology Development Strategy as required for Milestone A or Acquisition Strategy at Milestones B and C with an international system or cooperative opportunity identified

Associated with an international agreement, upon submission or approval of a Summary Statement of Intent or with international agreement entered into force

Associated with an approved Letter of Offer and Acceptance for purposes of international sale, lease, or logistics support of U.S. major defense equipment

Of note, Foreign Military Sales is a factor in defining a program as international. Under this initiative, the expectation is that program managers of all international programs will be selected based on achieving IACP requirements within the program management career field.

IACP Implementation to Other Career Fields

The program management International Acquisition Career Path is just the first step in addressing international acquisition across the DoD. The long term objective is to implement the same core plus approach across the other acquisition career fields. The "plus" international competencies for other acquisition career fields will differ, in varying extents, from the "plus" international competencies for program management. The intent is to complete this process for the other acquisition career fields over the next two years.

IACP Relationship to DSCA's International Affairs (IA) Certification Program

Many individuals ask how the new IACP relates to the DoD international affairs (IA) certification and career development program managed by DSCA. It is important to recognize that these two programs are complementary rather than duplicative. An important distinction between the DSCA IA certification and the USD (AT&L) IACP initiative is the target population. The DSCA IA program is open to all career fields and applies to the entire IA workforce at large. Although the IA workforce does include some DAWIA acquisition personnel, many IA professionals are not in acquisition organizations or acquisition career fields. As such, the DSCA administered IA program's training, education, and experience requirements are focused on IA competencies as a whole rather than having separate individually tailored qualifications for each respective functional career field.

As described in this article, the USD (AT&L) IACP has a tailored focus for each respective acquisition career field. Eligible international acquisition personnel may elect to participate in both programs. More information on the DoD IA program is available at www.personnelinitiatives.org .

Summary

The new International Acquisition Career Path is an important development not only to the acquisition community but also to the security assistance community. Successful execution of security assistance programs, in particular the Foreign Military Sales program, relies heavily on DoD's acquisition manpower, processes, and infrastructure. The IACP will enable the acquisition workforce to become more knowledgeable of various processes and the implications for international programs through improved education, training, and professional development.

About the Author

Jeffrey Grafton is currently an Associate Professor at the DISAM. In addition to teaching, he is also the functional coordinator for DISAM's acquisition curriculum and the focal point for the Institute's "Ask

an Instructor" program. He has previously worked for the Headquarters Air Force Materiel Command, Electronic Systems Center Detachment 16 (Riyadh, Saudi Arabia), and the Air Force Security Assistance Center. He holds a Bachelor of Arts degree in Business Administration from Cedarville College and a Master's of Science degree in Logistics Management from the Air Force Institute of Technology.

DISAM On-Site Courses Bring Foreign Military Sales Awareness to the Workplace

By
Major Barb Ochsner, U.S. Air Force
Instructor, DISAM

The on-site courses offered by DISAM are designed to enhance Foreign Military Sales (FMS) understanding of U.S. Government and industry personnel who are not necessarily assigned to specific FMS or Security Assistance (SA) positions but do work with the FMS or SA community. For example, procurement specialists and program managers at the services' implementing agencies primarily procure and manage U.S. military systems; but sometimes these systems are purchased by foreign partners. These are the folks who most benefit from a two or three day on-site course.

At the request of an organization, DISAM instructors will travel to the organization and teach the very basics about foreign military sales. If there is a particular emphasis for the organization in a specific area, such as finance, training, or logistics, instructors who specialize in those areas will be the ones chosen to participate in that on-site. Also, the instructors will tailor the time devoted to those blocks in class to meet the needs and requests of the sponsoring organization.

DISAM offers specific on-site timeframes as given in the course schedule which can be found on the DISAM website under "Courses". These three-day blocks of time are set aside every year to ensure there are instructors available to conduct the class. DISAM has had organizations ask for out-of-cycle on-sites. These are hit-and-miss; if the faculty is available, DISAM will support the on-site—if the faculty members are already committed to other requirements or the faculty members with the expertise needed are not available, DISAM will offer to conduct the on-site at an alternate time.

All U.S. Government civilians in grades GS-5 to GS-15 or equivalent (all NSPS [National Security Personnel Service] pay bands), U.S. military personnel in grades E-7 to O-6, and U.S. Government support contractor equivalents may attend an on-site (course title is "SAM-OS" [Security Assistance Management On-Site]). This includes personnel in non-DoD agencies. Also, there is an industry ("SAM-OS(I)" [Security Assistance Management On-Site Industry]) version of this course for industries who would like to sponsor an on-site.

The catch to all of this is that U.S. Government organizations requesting an on-site are responsible for all travel and per diem costs for the DISAM instructor team, including local transportation and any special requirements that might arise as well as $23 per student for training materials (which includes shipping and handling). Industry has the additional cost of the instructors' salaries and other inherent costs (such as a proportionate share of retirement, health benefits, etc). This tuition is calculated annually and used throughout the year.

The requesting activity must also arrange for a suitable classroom and teaching equipment which usually consists of PowerPoint projection, white board, and possibly audio enhancement for the instructors (microphones). Also, to use the instructors' time wisely, DISAM requires a minimum of twenty students. We also request the class be kept to a maximum of 40 students. This is to maximize the student's participation in the classroom discussions. The faculty at DISAM have found that discussions between students and instructors in a class with more than 40 students is reduced, which lessens the total learning environment for everyone.

The good news for the students is that members of the U.S. Government acquisition workforce will earn 19 continuous learning points for completing the SAM-OS course as well as meeting the requirement of

an introductory security assistance course for International Affairs Certification. Additionally, completion of the SAM-OS, along with considerable experience in a specific area, can qualify an individual for taking one of DISAM's more advanced courses, such as Case Financial Management (CF), Case Management (CM), and Case Reconciliation and Closure (CR).

One advantage to holding an on-site is the convenience of educating a large number of people in a short amount of time. A disadvantage is that there is only so much information that can be taught in two or three days—the depth of knowledge is not enough for someone who will be working the business as their primary duty. Also courses taught at DISAM have personnel from all over the Security Assistance/ FMS world, and the exchange of viewpoints may be as valuable as the course material taught—this is missing from an on-site.

There are the financial advantages and disadvantages as well. DISAM pays for students attending courses at DISAM (one to two week minimum), and the requesting agency pays for DISAM instruction at an on-site. However, for a large group, the time spent away from the office may be well worth the cost.

On-sites can be a valuable tool when used well. If this type of training will best meet your need, please contact the DISAM on-site coordinator at Barbara.ochsner@disam.dsca.mil or call COMM: (937) 255-8302 or DSN: 785-8302.